



## Reading Resources: Set 1

### Reading 2

Title

**'Interview with Manuel Castells'**

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## Interview with Manuel Castells

*Social Science. Berkeley, USA (September 1998).*

*DNW (Bregtje van der Haak): What do you think the role of social science is today?*

**Manuel Castells:** I think social science is more necessary than ever, because we really need to understand the world. I think it's essential that people understand what's going on. My problem with many social scientists is that they reach conclusions before they analyze. There is too much ideology in social science today. I have been a social activist all my life and I care about many causes but I try to keep very separate what I research and what I do as a person, as a social activist, because the role of social science is to be good social science, rigorous, empirical social science, providing an accurate analysis of what's going on in the world. This is the main role of social science. We have to use our skills and our institutions to provide people with an accurate understanding of what is going on in the world. Most social sciences today are not about the world, but about social sciences. They are books about books, formal theories with no relationship whatsoever to the world. Even economics is organized around formal theories. The relationship with what happens in the financial markets is really remote. Real economics is now only taught in business schools. I do think that, because the world has changed so radically, the models we have do not grasp our new reality. Social sciences at this point are in general obsolete. They are not proving us with the tools and data we need to understand this New World. Therefore we need an extraordinary effort to develop social sciences, not to change the world, but to understand it and let other people change it.

### THE SPACE OF FLOWS

*DNW: In your trilogy 'The Information Age' you write: what is distinctive of the new social structure is that most dominant processes organizing power, money and wealth are organized in 'the space of flows', whereas most human experience and meaning are still locally based. Can you explain what 'the space of flows' is?*

**MC:** The space of flows is where your savings are. You think your savings are in the bank, but they are not. They are moving around electronic circuits constantly, trying to make as much money as possible. The systems are located in some financial centers like Tokyo and Amsterdam. The space of flows are all these centers linked through computers and organized in a global network. The same is true of media and also political institutions right now. The space of flows is something that is not anywhere, and it is everywhere. Everything that matters to you in terms of the forces that shape our lives is in the space of flows, like money, political power and media. Probably not what matters most to you: your friends, your loves, your family, your culture, your identity, your neighbors, all this is still localized in your country, in your town, in your home. But all this on which your life depends is in the space of flows. Most things that tell you who you are however are still locally based.

*DNW: What is new about this age which you call The Information Age?*

**MC:** It's information technology, that's what is new. The kind of information and communication technologies we have today make possible that the core of the economy of the whole planet works as a unit. We always had an international economy, but what is new is that this economy is managed as a unit around the planet in 'real time'. While we are talking, our money and the money of our governments is being managed around the planet and this is new because only in the past 15 years the technologies, which make this possible, have become available. Because of this, information has

become the main source of power and wealth.

Networking is also a very important characteristic of The Information Age. Networking refers to companies, to people, to media and to governments, using flexible linkages organized by informational technologies. For example, governments work more and more in collaboration with other governments and supranational institutions and together they form what I call The Network State. It's not the traditional nation state any longer, but also does not mean the disappearance of the state. It's a new, flexible form of state.

There is no centralized power any more, some people are richer or more powerful than others, but you can not define one center of political or economic power any more. Even the US can not operate militarily on its own. Some companies are very rich, but they can loose their billions of dollars just like you and me.

We have created an automate. The global, financial system is an automate. All science fiction is about Frankenstein, who eats us for breakfast. Well this doesn't happen; robots do very limited things. We're not there and we'll not be there. But we have created a different automate, a virtual automate. The global financial market is an automate that does things by itself, that doesn't even know why it does it, but affects everything.

There is no discernible rule, which governs the global economy. It is affected when Russia goes bad and when Monica Lewinsky talks. So we are in a world of turbulences of information in the financial markets and in the media and therefore these phenomena are uncontrollable by anyone. On the other hand, the ability to influence the minds of people, changing the way we think, usually through the media, is the real source of power in our time.

