

The Age of Access

The New Politics of Culture vs. Commerce

From Markets to Networks

The market economy is indisputably the most venerable institution of the modern age. Nation states have been established to protect its workings and wars have been fought to secure its blessings. Now, this pillar of contemporary social life is beginning to crumble. The new threat to its existence, however, is neither external nor ideological, but rather technological and entrepreneurial. Software, telecommunications, the Internet and B2B commerce are coming together to create a rival new economic system that is as different from market capitalism as the latter is dissimilar from mercantilism. In the new era, markets give way to networks, property rights become secondary to access rights, and the commodification and exchange of goods becomes less important than the commodification of human time and culture.

The coming together of sellers and buyers to exchange physical property in geographically based markets is simply too slow a venue in an age where time is measured in nanoseconds and commercial life operates on a 24/7 basis. With a simple click, companies like Sony Music Entertainment and EMI Recorded Music are able to distribute music to people around the world and exchange whole libraries of songs before a cash register can even ring up the sale for a single CD. Moreover, the new information technologies dramatically reduce transaction costs, virtually eliminating the traditional profit margins on sales related activity. Compare the transaction costs of producing, packaging, inventorying, transporting and merchandising a CD in a market with the cost of producing a single music track and distributing it instantaneously to millions of people, at no appreciable additional cost, in an electronic network. When transaction costs approach zero, market based transactions become an anachronism. That's why, in a hyperspeed network economy, there are no sellers and buyers, but only access providers and their users. Indeed, the very idea of negotiating an exchange of property in a market every single time someone needs something is going to seem frustratingly slow in coming years, just as traditional barter came to be viewed as too slow and inconvenient at the beginning of the market era.

This doesn't mean property disappears in the coming Age of Access. Quite the contrary. Property continues to exist, but is far less likely to be exchanged in markets. Instead, suppliers hold onto property in the new economy and lease, rent, charge an admission fee, subscription, or membership dues for its short-term use. The exchange of property between sellers and buyers—the most important feature of the modern market system—gives way to short term access between servers and clients operating in a network relationship. Markets remain but play an increasingly diminished role in human affairs.

The new software technologies allow for a perpetual flow of feedback activity, turning the economy from discrete market transactions to continuous non-stop access in networks. One pays to be always connected to a steady stream of "just in time"

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experiences. Automobile companies, film companies, music companies, and book publishers no longer just sell the physical product—the car, the film, the video, the CD or the book. Rather, they increasingly turn customers into clients and sell access to the “experience” of driving a car, watching a film, listening to music, or reading a book.

In the network economy both physical and intellectual property are more likely to be accessed by businesses rather than exchanged. Ownership of physical capital, however, once the heart of the industrial way of life, becomes increasingly marginal to the economic process. It is more likely to be regarded by companies as a mere expense of operation rather than an asset and something to borrow rather than own. Businesses are already well along the way toward the transition from ownership to access. They are selling off their real estate, shrinking their inventories, leasing their equipment and outsourcing their activities in a life and death race to rid themselves of every conceivable kind of physical property. Intellectual capital, on the other hand, is the driving force of the new era and much coveted. Concepts, ideas and images—not things—are the real items of value in the new economy.

The Age of Access is likely to be as tumultuous and challenging as the industrial era. There will be great benefits and equally grave dangers and dislocations. For example, the shift from markets to networks makes environmental stewardship a bottom line consideration for companies, for the first time, because in networks the property always stays in the hands of producers and is accessed by users.

This shift from a propertied regime, based on the idea of broadly distributed ownership to an access regime based on securing short term limited use of assets controlled by networks of suppliers, change fundamentally our notions of how economic power is to be exercised in the years ahead. Because our political institutions and laws are likewise steeped in market based property relations, the shift from ownership to access also portends profound changes in the way we govern ourselves in the new century. Perhaps, even more important, in a world where personal ownership of property has long been regarded as an extension of one's very being and the “measure of a man,” its waning significance in commerce suggests a formidable change in the way future generations will perceive of the nature of human nature. A world structured around access relationships is likely to produce a very different kind of human being.

Between Two Worlds

The changes taking place in the structuring of economic relationships are part of an even larger transformation occurring in the nature of the capitalist system. We are making a long-term shift from industrial production to cultural production. More and more cutting edge commerce in the future will involve the marketing of a vast array of cultural experiences rather than just the marketing of traditional industrial based goods and services. Global travel and tourism, theme cities and parks, destination entertainment centers, wellness, fashion and cuisine, professional sports and games, gambling, music, film, television, the virtual worlds of cyberspace, and electronically mediated entertainment of every kind are fast becoming the centre of a new hyper-capitalism that trades in access to cultural experiences.

The metamorphosis from industrial production to cultural capitalism is being accompanied by an equally profound shift from the work ethic to the play ethic. While

the industrial era was characterized by the commodification of work, the Age of Access is, above all else, about the commodification of play—namely, the marketing of cultural resources including rituals, the arts, festivals, sports, games, social movements, spiritual and fraternal activity and civic engagement in the form of paid-for personal entertainment. The struggle between the cultural sphere and the commercial sphere to control both access to and the content of play is one of the defining elements of the coming era.

