Monopoly Moneys

The media environment of corporatism
and the player's way out

Monopolygelden

De mediaomgeving van corporatisme en de uitweg van de speler
(met een samenvatting in het Nederlands)

Proefschrift

ter verkrijging van de graad van doctor aan de Universiteit Utrecht op gezag
van de rector magnificus, prof.dr. G.J. van der Zwaan, ingevolge het besluit van het
college voor promoties in het openbaar te verdedigen op maandag 25 juni 2012 des middags te
4.15 uur

door

Douglas Mark Rushkoff
geboren op 18 februari 1961 te New York, United States of America

Promotoren: Prof.dr. F. E. Kessler
Prof.dr. J.F.F. Raessens

Co-promotor: Dr. M. T. Schäfer

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0. Introduction

0.1 Preface

The New York media dubbed it “The Rushkoff Effect.” In real life, I had been mugged at gunpoint, in front of my Brooklyn apartment building. I posted a note about to the Park Slope Parents list[1] — an Internet community of moms, food co-op members, and others dedicated to the health and well-being of their families and their decidedly progressive, gentrifying neighborhood. Posting about the incident seemed the responsible thing to do, and I suppose I also expected some expression of sympathy and support.

Within an hour, I received two emails from people *angry* that I had posted the name of the street on which the crime had occurred. Didn't I realize that this publicity could adversely affect all of our property values? The "seller’s' market" was already difficult enough. With a famous actor reportedly leaving the area for Manhattan, does Brooklyn's real estate market need more bad press? And this was well *before* the mortgage crisis and real estate crash of 2008.

I was stunned. Had it really come to this? Did people care more about the market value of their neighborhood than what was actually taking place within it? Besides, it didn't even make good business sense to bury the issue. In the long run, an open and honest conversation about crime and how to prevent it should make the neighborhood safer. Property value – or at least the quality of life for those who owned property - would go up in the long run, not down. But the homeowners were more concerned about the immediate liquidity of their townhouses than their long-term asset value - not to mention the actual experience of living in them. And these were among the wealthiest people in New York, who we might not expect to be worrying about such things. What had happened to make them behave this way?

Back on the World Wide Web, Steven Johnson[2] — another Park Slope writer[3] and cultural theorist - made an open appeal for my family to stay in Brooklyn. He saw “the Slope” as a mixed-use neighborhood now reaching the “peak of livability” that legendary urban anthropologist Jane Jacobs idealized.[4] Referencing theories about emergence, he explained how many great neighborhoods go through the same basic process: Some artists move into the only area they can afford — a poor area with nothing to speak of. Eventually, there are enough of them to open a gallery. People start coming to the gallery in the evenings, creating demand for a coffee house nearby, and so on. Slowly but surely, an artsy store or two and a clique of

[1] See Park Slope Parents: http://www.parkslopeparents.com
[2] Johnson, 2001.
[3] He has since relocated to Mill Valley, California.
[4] Jacobs, 1992.

hipsters "pioneer" the neighborhood until there's significant sidewalk activity late into the night, making it safer for successive waves of incoming businesses and residents.[5] Investment increases, the district grows bigger, and everyone is happier and wealthier.

Still, I asked in his comments section and in subsequent media and panels, what happens to the people who lived there from the beginning? The "natives?" This process of gentrification does not occur *ex nihilo*. Unlike one-celled animals “emerging” from lifeless matter, immigrants to a neighborhood replace the current residents. When property values go up, so do the rents, displacing anyone whose monthly living charges aren't regulated by government. The residents of the neighborhood do not actually participate in the renaissance, because they are not owners. They are displaced to outlying areas.

Johnson admitted this was a problem. He countered, however, that the new businesses provide locals with new jobs, and that the neighborhood has become, by most measures, safer and better. It was once again possible to sit on one's stoop with the kids and eat frozen Italian ices on a balmy summer night. One could even walk through Prospect Park on any Sunday afternoon and see a black family barbecuing here, a Puerto Rican group there, and an Irish group over there. Compared with most parts of the world, that's pretty civil and integrated, no?

Romantic as it sounds, this is not integration at all, but co-location. A style of détente more suited to Disney’s Epcot center than a real community. The Brooklyn being described here has almost nothing to do with the one my grandparents might have inhabited. It is rather an expensive and painstakingly recreated *simulation* of a "brownstone Brooklyn" that never actually existed. If people once sat on their stoops eating ices on summer nights it was because they had no other choice - there was no air conditioning and no TV. Everyone sat around outside because this was all they could afford to do. And the fact that the denizens of neighboring communities complete the illusion of multi-culturalism by using the same park only means that these folks are willing to barbecue next to each other - not *with* each other. They all still go home to very different corners of the borough.