#### THE POWER OF IDENTITY

*DNW: What role do the media play in this battle for the minds?*

**MC:** The media play a decisive role, not as a source of changes, but as a vehicle of transmission of any ideas that connect to people. People receive most of their information through the media. So the media has become to a large extent the space of politics, the space of social struggles, the space of political change. What doesn't go through the media, usually becomes marginal, because it doesn't reach people. Without the media it's very difficult to make people aware of anything. It doesn't mean the media 'control', because everybody uses the media and the media reflects different interests in society.

*DNW: Has the global media system produced a universal, world culture?*

**MC:** On the contrary, we are experiencing an extraordinary revival of ethnic, religious, local and national identities. The more we go into a global economy, global politics, global control of media, the more we go into this global world of wealth and power, the more people decide that, since they can not control what's going on up there, they organize themselves in terms of their primary identities. They say: 'At least my God is not going to be dissolved in global flows. My neighborhood is my neighborhood. Any flows landing here will have to ask for my authorization or at least for my consent'. This is not simply theory. What's happening is: we have an incredible revival of religious and ethnic identity. The real contradiction in our world is between global flows of power with no culture, no identity, no democratic accountability on the one hand and people retrenching themselves in their cultural communes as a source of meaning of their life.

In between, the institutions of society as we know them are becoming absolutely weakened. They can not control the global flows of power and wealth and they can not represent the plurality of identities, because the essence of the state is to create citizenship, regardless of all these different

identities. So that's the fundamental crisis in our world: the crisis of political institutions, global flows that are uncontrolled, and communalism, even if it has some positive sides in terms of identity, as a source of meaning and protection for people. The new social movements are not necessarily opposing globalization, but they are saying: we don't want to lose control of who we are. For example, there is a very strong resistance to emergence of EC on the basis of identity, rather than purely economic or political grounds.

The problem with communalism is that, if there are no bridges between the communes, if from my religion I can not talk to your religion, if from my community to your community, I can not talk, then we don't have a society, but tribes. So we now have a world that is global and tribal at the same time.

*DNW: At the same time there seems to be a trend towards individualization.*

**MC:** There are two kinds of identity being redefined in the world: collective identity and individual identity. People are increasingly also organizing themselves as individuals, constructing their own identity with independence from the state, economy and institutions. I would say that, in general, people who have a high level of education and access to cultural and personal resources, tend to construct themselves as individuals. On the other hand, people who have little chance of surviving, or defending their interests against global capital flows, tend to seek refuge in these communal identities. So people either construct their identity on different communal grounds or organize their lives counting on themselves and their network of friends as individuals.

However, in both cases what's happening is that this identity is being defined defensively, leading to a very serious crisis of political institutions and social organizations.

*DNW: Are our governments no longer able to represent us?*

**MC:** They are able to represent us, but they are no longer able to solve our problems. The national government is now simply one government in a broader system of European governments, which has itself a complicated relationship to the global flows of capital. So there is democracy, which is a very important thing, but once we elect our representatives, they have very little capacity to really influence the events along the lines of what they promised to do. The relationship between whom I vote for and what he or she is able to do for me becomes very indirect. Therefore, more and more, elections serve to punish representatives, rather than to agree with them. People vote against, rather than for. We are seeing a growing voiding of representative democracy in the sense of the ability to make a difference in our lives. It's not that democracy is finished, it's only that relationship between political representation and what happens in my life is more and more remote and indirect. If everything that really counts and organizes our lives is global, then there is a gap between the processes which organize our world and the power of our political institutions.

My hope for restoration of democracy is that people still believe in the local government. It's more flexible. It's dangerous but positive at the same time. Because local parties refer only to the local community, they undermine the trust in national and international institutions, but on the other hand, this is a point of reconnecting for all those people who condemn the institutions. It could be the beginning of a reconstruction.

*DNW: Is this mistrust of political institutions new?*

**MC:** It is new, because only in the last 15 years we have created an infrastructure which has allowed this to happen. It's not that technology has created globalization. Globalization has emerged from the need that capitalism had -after the 1970s- to reorganize itself in a more efficient and less humane way. It's not that technology has been the source of our new global system, but technology

has been the tool that has allowed capitalism to reorganize itself into a global system which is more efficient and better organized for those who have value.

