

Department of Sociology public lecture

## Why it's Kicking Off Everywhere

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### Check against delivery

*[Note: the lecture as delivered contains numerous digressions. These are my speaking notes. No reproduction without express permission.]*

Ben Ali was overthrown and fled. Mubarak was overthrown and put on trial. Gaddafi was overthrown and executed.

Kevin Spacey was ... none of the above. But at the Old Vic Theatre, as Richard III last summer, he channelled the experience of the Arab Spring into a riveting portrayal of the lost dictator.

Though Spacey's Richard drew on something new, it was a reminder that this process is not new: the overthrow of a power-grabbing elite; the collapse of dictatorships flailing to a soundtrack of verbose egotistical rubbish, surrounded until the last by courtiers prepared to sing their praises.

There is so much of the old overlaying these times that it is tempting, and entirely rational, to grab hold of it. To think: maybe if we just start reporting the Arab Spring as a subset of that "old" issue – Islam – what's new will go away. Or maybe if we see Occupy Wall Street and ask "what does this mean for Obama's poll rating", the movement can be slotted back into the narrative of Congressional politics.

The most pressing question is not what is old or familiar in the present situation but what is new. In the torture cells of post-Gaddafi Libya, in the anarchist collectives of rural France, in a riot in Syntagma Square you will meet every character from Shakespeare.

The question is: why are they now arrayed in a different order. Why are the weak now powerful: why do the gravediggers and innkeepers sound like philosophers while the kings and princes sound like fools.

To answer this, is to begin to understand why it's kicking off everywhere.

### [CAPITALISM]

It is the greatest economic system ever invented. It has pulled millions out of poverty. It has produced a technological revolution, so that its cities are dominated by unfeasibly tall spears of architecture aimed into the sky. Though constantly embroiled in warfare, it's the most advanced economic system ever. Nothing better can be imagined.

The year is 1345. The system is known as feudalism.

In London Edward III is about to go bust, taking the Italian banking system with him. Edward does a debtor-led default and English feudalism survives. But in Italy, says one contemporary account, only the outsiders, barely acknowledged as economic players, survive: "only usurers and craftsmen" have access to ready cash.

Out of the crisis of feudalism, capitalism is born.

Now we have the “crisis of capitalism”. This very phrase, in the 1970s run in 36 point type in left wing newspapers now runs in 84 point type in the Financial Times.

It's clearly more than a cyclical. It is structural: the crisis of a model, or a regime of accumulation, or an epoch.

Those who fear by naming as a structural crisis it that we are being in some way anti-capitalist under-estimate the resilience of the system. Capitalism's history exhibits long waves, which Schumpeter and above all Kondratieff observed usually end with a slump and social crisis, preparing the way for the rapid deployment of new, epoch-defining technologies.

Out of the crisis comes a new form of capitalism. Sometimes it looks so unlike the old form, its critics refuse to acknowledge it as the same thing.

But any severe crisis also raises the question 1345 raised: maybe, there comes a time in the long-wave lifecycle of a system that the change is so great, so pervasive, so global - that you really are looking at a 500-year moment.

I think that's the best question to ask, economically: is this a 50 year moment or a 500 year moment. I will answer it, provisionally later.

What is clear, at the start is that the model of accumulation is failing. Globalisation, marketisation and financialisation have combined to produce a model in the west based on consumption driven growth, while depressing the real wages of the average worker, impoverishing the low-skilled and bridging the gap with credit. The source of the credit is the trade surpluses, savings mountains and foreign exchange mountains of the producing countries.

Even if you acknowledge, as I do, a quasi “heroic” (as in Ancient Greece) period in neoliberalism - when rising trade, technology and access to finance created the Goldilocks era - it's now clear that since 1999 the same factors that drove stability are creating instability.

From a deflationary role in the world, China becomes an inflationary factor; the Euro, instead of a pillar of stability, becomes an unexploded bomb, “scaring the world” as President Obama put it. The global finance system – whose complexity was embraced on the grounds that complexity equals liquidity, equals stability – now can't properly allocate capital at all. America, which thought by promoting globalisation, it would promote itself, is being socially scoured out.