Our online conversation was picked up by *New York* magazine in an anonymously written gossip column entitled "Are the Writers Leaving Brooklyn?"[6] The article focused entirely on the way an irate author could threaten the Brooklyn real estate market. *National Public Radio* called to interview me about the story - not the mugging itself, but whether I would leave Brooklyn over it, and if doing so publicly might not be irresponsibly hurting other people's property values.[7] A week or two later, after a few hundred bloggers had expressed their own points of view on the subject, a second *New York Magazine* piece[8] asked why we

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[5] Johnson, 2007.
[6] Daily Intel, 2007.
[7] Rushkoff, 2011.
[8] New York Magazine, 2007.

should even care about whether the writers are leaving Brooklyn - seemingly oblivious to the fact that this was the very same column space that told us to care in the first place.

It was an interesting fifteen minutes. What was going on had less to do with crime or authors, though, than it did with a market in its final, most vaporous phase and a media that seemed to have no choice but to support it. The financial reality – or at least the financial situation in which most Park Slope residents were living – was not that these residents were looking to sell their homes. As I eventually discovered while researching this dissertation, the reason their moment-to-moment property values mattered to them had to do with the way they had financed their purchases. Each time property values went up, homeowners could refinance their loans at higher valuations, and thus come to own a greater percentage of the home. One million dollars borrowed represents 50 percent of a two-million-dollar home — but only 33 percent of a three-million-dollar home. As we will explore later, clever refinancing at temporary rates allowed people to own homes they couldn't have afforded otherwise. Advertisements in the press and on TV, as well as scores of "reality" TV shows and financial commentators supported the practice. The only catch was that property values needed to keep increasing for the scheme to hold.

As long as people refused to look at the real social and financial costs of this speculative real estate practice, the market could keep going up — buoyed in part by the bonuses paid to investment bankers whose job it was to promote all this asset inflation in the first place. They felt they were restoring a historic borough to its former glory. All they had to do was avoid the uncomfortable truth that we were busy converting what was being used as multi-family dwellings by poor black and Hispanic people back into stately townhouses for use by rich white ones. And the fact that this frenzy of real estate activity was operating on borrowed time and, more significantly, borrowed money.

In such a climate, calling attention to any of this was the real crime, and the reason that the first reaction of those participating in a speculative bubble was to silence the messenger. The reality was that Park Slope's wealthy residents were pushing an increasingly hostile population from their homes, colonizing their neighborhoods, and then justifying it all with metrics such as increased business activity, reduced (reported) crime rates, and — most important — higher real estate prices. How can one argue against making a neighborhood *better*?

Park Slope, Brooklyn, is just a microcosm of the slippery slope upon which so many of us, particularly in America, are finding ourselves these days. We live in a landscape tilted toward a set of behaviors and a way of making choices that go against our own better judgment, as well as our collective self-interest. Instead of collaborating with each other to ensure the best prospects for us all, we pursue short-term advantages over seemingly fixed resources through which we can compete more effectively against one another. In short, instead of acting like people, we act like corporations. When faced with a local mugging, the community of Park Slope first thought to protect its brand instead of its people.

Even now, as Americans attempt to dig ourselves out of a financial mess caused in large part by this very mentality and behavior, we turn to the corporate sphere, its central banks, and shortsighted metrics to gauge our progress back to health. It's as if we believe we'll find the answer in the stream of trades and futures on one of the cable-TV finance channels instead of out in the physical world. Our real investment in the fabric of our neighborhoods and our quality of life takes a back seat to the most recent "comps" of our property in the newspaper's misnamed "real estate" section. We look to the Dow Jones average as if it were the one true vital sign of our society's health, and the exchange rate of our currency as a measure of our wealth as a nation or worth as a people.

0.2 Media Ecology to the Rescue

As a media theorist, I felt compelled to comprehend the process through which the traditional values of a civil society had seemingly been replaced by those of corporate capitalism. How had this happened, what role had media played and, more importantly, how might the lens of media theory bring clarity to the way the mechanisms and technologies of corporatism had proliferated? Finally, would the introduction of new interactive technologies and networks disrupt this process or even present the opportunity to promote new visions and enable new forms of value creation and exchange?