The problem with technology is: it reflects us and we are not really nice people, so if we're real nasty this technology is going to show it and produce many terrible consequences. If we address our psyche, our political institutions, our way of life and our relationship to nature, if we are able to change, then technology has incredible potential to empower us. So here is the problem: today we have the most extraordinary tools which can be either used to help us or to destroy us. Right now, we're doing the second. So, the crisis is not that we are collapsing, the crisis is that while we are having a very dynamic economy, we are not integrating in this economy our societies, cultures and political institutions. It's this gap we're suffering as a crisis, at a moment that we should in fact be rejoicing.

## THE FOURTH WORLD

Globalization, through networks that are technologically connected, links up everything that's valuable in the world and switches off everything that is not valuable. So we have, at the same time, a highly connected, very valuable core of the economy and increasingly disconnected segments, territories and people, who are becoming marginalized, who are simply irrelevant to the logic of the system. It's dualisation on a global scale, but not anymore between north and south, but between what I call the First World and the Fourth World. The First World is where we are and the Fourth World can be the next door neighborhood. We are involved in a process of both integration and exclusion, simultaneously, throughout the world. We can do this now because we have the technological ability of connecting and disconnecting the system. It's not simply rich and poor, the tale of two cities, it's in and out, a new situation, in which large segments of the population are totally irrelevant.

To become irrelevant is worse than to be exploited. I've said that one day we may regret the good old times of exploitation, because, at least, exploitation is a social relationship. I work for you, you exploit me, I probably hate you, but I need you and you need me because that's why you exploit me. It's a different from saying: I don't need you. I can do things by myself, with my computer, I don't need you, go to hell. That's a very different thing because, if there is no exploitation, there is no social relationship, that can be fought. I don't have an enemy. I can just blow the whole world up or blow myself up. I don't have an enemy, I don't have a partner, I don't have a relationship. The nice, well-organized working class struggle of the nineties was a meaningful struggle about clear things that made sense. This doesn't exist anymore. So the whole thing is really ready to explode, but not in terms in revolution. Explode in any sense, in the sense of: I can not take it anymore and I don't know what to do and therefore I will just explode, as an act in itself!

Together with my friend Henrique Cardoso (president of Brazil - BvdH), I wrote a book called 'The Global Economy' (1993), which proposed the idea that, for the first time in history, many people are simply irrelevant from the point of view of the system. They have no value as producers, not enough education, and at the same time, because they are poor, they also have no value as consumers. And since there's no more geopolitical friction between superpowers, they are not even political pawns. So who cares? If they'd disappear it would be better from the point of the view of the system. But even if people realize they shouldn't be there, they are there. They DO exist. They can not be written off. In many cases, this is leading to social movements, driven by all kinds of communal defenses against the outside world. They can take the form of religious fundamentalism, but it can also mean defending your local turf against the outside world and these absurd events that we read in the press, about someone being killed because he crossed the line because it was turf of the other gang, well it's absurd and it's not. It's certainly human. It means that for some people, the

last thing they have is their street. And if you cross the line without their permission, you're violating their last remnants of dignity.

### THE PERVERSE CONNECTION

We are processing this desperation of large segments of the population in terms of global crime. It works like this: because a large segment of human kind is excluded of the global economy, Mafia's of different kinds -which are among the most important capitalist groups- are using the desperation of these excluded territories to organize one of the most important global businesses today, which is the global criminal economy. I mean drug traffic, but also arms smuggling, trade of nuclear and bacteriological material and even human organs are being traded on a large scale today.