Transnational media companies with communication networks that span the globe are mining local cultural resources in every part of the world and repackaging them in the form of paid-for cultural commodities and entertainments. The top one-fifth of the world's population now spends almost as much of their income accessing cultural experiences as on buying manufactured goods and basic services. We are making the transition into what economists call an "experience economy"—a world in which each person's own life becomes, in effect, a commercial market

In the industrial age, when producing goods was the most important form of economic activity, being propertied was critical to physical survival and success. In the new era, where cultural production is increasingly becoming the dominant form of economic activity, securing access to the many cultural resources and experiences that nurture one's psychological existence becomes just as important as holding onto property.

In the 1980's and 1990's, deregulation of government functions and services was the rage. In less than twenty years, the global marketplace successfully absorbed large parts of what was formerly the government sphere—including mass transportation, utilities and telecommunications—into the commercial realm. Now, the economy has turned its attention to the last remaining independent sphere of human activity, the culture itself. Cultural rituals, community events, social gatherings, the arts, sports and games, social movements and civic engagements are all being encroached upon by the commercial sphere. The great issue at hand, in the coming years, is whether civilization can survive with a greatly reduced government and cultural sphere, and only the commercial sphere is left as the primary mediator of human life.

The Clash of Culture and Commerce

The absorption of the cultural sphere into the commercial sphere signals a fundamental change in human relationships with troubling consequences for the future of civilization. From the beginning of human civilization to now, culture has always preceded markets. People create communities, construct elaborate codes of social conduct, reproduce shared meaning and values, and build social trust in the form of social capital. Only when social trust and social exchange are well developed do communities engage in commerce and trade. The point is, the commercial sphere is always derivative of and dependent on the cultural sphere. That's because the culture is the wellspring from which agreed-upon behavioral norms are generated. It is those behavioral norms, in turn, that create a trusting environment within which commerce and trade can take place. When the commercial sphere begins to devour the cultural sphere, it threatens to destroy the very social foundations that give rise to commercial relations.

Restoring a proper balance between the cultural realm and the commercial realm is likely to be one of the most important challenges of the coming Age of Access. "Cul-

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tural resources" risk over-exploitation and depletion at the hands of commerce just as natural resources did during the industrial age. Finding a sustainable way to preserve and enhance the rich cultural diversity that is the life-blood of civilization in a global network economy increasingly based on paid access to commodified cultural experiences is one of the primary political tasks of the new century.

Every country focuses much of its public policy on the first sector—the market—and on the second sector—the government—and often take the third sector—the culture—for granted, not realizing the critical role it plays in establishing social trust and making markets and trade possible. The cultural institutions of a society—its churches, secular institutions, civic associations, fraternal organizations, sports clubs, art groups, and non-governmental organizations—are the wellspring of social trust. Because they exist, they make markets possible. In communities and countries that have a strong well-developed third sector, capitalist markets thrive. Where the third sector is weak, capitalist markets are generally more precarious and less successful. Although some neo-liberals and neo-conservatives and most libertarians continue to believe that healthy economies create vibrant communities, in fact, the reverse is more often the case. A strong community is a prerequisite for creating a healthy economy because it alone produces social trust. Interestingly, international lending institutions like the World Bank are just beginning to understand the relationship between culture and commerce. For decades, these institutions have funded expensive economic development projects in emerging countries in the belief that by creating a strong economy, they could help foster social development. After years of only mixed success and many failed attempts, they have begun to shift their priorities to funding social development projects first, understanding that strong communities—a robust culture—are a prerequisite for economic development, not a beneficiary of it.

The 1998 World Culture Report of UNESCO categorizes the increasing tension between culture and commerce in stark terms. The UN agency argues:

The cultural values which identify and link local, regional or national communities seem in danger of being overwhelmed by the relentless forces of the global marketplace. In these circumstances, questions are raised as to how societies can manage the impacts of globalization such that local or national cultures, and the creativity that sustains them, are not damaged but rather are preserved or enhanced.

Bringing culture and commerce back into a balanced ecology, then, is likely to be one of the most important political tasks of the coming age. Assuring a proper balance requires that equal attention be placed on revitalizing local cultures and on securing access to cultural commodities in the marketplace.

Politicizing the Third Sector

Contemporary politics generally divides along a polar spectrum with the economy on one end and government on the other. The culture or third sector, if considered at all, is usually an afterthought. With rare exemptions it is relegated to the sidelines where it plays, at best, a marginal role in the heady decisions that affect the life of the community. That's about to change. To begin with, government, at every level, is pairing down its historic role. Many of its functions have been de-regulated and turned over to the market place. Other functions have been

cut—although some would argue they've been reconfigured and streamlined. Either way, governments are playing less of a role in managing the day-to-day affairs of local communities. At the same time, businesses are becoming less local and more global in their activities and operations. Many are migrating from geography to cyberspace and, in the process, loosening or even severing their traditional ties to geography. Like government, they are becoming less involved in local affairs. The steady disengagement of government and commerce from communities around the world is leaving an ever-widening institutional vacuum. That vacuum is being filled in some cases by a rejuvenated third sector and, in other instances, by an emboldened fourth sector made up of the informal economy, the black market and criminal culture. The real race, in every geographic region of the world, in the coming years, will be between the institutions of the third sector and the fourth sector for control over local geography, in the wake of its partial abandonment by government and business.

