

Network Society

Manuel Castells

- A society that is "structured in its dominant functions and processes around networks." (*pg. 148*)
- Diffusion and deepening of the information technology revolution, leading to the restructuring of capitalism and the process of globalization, the surge in nationalism and the crisis of the sovereign nation-state, coupled with his dissatisfaction with current interpretations and theories, are the reasons why he came up with the theory of the Network Society. (*pg. 138*)
- Network Society is structured from a historical convergence of three independent processes (*pg. 139*)
 - The Information Technology Revolution
 - Restructuring of capitalism and of statism in the 1980s
 - The cultural social movements of the 1960s, and their 1970s aftermath.
- Disclaimer: the Information Technology Revolution did not create the network society, but without information technology, the Network Society would not exist. (*pg. 139*)
- Main features and processes of the Network Society:
 - 1. Informational economy (*pg. 140*)
 - Sources of productivity and competitiveness for firms, regions, countries depend on knowledge, information, and the technology of their processing, including the technology of management, and the management of technology.
 - Opens up potential for solving problems, but has a tendency to be potentially exclusionary than the industrial economy if social controls do not check the forces of unfettered market logic.
 - 2. Global economy (*pg. 140*)
 - Core, strategically dominant activities have the potential of working as a unit in real time on a planetary scale.
 - Labor tends to be local, but capital is by and large globalized.

- Characterized by an extremely uneven geography, where dominant systemic interests shift from that of exploitation to structural irrelevance. Exclusion thus occurs.
 - Castells hence proposes the notion of a Fourth World of exclusion, of a generation of non-geographically defined group of workers, living in parts of the world that have little or no access to the information economy.
- 3. Network Enterprise (*pg. 141*)
 - A new form of organization that is characteristic of economic activity, but gradually extending its logic to other domains and organizations.
 - It is a network made either from firms or segments of firms, or from internal segmentation of firms.
 - Examples include multinational corporations, as well as link-ups between small and medium firms that rely on each other through subcontracting and outsourcing.
- 4. Flexi-workers (*pg. 142*)
 - Development of the network enterprise translates into downsizing, subcontracting, and networking of labor, but while it encourages flexibility and individualization of contractual arrangements for the workers, the industrial age concept of job tenure and social benefits associated with a 'permanent' job is reversed; the 'organization man' is out, the 'flexible woman' is in. Individualization of work, and therefore of labor's bargaining power, is the major feature characterizing employment in the Network Society.
- 5. Social polarization and social exclusion (*pg. 142*)
 - Globalization of the economy and individualization of labor weaken social organizations and institutions that represented/protected workers in the Information Age, particularly labor unions and the welfare state.
 - With greater levels of individualization come inequality, social polarization and exclusion.
 - "Black holes of informational capitalism" – the processes of exclusion reinforcing each other. Castells argues that the Information Age does not have to be like this.

- 6. Real Virtuality (*pg. 143, 144*)
 - The new media system is not characterized by one-way, undifferentiated messages, and it is not a global village, but a mass production of customized cottages.
 - Market segmentation and increasing interaction by and among individuals break up the uniformity of a mass audience, forming the culture of real virtuality.

- 7. Politics (*pg. 144, 145*)
 - Without significant presence in the space of media, actors and ideas are reduced to political marginality.
 - People structure their behavior through the media.
 - Media politics needs to simplify the message/proposals
 - The simplest message is an image. The simplest image is a person.
 - Political competition and its weapons revolve around the personalization of politics and the use of negative messaging, e.g. character assassination, scandals, which is reflected today as a predominant form of political struggle.
 - This leads to a loss of political legitimacy, and the loss of citizens' hope.

- 8. Timeless time (*pg. 145, 146*)
 - New information/communication technologies relentlessly annihilate time, compressing it and also eliminating the sequencing of time. E.g. in global financial markets, instant wars ('smart' bombs, 'embedded' reporting), new reproductive techniques, healthcare.
 - Timeless time characterizes dominant functions and social groups, while most people are still subjected to biological and clock time.
 - Effectively, society is struggling to redefine time, between annihilation and de-sequencing on one hand, and the consciousness of 'real' glacial time moving forward eternally.

- 9. Space of Flows (*pg. 146, 147*)
 - Castells defines this as "the material organization of time-sharing social practices that work through flows, something that is dominant force over the space of places in the network society.

- Compared to his notion of the space of places, which continues to be the predominant space of experience, of everyday life, and of social and political control. Places root culture and transmit history, as opposed to how the network society appears to end history by enclosing it into the circularity of recurrent patterns of flows. *(pg. 149)*
- In conclusion the dynamics of networks push society towards an endless escape from its own constraints and controls, towards an endless supersession and reconstruction of its values and institutions, towards a meta-social, constant rearrangement of human institutions and organizations. *(pg. 148)*
- Networks transform power relationships, in addition to existing traditional forms of power, but there is some order introduced: the power of flows in the networks prevails over the flows of power. *(pg. 149)*
- The creation of the network state, and its entire web of political institutions, has increased the dependency on shared cultural codes, in order for the network to be able to process these codes efficiently according to the rules of domination and distribution inscribed in the network. *(pg. 149)*
- The affirmation of identity thus becomes essential, as it fixes meaning autonomously the logic of the network: I am, this I exist. This also affirms the preeminence of experience over instrumentality, of meaning over function. *(pg. 149)*