All these criminal activities are organized around money laundering: transforming dirty money into money invested all over the world. The UN estimated that 750 billion dollars a year is laundered. This is 50% more than the total oil trade in the world. It is approaching the GDP of California, which is the third largest GDP in the world. This is what is happening. This global criminal economy -which everyone is talking about, and no one is taking seriously- is having an absolutely devastating effect on the stability of our economy. All this dirty money is in the global economy and has only one goal: move constantly! From one currency to another, from one country to another, in order not to leave any traces. That's what I call the perverse connection: on the one hand, people are excluded from the global economy, but since they exist, they are reprocessed under the form of criminal deals. The consequence is that, instead of a global society of world citizens in which everyone is happy, jogging, eating grilled salmon and listening to new age music, we have only a very small world of 'globopolitans', retrenched within the space of flows, which controls 2/3 of global wealth and all of technological skills. The illusion is that this class of highly developed and educated people can ignore the rest of the world. They eliminate all the real problems from their world, that should be neat, efficient and well organized.

### UNPREDICTABILITY

So broadly speaking we have this global elite of creative people connected to each other. On the other hand we have large segments of social exclusion (2/5 of the world's population lives with less than \$2 a day) and thirdly, in Europe and in the US, we still have a large middle class: people who have regular jobs, a decent standard of living, and who are used to predictability of their lives. So what's happening here?

I think the main problem for the richer countries is going to be the growing unpredictability of our lives, the need for everybody to change constantly work and life patterns. There is a big transformation of work. The traditional pattern of stable jobs, of working with the same company for most of your life, this pattern is finished. The flexibility of constant changes in demand of the global economy requires that people change jobs, tasks and qualifications constantly. We're going towards societies in which temp jobs and subcontracting are going to be the rule, not the exception. In fact, part of the economic miracle of The Netherlands is related to the fact that you have the highest percentage of part time workers in Europe. This is an extraordinary revolution. The industrial revolution meant taking shop keepers and crafts men from their jobs and socializing them in large organizations and factories. The information age is the opposite: dismantling these large organizations and reorganizing them into networks in which individuals circulate, changing jobs, tasks and assignments throughout their lives.

Well, this is the end of certainty, this is the end of predictability, the end of thinking: I finished my studies and I'll find a good job, organize my life, get married. Everything is up in the air now. For good and for bad, depending on many factors for each individual. The world as we used to know it

is gone. And to be able to manage uncertainty and redefine ourselves in terms of jobs and family, it's gonna be very good and creative and exciting for those with the personal skills to do it, but for those with weak points in any of those fields it's gonna be a very terrifying world because it's incomprehensible and uncontrollable.

## FAMILY

The family is also changing. Women have been accepted into the workforce in large numbers and the family as we used to know it is really crumbling down. I don't say this with joy. I think it's a very serious problem. In the US, the proportion of households with father, mother and children is about 23%. The proportion of households formed by one person is 26%. The family that we used to know in the US has already collapsed. In Europe it's a bit different. However, those countries where women have changed, but the traditional family pattern hasn't, the response of women has been not to have children at all. They say: okay, if that's the case, you have the children by yourself. Italy, Spain, these catholic countries have the lowest birth rate in the entire world and in Europe overall, it's way below the reproduction rate. So one of the manifestations of the crisis of the traditional family is that, unless we find new forms of relationships between men and women, the European human species will be finished.

## EDUCATION

We have more education than ever, more technological skills than ever, more communication than ever. In principle, we are on the edge of an age of personal enrichment, because of our unprecedented access to information. I think Internet is going to change people's lives. The most important thing right now, in terms of education, is the capacity to reprogram yourself. What I see as the main cleavage in the labor source is between self-programmable labor and generic labor. Generic labor can be replaced by a machine or a worker in a lower cost country. This type of worker increasingly will have great difficulty to adapt to information economy. What I call self-programmable labor is someone with the skills to find the skills he or she needs in a particular moment for particular tasks. Vocational schools are increasingly from the past because if you learn how to operate a machine today, it will absolutely not be the same machine five years from now. Not only will the machine be more perfected, but it might simply not be there. We may do it online, or whatever. So the one key capability we have, since we are the best computer is history, is the capacity to rewire ourselves and to have the knowledge about where to find the knowledge to fulfill the task we want or need to do. That means education, but not any kind of education. Much of our current education is in fact warehousing of children since there is no adequate childcare system. I'd say the most fundamental policy today should be to completely transform our schools to produce not only good workers, but intelligent people with all kinds of possibilities, using the technologies we have as a tool. This capacity to adapt to the world and make the best out of it, is what probably many many people in this middle class still don't have. It's not too late however, if we use other capabilities like Internet and new media to retrain them. When I was in a European expert group, I proposed something that was considered too provocative: a massive literacy campaign by young people between 12 and 18, educating their parents and grandparents how to use the computer. So we do have the possibilities, but our ultimate goal has to be to bring up the level of education of entire population so we can handle the new system