The result is a cycle of asset driven boom and bust, during which the only constant is that the financial elite gets richer and democracy becomes less and less relevant to economic management; and now, four years into this crisis, we see a pattern of the producer/surplus countries profiting from the crisis of the consumer/deficit countries.

The massive debt accumulated to finance this era of stability will now hang over a prolonged era of instability. Think I'm being too gloomy? Listen to Christine Lagarde.

“Our sense is that if we do not act boldly and if we do not act together, the economy around the world runs the risk of downward spiral of uncertainty, financial instability and potential collapse of global demand. (9 November 2011)

But can discuss the economics another time. What's clear is that the collapse of banking had an immediate political impact. It dented the prestige of high finance and disoriented the power elite.

Suddenly, the old doctrine of Karl Rove – we the elite make reality and you the plebeian outsiders in the so called “reality-based community” are condemned to study it, while we remake it – that doctrine is over.

Once we had decided to bankrupt countries instead of banks, the stage was set for something more than just ideological disillusion. A whole generation of young people across the world has realised that all the promises made in the 2000s are not deliverable.

The curve of their careerpath was supposed to be: study, work hard, you'll have a pension; you'll get credit; you'll get onto an ever-rising escalator of rising asset values; there'll be a welfare state – or in the USA a private medical insurance system – to look after you. The opposite is now true.

This realisation produced an identity crisis for a whole generation. Even if not all the worst-case outcomes are true for everybody, the narrative of the upward curve has disappeared. You could see it in the manifestoes of students and young people as they began to protest, from late 2009 onwards. As the students at UC Santa Cruz put it in their "Communique from an absent future":

"'Work hard, play hard' has been the over-eager motto of a generation in training for...what?—drawing hearts in cappuccino foam or plugging names and numbers into databases. ...A university diploma is now worth no more than a share in General Motors ... We work and we borrow in order to work and to borrow. And the jobs we work toward are the jobs we already have."<sup>1</sup>

The crisis has created a new sociological type: the graduate without a future. It created a dislocation in such people's loyalty to the old narratives of capitalism – work hard, play hard; and then it created in the hardest hit countries in the west a pressing economic reason to revolt.

But the revolution that's under way is not primarily economic: it's about culture, behaviour, personality and ideas.

It was the historian Taine who commented, on the rise of the Jacobins, that – to put it bluntly – if you fear revolution, don't worry about the poor, worry about poor lawyers. The empty lawyer's waiting room; the freezing garret of the notary, the starving doctor, always produces Jacobins in embryo, he wrote.

What it takes to make this into a revolution – wrote Taine - is for all the mouldy barriers in society to crumble at once. He meant law, religion, respect for the monarchy, conservative morality in social life.

This is all too relevant to us. But it wasn't the crisis that collapsed the old barriers: it was the 20 year boomtime of social liberalism, individualism, postmodernist irony and frenetic consumption that the barriers collapsed.

And now in every freezing garret there is a laptop.

[SOCIAL MEDIA]

Mohammed Bouazizi did not set himself on fire because of Facebook or Twitter. The slum-dwellers of Cairo did not join hand in hand, Muslim and Christian, and march to Tahrir and stay there for days because of social media.

To the western media the revolutions in north Africa did initially look like Facebook revolutions because the middle class youth in Tahrir, often western educated, looked and sounded like the youth at UC Santa Cruz; and because they had organised using Facebook. Also because numerous people in Tahrir started holding up placards about Facebook.

The revolutions in north Africa have been social, political and real – not virtual. Likewise, in Syntagma Square, nobody really gives a hoot for Facebook, in part because as we will see they have an analogue version of Facebook right outside their tent flap.

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<sup>1</sup> <http://wewanteverything.wordpress.com/2009/09/24/communique-from-an-absent-future/>

Saying social media caused the revolutions of 2011 is like saying the printing press, or pamphlets caused the English Civil War. If you'd said that to the Levellers in Shoreditch at the time they'd have said: no, stupid, we're doing this because of God.

But the journalist, like the historian, has to look beyond the presented causes and come up with answers that may be at odds with the way participants understand the events.

So while the social media – and the more fundamental technologies that enable them – did not cause the upsurge, they have played a massive role in mobilising the forces to spark revolutions; they've played a big role in overcoming the power of official censorship and propaganda; and they've then hugely changed the dynamics of revolts once revolts begin.