This dissertation seeks first to discern the process by which a society adopted the ethos of a speculative, abstract economic model, disabled the civic mechanisms that stood in its way, and seemingly lost the ability to recognize that this had ever happened. As it does so, the discussion will also uncover the deeper logic of that process by applying a media ecological approach to the inventions, institutions, technologies, media and resulting environments of corporatism. I am interested in determining how the rather limited rule sets and metrics of corporatism became the accepted operating principles of not only our economy but our society — so far embedded into the cultural landscape as to become accepted as pre-existing truths. In short, I will expose and critique the way in which the corporate model — what I will treat as an invented medium — became naturalized as what a media ecologist would call an environment. I will then explore the way more explicit forms of media — mass media in particular — promoted, amplified, and sustained this corporatist worldview, while discouraging or even obscuring the possibility of peer-to-peer mechanisms.

Throughout this discussion, and then more fully in the final sections and conclusion, I will critique the resulting economic culture in terms of its accessibility to participation and change. To do so, I will use the model of finite and infinite games set forth by James Carse[9]

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[9] Carse, 1986.

and the tiered definitions of play and playability utilized by Julian Kücklich.[10] I will critique corporatism and central currency as finite games and closed source operating systems of the printing press era. I will then evaluate the emergence of the Internet as a potentially disruptive technology insofar as it offers the possibility for the re-introduction of an infinite game approach and relationship of people to the market. I will further evaluate whether and how this increase in playability can arrest the continuing development of corporatism by granting access to the actual means of production and value creation and allowing for a restoration of peer-to-peer communication and transaction. Thus, our attention to the environments created by these inventions, conventions and technologies will arm us with the analytical tools and approaches we need to make a determination of the potential for openness and participation in a hitherto closed economy.

Instead of employing a media-determinist model, I will ground this research in the theoretical framework of media ecology. Although the term "media ecology" is relatively new, coined by Neil Postman[11] in 1968,[12] as a practice it draws on a lengthy and diverse academic tradition dating back as far as Plato's critiques of writing as distinguished from speech.[13]

Postman's student and colleague Christine Nystrom, in her unpublished doctoral dissertation, defines media ecology as "the study of complex communication systems as environments."[14] But it is perhaps Postman and Weingartner's more developed definition that will best justify the use of media ecology as a methodology for studying not only the corporate spectacle, but also the process of corporatism itself:

> Media ecology is the study of transactions among people, their messages, and their message systems. More particularly, media ecology studies how media of communication affect human perception, feeling, understanding and value; and how our interaction with media facilitates or impedes our chances for survival.[15]

That media ecology considers the study of "transactions" a core principal reveals its particular applicability as a theoretical framework for the study of corporate economics and culture. Moreover, the study of media as parts of a greater ecology helps expose the interplay between all sorts of mediating technologies and the culture at large, allowing us to make sense of their relationships. As Postman explains, the purpose of any media ecological study "is to tell

[10] Kücklich, 2004.
[11] Neil Postman, in a 1968 speech to the National Council of Teachers of English, later published in Postman, 1970.
[12] Strate, 2006, 17.
[13] Ibid., 80.
[14] Nystrom, 1973.
[15] Postman and Weingartner, 1969.

stories about the consequences of technology; to tell how media environments create contexts that may change the way we think or organize our social life, or make us better or worse, or smarter or dumber, or freer or more enslaved."[16]

As such, media ecology is a tradition that seeks to reveal and explain the hidden landscape informing the way people, ideas, and institutions interact, inform each other's values, and provide or limit access to the media through which they are enacted and expressed. It aims to replace lack of awareness and the resulting confusion with a coherent narrative and orienting context.

Applying a media ecological approach to corporatism may be novel, but it is entirely consistent with the spirit of inquiry its practitioners encourage. Media ecology is an open and distributed field of inquiry, defined less by formal rules than by the activities and research of its practitioners. It represents an approach to media and cultural theory, and has been applied to media from cave paintings to satellites, technologies from clocks to I Ching coins, games from poker to "speed seduction," and cultures from the Hassidim of Williamsburg to the player-characters in World of Warcraft.[17]

Media ecology's network of scholarship finds its origins in the Toronto School and its students, with Postman, Marshall McLuhan, and Walter Ong most often credited for initiating its understanding of media as environments.[18] The Media Ecology Association, started by five of Neil Postman's former students in 1998, claims Jacques Ellul, Harold Innis, and Lewis Mumford as central to the development of their theoretical framework,[19] which then extends to include aspects of the approaches of a wide range of media, technology, and cultural theorists, including Jean Baudrillard, Walter Benjamin, Elizabeth Eisenstein, Camille Paglia, Charles Peirce, Susan Sontag, Norbert Wiener, and a vast circuit of voices from many facets of theoretical discourse, including my own.[20] This heterogeneous intellectual tradition has defined media ecology as an open-ended field, welcoming to divergent perspectives on the interrelation of humans, technology, and control, and appealing in its latitude as a contemporary approach to media studies.[21] At the inaugural convention of the Media Ecology Association, in fact, members voted this definition of the field into the organization's constitution: "Media ecology is defined as the study of the complex set of relationships or interrelationships among symbols, media, and culture."[22]

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[16] Postman, 1988.
[17] See *Explorations in Media Ecology*, the journal of the Media Ecology Association.
[18] Strate, 2006, 16.
[19] Ibid., 16-20.
[20] The Media Ecology Association awarded me the Marshall McLuhan Award for my book, *Coercion*, in 1999. This is when I first learned that what had seemed to be a rather perverse approach to media-as-world had respectable antecedents.
[21] Strate, 2006, 20.
[22] Sternberg, 2000, 15.