## SAFETY NET

We have to separate the safety net provided by the firm and the safety net provided by the society at large. It can not be the firm anymore, which provides the safety net. European firms can not continue to take the burden of this kind of very generous welfare system, when they are competing in a global economy with other countries that do not have the same workers rights. It's

unsustainable. It's only sustainable on two grounds. One is to renegotiate a global social contract. Only by raising workers rights in the entire world can we afford to have the same social benefits in Europe. Secondly, we really need to unleash productivity, so much that society at large, not only the firm, can cover social benefits. I think it's a big mistake that companies still have to pay for social benefits, because it's like a tax on job creation. The right mechanism to secure social welfare should be: dramatic improved productivity, then collection of part of this productivity by the government and, lastly, distribution of social services in a much less bureaucratic way. In the next ten years we'll see a complete restructuring of the welfare state. Unemployment, health, pensions, worker stability, all these matters have to be redefined. It would be very stupid of firms to take advantage of the situation and get rid of worker benefits and become like the competitors in South East Asia. That's the most stupid thing, because you have to invest in the creators of value, the sources of information, which are the workers. If workers are disaffected, productivity will go down and we'll all be worse off. So the idea is to find a new social contract that brings together productivity, social welfare and stability. That's going the issue of the next decade.

## CHILDREN

All over the world, children are being massively neglected. In 'normal' families they're not being paid attention to, because everybody is working. As soon as they come home from school, they are thrown in TV or videogames. Many people say kids are influenced by violence on TV, but all children will prefer the attention of an adult or other kids to watching TV. It has become a way of calming them down while we do other things, so their main teacher becomes television. More and more, children are being neglected by their parents and by society at large, which is constantly decreasing its investment in child care. In the US, it's simply a scandal, there's no childcare, and then we are devastated because children start shooting each other. This is the good news. The bad news is that in large parts of the world, children are being traded as commodities. We have a global sex business aimed at children. In countries like Thailand and Malaysia, hundreds of thousands of children are being transformed into prostitutes and porn models. Also in The Netherlands. We are having children used not only as prostitutes, but also as sex objects, drug peddlers, beggars and soldiers throughout the world. Many of the African wars are being fought by twelve-year-old children, killing each other. In Latin American shantytowns children are living without a home by the thousands. In Rio there is an interesting children's game, trying to jump over the electric wires of the trains, of course some times missing and being electrocuted. But so what? That's life, apparently. So the way we're educating our children is wasting them, worldwide. At different levels, between neglecting them at home or killing them or prostituting them, we're creating a horror human kind in the most extraordinary time in history.

## PROGRESS

*DNW: Have we made progress?*

**MC:** You and me have made progress, many of our friends have made progress. We're more intelligent and creative, not wealthier, but doing quite well. But I think the most important thing is the loss of meaning. We don't know where we are, we don't know what is the world around us, we don't know how to relate what is happening to us to what we want. In financial terms we're all in a global casino. Our savings are being bet and we'll have to see what happens. But in personal terms, we are also very much losing control over our lives and ourselves. Those like us who are able to make choices and navigate in this world, we may be better off than ever, but living in a society which is getting worse and worse. The limit between personal well being and social alienation will be at some point be impossible to sustain. This tension between individual fulfillment and social disintegration is not viable in the long term. So, overall we could be much better off than ever, but



because of the gap between expectations and reality, we are heading towards some of the most dramatic crashes of our time.