Wael Ghonim's book, *Revolution 2.0*, gives a great worked account of what's changed. He's working in Dubai; he sees the pictures of Khaled Said, the murdered youth in Alexandria, he weeps. He starts the Facebook page "We are all Khaled Said"; it becomes the rallying point for tens of thousands of Egyptian youth.

So the movement that emerges onto the streets – first around Khaled Said, and then in late January in response to the 25 January demonstration callout – is already a network; it's already taken key decisions, by assent, online. It's a complex resilient network of thousands of educated youth.

The regime suddenly realises that it's the uncontrollable information loop – Twitter and Facebook – that has put the masses onto the streets; and that this is what's neutralising the old techniques: the state TV network now looks just stupid; and people are using texts, photographs, websites to tell each other what's going on.

I've written that it makes all propaganda flammable. Why? Because to participate in a social network you have to actually participate: spin doctors on Twitter have this thing they do – putting out little snide, pinched, ungenerous snippets of propaganda – all that happens is they create a closed loop or community of true believers.

By contrast look at one example from the Iranian uprising of June 2009. A youtube video – a woman at a bus stop during repression of a riot. The cops pick on a guy and beat him; the woman in her hijab suddenly breaks out from the crowd and karate kicks the cops. The cops beat her. Then they beat the bonnet of a car in frustration. Then she just melds in with the bus queue.

A social historian, writing as I have done about the Paris Commune or the Jewish Bund in Poland, would pay in gold bars for that kind of microhistorical source material. But today participants can see this stuff in realtime; it's on Youtube in a few hours. You can see what kind of history you are making. You can make fine judgements in seconds; you can short-circuit information loops controlled by the powerful.

People ask – does this really change anything? It's a good question because, as I say, so much in each situation is overlaid by the old; the hierarchical. In Egypt there's still the army, the Muslim Brotherhood; in the USA there's still Congress, the CIA, the cops and their tasers and dogs; Presidential politics.

My answer is this. Give Frodo Baggins a mobile phone and the story of *Lord of The Rings* gets considerably shorter.

Introduce Twitter to any Jane Austen plot; give Richard III a broadband connection and an iPad – just as a mental exercise introduce modern networked communications into any piece of fiction written before 1980 and the story either speeds up or becomes substantially impossible.

We know what social media changes about dating What it changes about protest is as follows:

- networks allow people to assemble as individuals, with limited commitment, protest against a target and then break up. They lower the overhead cost in terms of commitment and make the creation of oppositional hierarchies much less necessary.
- once you are free of hierarchies, and you are empowered by real-time comms, you are also into much more fluid forms. So the basic form of a guerrilla movement, or a Leninist party, or an urban riot does not change much in 100 years. But now you get constant improvisation – the activists in Iran in 2009 called it “wave creation”: they became a learning organism
- to be part of any kind of organising network now in the developed world, you have to conform to the norms of horizontalism. That is you have to waggle your hands in assent; you have to accede to progressive stacking at General Assemblies, where as a white male you are constantly pushed to the back of the queue. You also begin to find this in the developing world – but not so much.
- Opposition movements are going way further than they ever did before to understand non-violence; to build in non-violence and non-hierarchy
- and it means they are having the same effect that asymmetric warfare has had on the military.
- The only problem being – the military can adopt asymmetric tactics; democracies, or half democracies have to switch off the internet, jail thousands of non-violent people as essentially thought-criminals, and ultimately constrain democracy.

#### [THE NETWORKED SELF]

But there’s more. In the book I argue it’s likely the rapid rise of the internet, broadband, mobile telecoms, e-commerce, social media and the erosion of intellectual property rights are changing human behaviour and even consciousness.

It was Manuel Castells who first tried to study this empirically, concluding from a study of internet users in Catalonia:

“The more an individual has a project of autonomy (personal, professional, socio-political, communicative), the more she uses the Internet. And in a time sequence, the more he/she uses the Internet, the more autonomous she becomes vis-à-vis societal rules and institutions.”<sup>2</sup>

Castells proposes on the basis of this the emergence of a “networked individual”.