Although media ecology is referred to as a "field" or a "discipline," it is self-consciously critical of the connotations of both these words,[23] and is perhaps most aptly termed a *practice*. It is less a stance or particular judgment on the impact of technology and media on society, than an approach to analyzing technologies and media through the environments[24] they create. Seeing it as an approach rather than a discipline allows a shift in emphasis away from formal rules and traditions and toward a definition (quite intentionally) characterized by use. From this angle, media ecology is a distributed and multidisciplinary network of researchers, writers, and educators who have shared a common interest in the practice of historicizing, evaluating and critiquing the relationships between human societies and their technologies.[25] This covalent bond between innovation and culture is what media ecologists term a "medium."

A "medium," in this context, consists of the entwinement between a technology and the culture that both consumes and nourishes it.[26] The word is used as a broad term encompassing "techniques, technologies, symbols, tools, information systems, machines, and modes of communication."[27] This includes everything from language to gold to the computer, with distinctions between "technologies" as tools and "media" as the social and intellectual environment to which a given tool lends itself. [28]

Technologies are characterized by their predecessors, as well as the specific historical climate in which they are conceived. Media embody the biases and attitudes of the technologies they arise from, but are not static. A medium is constantly evolving in a feedback loop, simultaneously shifting with societal currents and shaping its user culture.

Media ecology, as a broadly construed field, examines both the physical, sensory properties of specific technologies and the developmental or socially constructed prejudices a medium contains. It attempts to unearth the cultural history leading up to and engulfing technological innovations to better understand what these characteristics are and to extrapolate where they might be going.[29] As Sternberg puts it in *Misbehavior in Cyber Places*: "Media ecologists investigate how different media environments encourage and discourage, facilitate and impede, allow and deny, foster and prevent certain ways of perceiving, feeling, thinking, and evaluating ourselves and the world around us."[30]

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[23] Strate, 2006, 4.
[24] As McLuhan often explained, the light bulb does not communicate through content (especially if there is no slide or movie in front of it) but through the environment it creates. McLuhan, 1994.
[25] Strate, 2006, 5.
[26] Ibid., 15.
[27] Ibid., 18.
[28] Postman 1985, 84.
[29] Strate, 2006.
[30] Sternberg, 2011, 20.

This perspective dismantles the dichotomy between content and method, and emphasizes the importance of the learning *process*, not just the learning material.[31] As Meyrowitz broke it down, media ecology generally falls into one of two types: *situationism*, which looks at the ways people construct meaning through social interaction, and *medium theory*, which he defines as the:

> Intellectual tradition of studying media as environments, focuse[d] on media technologies as cultural and psychological environments, drawing on disciplines such as history, philosophy, psychology, literary studies, economics, and political science, and emphasizing investigations of mass and intra-personal modes of communication.[32]

Whereas medium theory concentrates on media technologies as cultural and psychological environments, emphasizing mass and intrapersonal modes of communication, situationism can be construed as focusing on environments *as* media (i.e., how people make meaning from various aspects of social situations), emphasizing *inter*personal modes of communication.[33]

In this study of corporatism, we will employ both types of inquiry in an effort to explore the relationship — or, better, the trade-off—between mass and intrapersonal communication. In other words, we will explore the way that cultural emphasis on the centrally generated media imagery and rule sets supportive of corporate-defined activity can compromise people's ability to employ the intrapersonal communications behaviors supportive of a more human-scaled civic society — particularly when it is designed to do so.

Furthermore, a study of corporatism through the lens of medium theory alone would be vulnerable to the excesses of an entirely media determinist explanation for the dominance of market values. But to utilize situationism alone could be equally perilous, as it could end up blaming this resultant condition of our markets and media entirely on profit motives, rational financial behavior or, worse, human nature. Rather, in this study of the invention and dissemination of a corporate culture, I will engage both perspectives — that of media as environments, as well as that of environments as media. For, as I will argue about the corporatist spectacle, the feedback loop created between media and environment goes in both directions.