For the third sector to prevail, it will have to politicize itself by bringing its various institutions, activities, and interests together in a shared sense of common mission. For that to happen there will have to be recognition of the importance of geography in establishing a common ground.

If the workings of global networks, cyberspace commerce and cultural production represents one side of the new politics of power in the coming century, then the re-establishment of deep social exchange, the recreation of social trust and social capital and the restoration of strong geographic communities represents the other side. The contrarian rallying cry, in an era increasingly given over to short-lived facile connections, virtual realities, and commodified experiences, is, Geography counts! Culture matters!

Only by making local culture a coherent self-aware political force will it be possible to re-establish its critical role in the scheme of human society. Tens of thousands of strong geographically based human communities, knit together internally by embedded social relationships and connected with each other externally by a shared sense of the importance of sustaining cultural diversity, represent a powerful social vision as well as an antidote to the politics of global commercial networks operating in cyberspace.

Interestingly, politicized local cultures are, at one and the same time, both a countervailing force to a global network based economy as well as a necessary precondition for its continued existence. Weaken or eliminate cultural diversity and capitalist markets will eventually tumble because, as already mentioned, social trust and social capital will dry up and no longer be available as a foundation for building and maintaining commerce and trade. If that were to happen, what's left of the capitalist system would find its way to the fourth sector, as is occurring now in Russia, where it would exist largely as an informal or black market economy in an outlaw culture. The pre-requisite, then, for securing access to a global cyberspace economy is re-securing access to and rebuilding diversified local cultures.

A word of caution, however, is in order. Restoring culture can just as easily lead to a new and virulent form of fundamentalism as to a revival of cultural diversity. All around the world today political and religious fundamentalist movements are on the rise. Ultra nationalist political parties, separatist groups, ethnic cleansing movements and religious revivals represent an extreme counter-reaction to the forces of globalization and post-modernization. Fundamentalist movements are an attempt

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to close off communication with a world thought to be sick and sinful. They seek to purge local culture of contaminating influences from the outside world. At the core of all of these fundamentalist movements is a siege mentality characterized by a frenzied effort to defend the true faith—be it ideological, theological or ethnic—against traitors, infidels and other poisonous influences.

Fundamentalist movements are always deeply tied to geography. Indeed, defense of territory is the common thread that runs through virtually every fundamentalist credo. Defending ancestral ground, the Holy Land or the motherland unites people in a life and death struggle against satanic forces. Behind every one of these movements is the idea of restoring order in a chaotic world by re-establishing borders. They represent the ultimate reaction to a boundaryless world made up of global networks and communication flows. They seek constancy in a world of continuous change and attempt to keep the world at bay by resacralizing territory. In an increasingly temporal world, they remain fiercely loyal to place. They are exclusionary in nature and view any form of access as a corrupting influence.

Many observers are worried that a resurgent interest in local cultures must inevitably lead to xenophobia and ultra-nationalist sentiment. That doesn't have to be so. If people everywhere come to think of their own cultural resources and the cultural resources of others as gifts to exchange with one another, the great migrations of the 21st century might help re-pollinate human society and prepare the world for a true period of globalization.

Enriching cultural diversity, in all of its positive forms, is more essential now than ever before in history if we are to advance the interests of global commerce and trade. What, therefore, might be the appropriate rules of thumb for re-establishing cultural diversity as the legitimate center of human life, whether it be in Austria, the United States, or any other country?

First, cultures are alive. They need continuous nurturing by way of infusions of ideas from the outside if they are to flourish. That is why immigration is such a vital and necessary force. Immigration provides the raw resources for the growth of cultural diversity. Without the steady flow of new blood, cultures eventually shrivel and atrophy.

Second, culture is not something one possesses. It's not an acquisition to hold onto. Rather, culture is where people play, where we experience joy and discover our humanity by reveling in intensive participation with our fellow human beings. It is the highest form of human interaction and something to be "celebrated" rather than defended, and "shared" rather than imposed.

Mahatma Gandhi perhaps best expressed the sentiment of many of today's CSOs (civil society organizations) when he said, "I do not want my house to be walled in on all sides and my windows stuffed. I want the cultures of all lands to be blown about my house as freely as possible. But I refuse to be blown off my feet by any." Assuring open access to each other's culture, while preserving the unique features and qualities of one's own culture, is what separates the CSO movement from the various fundamentalist movements. Whichever force succeeds in mobilizing and politicizing local culture around the world will determine much of the politics and geo-politics of the coming age.

The ability of center-left political parties, in turn, both to identify with and promote the interests of the civil society and cultural diversity will be critical in ensuring their relevance and viability in the coming century.