The New Economy

Manuel Castells

- Defined by Castells as an economy in which companies – or firms or entrepreneurs – around the world are working on the basis of Internet and in which their organizational and innovation logic is embedded in the Internet or related information technologies. It is not just the Internet economy, but also an economy that works through, by and with the Internet and with those things that the Internet represents. The Internet is seen as the electricity of the Information Age, and therefore it embodies all kinds of organizational innovation. *(pg. 150)*
- Based upon the growth of productivity through knowledge and innovation as well as the ability to increase our capacity of knowledge-creation, which is directly supported by new information technologies (positive feedback: between process of knowledge and the application of knowledge). *(pg. 151)*
- Knowledge becomes portable and applicable and knowledge becomes specific to the task and the orientation of the problem that you have to solve at every level. *(pg. 152)*
- Features of the New Economy: *(pg. 152-154)*
 - Ability to develop through information and communication technology knowledge-based, innovation-based productivity growth.
 - Competitiveness operates in a global environment, taking place in a globally interdependent system.
 - Performance is dependant upon a new organizational form, which is networking.
 - Coordination, decentralized execution and the ability to process constant change by adapting to new nodes by combining networks becomes possible due to technology, although technology alone is not a sufficient condition for the change into the New Economy.
- Processes of the New Economy: *(pg. 155-157)*
 - The only thing that counts is what the global financial market thinks of you.

- The process of disintermediation, e.g. development of electronic transactions in investors' trading, transforms the logic of the global financial markets in terms of increasing complexity and volatility, which is in turn related to an institutional technological transformation of the markets – everyone decides to link up with each other electronically and the ability to move large amounts of capital at high speeds is now possible.
- The nanosecond realization of capital results in informational turbulences – e.g. financial gossip becomes a cottage industry, which in turn plays a big part in determining the value of economies, much more so than in the old world. The global financial market no longer works on objective reality, but on the basis of perception.
- Labor in the New Economy (*pg. 157, 158*)
 - Flexibility = the end of stable employment.
 - Labor becomes highly segmented:
 - Self-programmable labor – installed cultural, educational capacity to re-program itself throughout its life.
 - Generic labor – one that simply executes.
- Innovation (*pg. 158-160*)
 - Ability to create new products and processes and to think about new relationships between the economy and society.
 - Is a culture of sharing information, not of hiding information. Open-source movements come into mind.
 - Organizational learning, which happens mainly through networking and internal synergy in organizations.
 - Innovation is increasingly produced by territorial concentrations of production and innovation, which create innovation through synergy. Castells compares Silicon Valley and Boston, where the latter was based on large, vertically organized companies that did not cooperate nor create territorial networks, while Silicon Valley is all based on territorially based and concentrated networks.
- Cities (*pg. 160-162*)
 - Challenges of the New Economy for cities:
 - Individualization and fragmentation of society: good for individuals who already feel 'great', but not for those who cannot afford being 'individuals'.

- The digital divide becomes a cultural and educational divide.
- Multiculturalism
- Territorial divide – ‘disconnected’ places are still present in the global network – current technological infrastructure is creating new electronic spaces, which abandon territorial spaces in conditions of isolation and ultimate marginality in the Information Age.
- We are fundamentally inducing a society of non-sharing in terms of material wealth and shared cultural meaning. A society of individualism is a society that is extraordinarily dynamic, but also potentially an isolated one.
- The restoration of meaning has a very important material dimension and impact in building local identity and sharing in increasingly multicultural societies and cities.

Information Society Theory as Ideology

Nicholas Garnham

- Communication theory and emancipatory social science (*pg. 166*)
- Study of understanding our social world in order, to free humans from oppression, by nature or fellow human beings. (*pg. 166*)
 - Question of social order
 - Obverse of that order, namely that of social reproduction, development or change.
 - Relationship between structure and agency, and how does agency work?
 - What weight are we to place respectively on coercion, the rational calculation of self interest or on legitimizing cultural norms in our explanation of social co-ordination and reproduction?
- We need to see the development of communication and information technologies within the wider history and sociology of technology – genesis, deployment and use. No theory of social communication can bypass analysis of the formation and social function of this group. (*pg. 166, 167*)
- Castell's argument is that the Information Society is technologically determined. Garnham's analysis poses three questions: (*pg. 167*)
 - What kind of explanation is being offered of social restructuring?
 - Does the evidence support such explanations or, alternatively, can we draw different analytical conclusions from the same evidence?
 - Whether the processes identified are sufficiently novel to justify the claim that we are entering a new era of informational capitalism, the network society and the information age?
- Garnham rejects Castell's claim that we are entering a new information age characterized by a new mode of production, informational capitalism, and a new global social structure, the network society. Garnham argues that the technologically determinist theory of communication has become the theory of society with a vengeance. (*pg. 168*)

- Productivity (*pg. 169, 170*)
 - Problem for the Information Society thesis is that the model of productivity is essentially thermodynamic – the labor theory of value works as a model for the process so long as labor time is largely a matter of energy expended and consumption largely a matter of energy reconstituted or saved.