I am most interested in the way corporatism became naturalized and accepted as the pre-existing condition of the social and business environment. To trace this process, I will explore the legal and fiscal landscape as a media environment subject to the intervention of

[31] Postman and Weingartner, 1969, 19-24.
[32] Sternberg, 2011, 21.
[33] Ibid.

those with power to directly change the rules by which government and other players interact. I will then also study the way communications media were utilized both intentionally and in passive reaction to the changing landscape in order to perpetuate a worldview in which these interventions came to be perceived as natural phenomena or part of the human condition. Finally, I will consider the advent of interactive technology as a potential game-changer, capable of opening access to both the rules through which the corporatist monopoly is maintained as well as the ways in which it is perceived.

In this study, I will treat both the corporation and currency as media rather than as technologies (or, worse, product of nature); this approach breaks from current trends in economic analyses by suggesting mutability and adaptability rather than an inescapable naturalized system. As such, the interactive potential within the medium allows for the playability that might yet return to economic systems – a playability that I will suggest would be a positive development for the way it would allow for human intervention in a mechanism that has disproportional influence over our society. McLuhan himself also made the leap to money as medium, including in his *Understanding Media* a brief study of the history of currency and the medium's transformation from commodity to currency to credit. Always the determinist, McLuhan believed this line of economic evolution was the catalyst for the worldwide spread of Western corporatism. As he explains, connecting his own study of currency to the media ecological ideals in Ong's *Orality and Literacy*:

> As the alphabet neutralized the divergences of primitive cultures by translation of their complexities into simple visual terms, so representative money reduced moral values in the nineteenth century. As paper expedited the power of the alphabet to reduce the oral barbarians of Roman uniformity of civilization, so paper money enabled Western industry to blanket the globe.[34]

Though media ecology explores the implications of media environments, the extension of this metaphor of "environment" is not meant to imply a naturalization of the marketplace. On the contrary, it will be my purpose to show that economics is not a natural science as economists would have us believe; rather, I argue that studying economics through the lens of media ecology informs new perspectives on the systemization, rule sets, biases, and potential playability within the commercial marketplace.

[34] McLuhan, 1994, 192.

0.3 The Economics Game: Play, Playability and Media Ecology

Approaching the market as a game allows us to challenge the inherent biases of centralized currency and monopolies as *rules of a game*.[35] The rules are not inherent to the medium; they are agreements and impositions of laws that favor the people who put them in place. The landscape itself is tilted towards certain players and away from others. Indeed, media ecologists draw attention to the ways in which a medium delimits the messages that can pass through it, referring to this as the "bias" of the medium: "Although culture is a creation of speech, it is created anew by every medium of communication-from painting to hieroglyphs to the alphabet to television. Each medium, like language itself, makes possible a unique mode of discourse by providing a new orientation for thought, for expression, for sensibility."[36] In this case, the biases of the market economy, which are consistently upheld by scientists, technologists and economists, are scarcity and competition; and I propose these biases can be addressed and redefined ultimately through the playability of the medium.

From language to Facebook to the commercial market, these tools rely on a *continual* agreement to the social contract of the game, i.e. acceptance of the biases and adherence to the rules. However, beyond simply strategizing how to "win" in the given rule set of the commercial marketplace, players may also attain the ability to take charge of the game and rewrite the rules themselves — thus redefining the biases.[37] [38] [39] This means moving beyond a culture of media production to a culture of rule production; changing roles from content makers acting within the structure, to programmers acting *upon* the structure. It is exactly these rules of the game, who has access to them, who is able to write, to edit, to hack, *to play* that I will be assessing in this dissertation.

Play is characterized by freedom and constraints. Players are first aware of their freedom to choose whether or not to play because "play is a voluntary activity. Play to order is no longer play."[40] Players are also aware of the guiding rules of play including boundaries such as physical demarcations, time constraints, and behavioral procedures. As Carse suggests: "By knowing what the rules are we know what the game is."[41] I extend the concept of play to define "playability" as a measure of play; it is a metric for how much play a medium or a game allows as well as person or society's capacity for interactivity and agency. Correlative to our definition of play, playability is comprehension of the rules of a game and freedom to participate or opt out. Assessing the playability of a medium such as the market economy