Early sociologists of the internet, such as Sherry Turkle, suggested that the online world allows the creation of a “decentred self” – multiple selves, living contradictory, parallel lifestyles.

The science writer Margaret Wertheim rejects this, suggesting that cyberspace:

“encourages a more fluid and expansive vision of the one self... [The self] becomes almost like a fluid, leaking out around us all the time and joining each of us into a vast ocean or web of relationships with other leaky selves”.<sup>3</sup>

But these writers - Turkle, Wertheim, Castells – were studying tiny groups of hackers, geeks, multi-user dungeon gaming enthusiasts. That world seems like prehistory now.

With Facebook approaching its one billionth user, and Twitter its half a billionth – social media are reproducing these changes in behaviour across millions of people.

Albeit less pronouncedly – the change is still enough to alter the shape and predictability of

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<sup>2</sup> Castells, M.(2007 Feb 8). “Communication, Power and Counter-power in the Network Society”, International Journal of Communication [Online] 1:1

<sup>3</sup> Wertheim M, The Pearly Gates of Cyberspace: A history of space from Dante to the Internet, New York, 1999

lots of stuff: how rioters move through the street; how mass movements can take rapid decisions while resisiting hierarchy...

[WHAT NEXT?]

The only true answer is: I don't know what next.

It seems pretty clear that the experience of boom, financial bust, sovereign debt crisis and in some countries now slump have basically finished people's tolerance of a model in which the rich elite get richer while the middle class disappears into the poor.

For western capitalism the question is: do you want a narrative of – play by the rules, work hard, study, be entrepreneurial and your life gets better over time and generations?

If so we are probably going to have to go beyond saying to the other side of capitalism – the developing and emerging world, the surplus countries – rather in the tone of Sergeant Wilson in Dad's Army: "would you mind awfully please to stop gaming the system and dragging down wages here; would you be so kind as to rebalance your own economies". Because that has no effect.

The logical neoliberal response was outlined by Tidjane Thiam, boss of Prudential, at Davos. If you want growth you rip up social protection in the west, starting with the minimum wage. Unions, says Thiam, are the enemies of young workers because by defending the wages and conditions of those in work they prevent them being dragged downwards so that youth can be employed on sub-minimal wages.

It's one logical path to follow, but I think most politicians in Europe would see it as suicide. So if it's not possible to combine today's austerity programmes with a parallel reduction in wages and social protection, then the west is going to head down the route of protectionism, economic nationalism (or regionalism) de-globalisation, de-financialisation.

I think, regardless of my preferences, this is what's going to happen if it's a 50 year scale crisis.

A state-ised finance system, slow growth, currency manipulation and outright trade warfare. Then the question becomes – whether the emerging model of capitalism can offer social justice: Roosevelt's America and Hjalmar Schacht's Third Reich were both examples of the statist turn in the 1930s: one collapsed into slavery, the other morphed into the Doris Day era of growth and plenty.

But the most interesting question remains: what if it's a 500 year turning point?

It was Theodore Vail the boss of Bell Telephone Company, who first described the network effect; that the more users there are on a network, the greater the utility, and that this mutual benefit throws off a "third thing" in the form of higher profit for Bell.

Eighty years later Paul Romer wrote his celebrated paper Endogenous Technological Change<sup>4</sup>, proposing that our economy consists not of capital, labour and land, but of people, things and ideas. And that the ideas bit – always seen as external to economic growth – was in fact central.

Romer suggested that this meant:

- a) the market was becoming useless for pricing certain information based goods;
- b) given economies of scale the correct market price – he later used the example of the oral rehydration formula used to save the lives of maybe millions of children in the third world – was zero. Indeed:
- c) there was no possibility of assigning property rights to certain information based

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<sup>4</sup> Romer P, "Endogenous Technological Change" *The Journal of Political Economy*, Vol. 98, No. 5, Part 2 (Oct, 1990), pp. S71-S102.

goods full stop.

While economics is still struggling to get its head around the impact of Romer 1990, we can take it as a fascinating glimpse into what happens if an economy becomes suffused by information goods: only market distorting behaviour by monopolies can prevent info-products from becoming, effectively, valueless.