- Impact of Information and Communication Technology (ICT) (*pg. 170*)
 - Direct; product and process innovation on material production.
 - On productivity through the impact on organization of production.
 - On the informational mode of development

- Theoretical knowledge (*pg. 170*)
 - There is an ambivalent shifting between explanation in terms of information and communication technology and its impact on the organization and output of material production on the one hand, and an explanation in terms of the information, where they key source of increased productivity and added value (these are often confused) is what is described as 'knowledge working on knowledge'.
 - Knowledge production is further define by Garnham in three distinct states:
 - Raise productivity in the material production process
 - Improve quality of the product/service
 - As a source of competitive advantage via product or service innovation.
 - Argues that Castells fails to distinguish the role of innovation within inter-firm competition and its role in enhancing system-wide productivity.

- Informationalism (*pg. 171*)
 - It is competition that drives innovation and productivity growth across the economy as a whole.
 - The increased openness of national markets will induce a temporary rise, however, the resulting competition for global market share is like to create oligopoly (a state of limited competition, where a market is shared by a small number of producers/sellers) at a higher level, and therefore the system as a whole does not become more competitive.

- The role of networks (*pg. 172-174*)
 - Exaggeration of the novelty of networks as forms of social and economic organization within which power is exercised, and thus at the same time exaggerate both the extent and the novelty of the impact of ICTs.
 - Garnham claims that Castells failed to understand the long term nature of the capitalist market system, and thinks that “capital can induce production and that value can be created within the autonomous flows of capital on a global network without passing through a process of real production and consumption.” (*pg. 173, 174*)
 - Castells’ failure to see that markets have always been networks also leads him to overestimate the significance of the network enterprise and the role of circulation in relation to production.

- The network enterprise (*pg. 174, 175*)
 - Not the technology, but the social relations of production that determine the network – the informational mode of development is developed for and put at the service of a set of property relations and the goal of accumulation, not vice versa.
 - Networks are essentially collaborative rather than competitive systems.
 - However, using a network for the mutual exchange of information with seamless interconnection of all with all is inherently incompatible with using the network as a technical infrastructure for competitive market relations. For example, daily papers publishing online versions on the Internet and charging subscriptions soon gave way to a more open, collaborative news collective such as digg.com.

- The end of class struggle (*pg. 175. 176*)
 - Problem with the argument of a faceless collective capital is that it neglects the problem of human agency. Even if we accept a structural argument concerning the determining effect of the logic of capital, we are left with the problem of how this is operationalized in the actions of individual human agents.

- Labor (*pg. 176, 177*)

- Is the picture of the restructuring of labor relations realistic, and if so, is it a new phenomenon and are the conclusions drawn in terms of the changing nature of global power relations justified?
- The networker (*pg. 177, 178*)
 - Castells' opinion is that the networker is seen as a technologically determined social role, but at the same time the potential hero of a new, freer and more flexible social order, which would or will supersede capitalism. Garnham however claims that it is not an argument for a new era, but for a continuation of a long struggle between capital and labor within the labor process, of the separation of mental and manual labor (Beninger's Control Revolution).
 - Shift from energy to brainpower does not necessarily change the subordination of labor to capital.
 - The need to distinguish types of mental labor. Each has different effects on the overall economic system and have a socially mediated relationship to the production process (e.g. education).
 - There is a need to distinguish between the indispensability of a certain factor of production – in this case information workers – and the exercise of strategic power.
- The superstructure (*pg. 178-180*)
 - The superstructural effect comes via the labor process and the resulting restructuring of the local division of labor, and of the relationship between geographical territories or places that results.
 - We see a close relationship between Information Society theory and the postmodernist stress on the culture of difference, the politics of identity and social movements.
- De-massification (*pg. 180-181*)
 - Restructuring of work has created individualized workers who then demand a more individualized cultural product.
 - On the other hand, due to the revolution in ICT, lowering the cost and extending the range of alternative distribution networks has massively extended the range of choice open to cultural consumers, and fragmented the audience. This extended choice and fragmentation is then seen as liberating.
 - Problems with this de-massification thesis:

- Empirical: is it in fact taking place, and if so to what extent?
 - Causal: is technological change in the system of distribution a cause or necessary condition of the restructuring of the audience?
 - Rather than point to a technological process of de-massification, historical evidence supports the idea of a continual dialectic within cultural production and consumption between massification and fragmentation, between the general and the particular; a dialectic inflected by technological change certainly, but not determined by it.
- Real Virtuality (*pg. 181-182*)
 - Garnham argues that communication takes place in and through symbols, but it is neither exclusive nor even mainly about symbols. A large part of any life is involved in engagement with non-symbolic realities, including other human beings, and symbols are used to communicate about, to represent, to reflect those realities.
- Garnham's conclusion is that his argument that the serious, concentrated analysis and critique of Information Society theory has been place unavoidable at the centre of the concerns of scholars of communication by history itself, and has become the dominant ideology of the current historical period. (*pg. 182*)