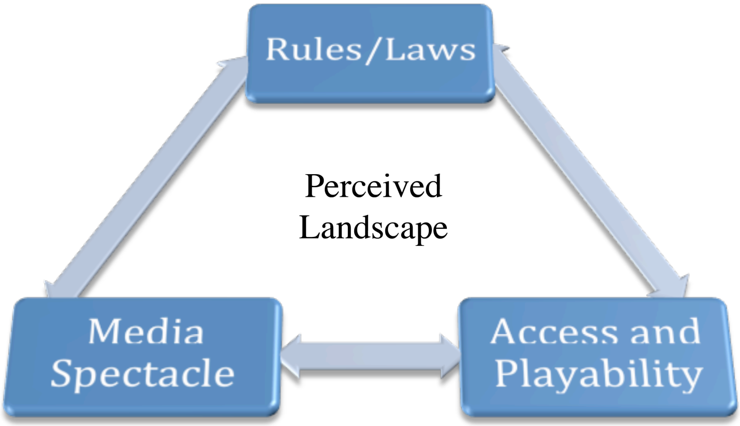
35 Raessens, 2005.
36 Postman, 1985, 10.
37 Carse, 1986.
38 Glas, 2010.
39 Rushkoff, 2005a.
40 Huizinga, 1971, 7.
41 Carse, 1986, 9.

allows for a *new measure of access* to the medium itself. In media ecological terms, an example of this shift would be from focusing on reading and writing (content production and what is traditionally thought of as media literacy) to viewing access as read/write/execute privileges. Such privileges amount to locks and keys to the rules of the game, from the high level code to the low-level registers and operating modes of the processors we are working on.[42]

As a theoretical framework for analyzing the playability of the market, I again utilize media ecology as it provides a systems approach to this research, acknowledging the interrelatedness of media, culture, politics, and economics, rather than positing direct cause-and-effect relationships. It understands that cultures might be characterized or influenced by certain media and the biases of those media, even though they are not necessarily and inevitably driven by them. Because these technologies are born of human innovation and grow within human culture, their biases reflect larger social issues and unearthing these provides us with a deeper understanding of contemporary and historical culture.[43] This allows us, as a society characterized in part by the media we make, to create *critically* with an awareness of the implications of our production and the constraints on our ability *to* create with this media. It is precisely within the context of this criticality that I propose a playability of the commercial market environment.

In this study, then, I will explore the way our perception of the social and economic landscape is bounded by three interrelated forces, which can all be understood as aspects of a media environment: first, the legal and economic rules governing behavior and interaction; second, the mass media representations of those rules and the values they promote: and, third, people's access to the creation and modification of both the fundamental rule sets and the media representations.

[42] Kittler, 1997.
[43] Strate, 2006.



In the process, this media ecological study will reveal how the rules of corporatism were developed and implemented, how mass media and other cultural institutions supported its tenets in the form of a spectacle, and how to measure our relative access to and awareness of the economic operating system through which our value creation and transaction take place.

0.4 The Chapters

Chapter 1: Corporate Charters - Invention of the corporation.

The most basic form of media ecology is to look at a new medium or content offering, and then find out who made it and what it was invented for. Then, we can determine whether it is functioning accordingly or broken, and find out who, if anyone, is aware of all this.

The theoretical frame for this analysis will be the tetrad, McLuhan's foundational approach to analyzing a medium in terms of what it amplifies, what it makes obsolete, what it retrieves, and what happens when it is pushed to the extreme. This is a fundamental tool of the media ecologist, helping codify an approach to a medium as an environment. To submit corporatism to this form of analysis helps support the contention that corporatism was actually a human invention and not a feature of nature. In fact, as the research in this chapter will demonstrate, the invention of the corporation depended on the rewriting of rules and, in some cases, history. This chapter is a basic but necessary research study of the actual origins of corporatism, sometimes in stark contrast to conventional wisdom and dominant cultural perception of this period. Just as any media study begins with an analysis of who is creating the media, who is paying for it, and under what circumstances, our analysis of corporatism in the context of media ecology must begin with a research study of its originators and their intentions.

This chapter amounts to a research study of a moment in history, conducted exclusively through the lens of media ecology. The Late Middle Ages and decline of feudalism, as well as the invention of corporatism by a waning aristocracy looking to lock in wealth in the face of a rising middle class are all considered as features of a society being amplified or obsolesced by a new medium.

Theoretical foundations for this exploration are grounded in the work of McLuhan, Mumford, and Innis, who established this approach to environments as media. We will also look at Elizabeth Eisenstein, Charles Schmitt, and others who demonstrate how Renaissance-era media and technologies were biased toward abstraction, providing a template for the corporatist mode of long-distance value extraction from both people and places with little empathy or regard for ethics. We will rely heavily as well on Burckhardt, Braudel, Peter Burke, and other Middle Age and Renaissance historians who utilize the "reception" approach to social change, as well as analysis of original corporate charters issued by Dutch and British monarchs.