Social theorists and practitioners of open source – via an entirely separate route – come to the same conclusion. As the internet pioneer Stewart Brand puts it: information wants to be free. We already live in the age of the open-source operating system; produced by freely contributed work; in the age of unspoken blurring between work and leisure – in which, as we all know from our Blackberries, work invades leisure; but as we also all know from our iPhone, leisure invades work.

What does this mean?

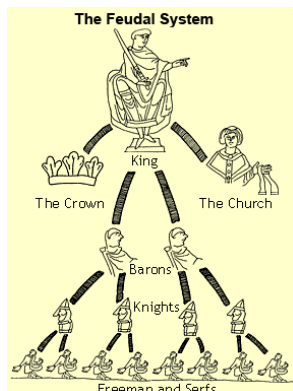
It means the third thing in Vail's theory might not be containable or describable within the world of profit and market prices and property; it might be, as Wertheim describes it, a "free dose of personal wellbeing"; a residue of community left by an act of communication.

Whatever it is, it seems to be what social network users are actually trading when they retweet each other, or Friend each other, or reblog on Tumblr.

And from there it is logical to assume that's what people are trying to recreate, in the fleshworld as its known, when they created tent camps, as with #OWS, or #OLSX or #J14 - with long quiet meetings, decision by consensus only, very carefully defined personal space, norms of behaviour.

So what does it mean if we have info-capitalism digging away at the understood pricing and property forms of the market economy, at the same time as the network effect operating outside the norms of profit-seeking, and we have the emergence of new, non-profit, non-hierarchical forms of economic activity within capitalism?

In 1345, when Edward III went bust, society's goods were allocated by the feudal system: tithes, labour obligations, rigid hierarchies. Here's a picture of the system from a schoolbook: today we understand it as more complex, but this could be how the feudalists themselves understood the system:



But where are the Italian bankers? Where are the merchants and craftsmen who were left over when Edward II busted the banking system? They're not in the drawing. But they are there in history – surrounded by a social silence; ostracism: usury is unlawful and un-Christian until in 1515 the banks persuade the Pope to sanctify 5% interest rates. But it's happening in reality long before.

If you drew a similar hierarchy diagram today for capitalism it would be:

Peasants, slum dwellers, workers, students, management, private entrepreneurs,

shareholders, investment banks, central banks, government, armies. Probably lawyers would get in there too.

But the actual system is more complex and in the process of evolution. The state owns the banking system; the sovereign debt market of much of the developed world is dysfunctional; much of demand is being sustained by central banks whose functions in practice are completely at odds with their formal position in any diagram of the so-called freemarket economy.

There are large markets completely created by treaty – for example carbon; and now there is a big part of human activity where valuing, pricing and owning in the old way is becoming impossible.

This could be a signal that we're at a bigger inflexion point than just the end of a Kondratieff wave.

My provisional position is that it's not: that this is "only" a 50-year inflexion point in the history of capitalism. It feels like there is too much pent up energy and reserve within the market-driven system; though there are exogenous shocks – energy, population, ageing, food, climate change – that could negate the potential.

Either way – whether this is the basis for a new kind of capitalism or something that transcends a market/property based economy - the changes in human behaviour, consciousness, patterns of revolt etc seem to me to be produced by the wider economic and technical juncture.

It's this that gives the character of mass movements, as has been observed, quite a non-leftist feel. They are more humanist than leftist.

Technology and education are producing individuals who value themselves more; place an increased value on individual freedom; and can see the disjuncture between the possible and the actual.

It was Orwell who addressed this in 1942, musing on the fate of a working class Italian volunteer he'd met in the Spanish Civil War:<sup>5</sup>

“The question is very simple. Shall people like that Italian soldier be allowed to live the decent, fully human life which is now technically achievable, or shan't they? ... I want it to be sooner and not later — some time within the next hundred years, say, and not some time within the next ten thousand years.”

All that's really happening – from the slums of Cairo to the campuses of Iran, the cities of Nigeria, among the unemployed youth of Europe – is people are saying: “actually, never mind a hundred years – how about ten?”

**END**

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<sup>5</sup> Orwell G, Looking Back on the Spanish War, <http://gutenberg.net.au/ebooks03/0300011h.html>