Chapter 2: The Map Becomes the Territory

In this chapter, we will explore the way the medium of the map – as part of a greater media environment of corporatism - came to stand in for the reality of place, as well as how this process repeated itself, leading to greater abstraction of what we used to think of as the physical world. For this discussion, I will rely in part on the frameworks of theorists who did not necessarily consider themselves to be media ecologists, but whose approaches have subsequently been embraced by media ecologists for the way their work explores and exposes the relationships between various technologies and institutions and the social and mental environments they create. In short, this chapter looks at how a real environment was both influenced and ultimately replaced by a media environment, and how once that initial replacement occurred, subsequent replacements became so much easier.

Post-modernists Barthes and Baudrillard along with General Semantics founder Alfred Korzybski will prove particularly useful to us in our analysis of maps as environments for the way they explored how representations can replace reality. For the media ecologist, this process is akin to the creation of an artificial environment or cultural layer that obscures the original culture or reality, and then generates the illusion of its own originality or naturalization. This process would be an instance of "map replacing the territory," as Korzybski[44] or psychologist Gregory Bateson[45] would express it. In the language of Barthes

[44] Korzybski, 1958.
[45] Bateson, 1972.

and Baudrillard, it would be expressed as signifier becoming sign, or the precession of the simulacra, respectively.

Using their frameworks, this chapter will introduce the way that corporatism attempts to reduce real territory to arbitrarily defined maps. Land and its ownership and control will serve as the primary example of how the "real world" is depicted by successively abstracted representations - maps, that were and are themselves restricted to elites with access. I will show how in this way, the land becomes just a medium for the redistribution of wealth. These examples and periods will be presented chronologically for simplicity and context, but are not meant to imply a necessarily causal relationship between the policies of one era and those of another. They are rather more like genealogical precursors, more important for the way they similarly establish a cumulative cultural mindset over time than any causal precedent.

The four main historical periods I will mine for examples are early Renaissance colonialism, mid-19th-century America railroad development, post-World War II suburbanization, and the recent mortgage meltdown. Each of these periods - though not necessarily causatively linked - exemplifies successively more abstracted relationships to land, from use to ownership to mortgage-holding to derivatives to default-swaps.

McLuhan and Innis will also be revisited for their insights into the way the railroad system served to influence the media ecology of a developing America. We will also engage with the worldview of Alan Greenspan and his mentor Ayn Rand, particularly in light of Greenspan's later admission that this “map” was incorrect.

Chapter 3: Corporatism as Media Spectacle

The chapter will follow the emergence of two interdependent media that developed on the abstracted landscape described in the previous chapter: the brand and the individual. Both grew out of the value systems engendered by the corporatist environment, and together allowed for the corporatist spectacle to take place.

We will show how mass media effects are derivative not merely of the form of media (print, broadcast, etc.) but of the power gradients on which they are created – the greater media environments in which they emerged. The spectacular triumph of corporatism may have been enacted through mass media, but these media were themselves byproducts of a corporate economy and landscape (in media ecological terms, a media environment) prefigured by policies and maps. If anything, the abstraction from the "real" depicted in chapter two is what made American society in particular so vulnerable to the effects of mass media.

In this chapter, we will look at the ways mass media and culture explicitly aided the acceptance of corporatism as a way of life. Again, we will go back to the early Renaissance for clues into the initial strategies for seeding and spreading corporatist logic and promoting a more corporate-compliant culture, then look for similar patterns and strategies within the more contemporary spectacle of the 20th and 21st centuries.

Our theoretical framework also reverses the usual approach to analyzing media and its effects. For here, mass media will be approached as an outgrowth of the media environment of corporatism, rather than simply its advertiser.

It is our purpose to reveal the way various corporatist assumptions become accepted and then eventually embedded so far into the culture as to become the seemingly naturalized landscape on which successive corporate-friendly assumptions are seeded. Although the earliest historical examples will come from Europe, the focus of this research and line of argument will be the way the corporatist agenda dovetailed (or was made to dovetail) so neatly with the spiritual and social underpinnings of early 20th century American culture.

In the tradition of media ecologists before me, such as Paul Grosswiler,[46] I will be adapting the theoretical work of the Frankfurt Group to the media ecological approach. Although they predated McLuhan and Postman's naming of media ecology, their approach to the public sphere and its vulnerability to industrialized labor, markets, and media, is akin to that of a media ecologist determining the way a technology creates or impacts an environment. McLuhan specifically credited Habermas with the notion that the public is a product of print.[47] I will also use Benjamin and Adorno to support my contention that industrialization created a new media environment, which in turn reinforced the falsely defined individual and the corporate spectacle. Transcending one-way cause-and-effect media determinism, the media ecological approach will allow us to analyze public relations and advertising not just for the environments they create, but also for their own roles as environments generated by the demands of industry.

I will then offer a critique of corporatized media and advertising, both relying on and giving new support to the lines of argument established later by media industry theorists Stuart Ewan, Naomi Klein, William Leach, Mark Crispin Miller, and Robert McChesney.

The chapter will end by considering the ways in which people are attempting to participate in the branded media environment of corporatism by developing "personal brands." It will conclude that such participation is limited by rule sets beyond the individual's control or awareness – those of the "game" introduced in Chapter 4.

Chapter 4: Money as Medium

Chapter 4 looks more deeply at the limitations to participation suggested at the end of Chapter 3. It focuses on the underlying system through which transactions must occur: that of a closed, central currency. The re-invention and forced use of centralized currency in the Late Middle Ages yielded what we consider to be a new and very particular "operating system"

[46] Grosswiler, 2001.
[47] Grosswiler, 2001.

biased toward the interests of corporations and maintenance of a corporatist monopoly on fiscal power. By relying on our media ecologist's toolkit and reconsidering money itself as a medium, we gain the ability to reveal and question the subjectivity, influence, and biases of central currency.

This chapter will chronicle the replacement of local, peer-to-peer currencies of the Late Middle Ages with centrally issued money, and attempt to reveal the underlying rationale for this shift. The historical research will reveal a little-known thread of activity through which more "open source"-style currencies and transactional networks were replaced by force (and significant bloodshed) with coin of the realm, and then virtually forgotten.

The work of McLuhan and Innis, already referenced, provide the basis for the analysis of money as a medium. Building on this, I will pose that it serves not only as a medium in its own right but also as the language for an entire economic operating system. Moreover, I will demonstrate how the dominance of a single fiscal medium with very particular biases has engendered an inability to think outside its confines. It is a closed medium, and a closed game. As a result, in accordance with our media ecological framework, the resulting media environment limits all economic and commercial innovation to what is possible within the context of a single, centralized, debt-based monetary medium.

The historical research for this chapter finds its roots in the inquiries of Bernard Laetier, Silvio Gessel (on local moneys of the 1930's), as well as the game theory of Rand, John Nash, and others.

Chapter 5: Hacking Citibank: Networks and Playability

Indeed, the Internet might pose a threat to both centralized media and centralized value creation. But the dominance of the corporatist system, the triumph of the corporatist spectacle, as well as the legacy of a central currency operating system, has limited the thinking of most net theorists and economists. In short, without a media ecological framework, these practitioners remain woefully unaware of the contexts defining their activity.

This chapter will begin with a survey of the most popular (best-selling) Internet authors, revealing their self-styled revolutionary "net economics" as reactionary responses well within the boundaries defined by their corporate patrons. Instead of imagining genuinely participatory or peer-to-peer possibilities, they simply offer new ways for companies and individuals to participate in the status quo corporatist economy.

Building on Kücklich's concept of playability,[48] the chapter will redefine true participation as the ability to "play" with the fundamental rules. Having done so, we will be able to define tiers of playability, with successively more capacity for fundamental

[48] Kücklich, 2004.

involvement and change. Playability will then emerge as a metric through which we can evaluate the finite vs. infinite, and closed vs. open status of the corporatist marketplace.

With the metric of playability established, we finally have the tool required by the media ecologist to evaluate the environment created by the Internet, specifically with regard to developing alternatives to corporatist exploitation, and to consider its potential to restore the peer-to-peer economic activity that was legally excluded from "play." This notion of play, as defined and refined successively by Huizinga, Carse, Callois, Raessens, and De Mul, will be applied to economics as a way of measuring the changing openness of the corporatist economic system to hacking and intervention.

Finally, drawing on the work of Rheingold, Schäfer, Jenkins, myself, and others, the impact of the net on corporatism will be used as a litmus test for the net's overall ability to foment fundamental shifts in the more entrenched power landscapes of modern culture.

Conclusion: Program or Be Programmed

I will conclude by arguing that the crucial capacity of the Internet to introduce increased playability to the corporatist system will depend on the public's willingness to embrace the new demands of the Internet environment. On the Internet, this means learning the languages through which rules of interaction are written, protocols are established, and technologies are either opened or closed to participation. By extension, I will argue that this applies as well to the cultural software and operating systems defining our participation in the public sphere and marketplace alike. In essence, I will be asking that the public achieve not only computer and media literacy, but that they also become aware of the way that media and technology create environments, and how they can participate in this process – or at least become more conscious of the media ecology in which they are functioning as a first step toward an alternative to corporatism.

1. Corporate Charters - Invention of the Corporation

The very act of subjecting the corporation to the style of analysis usually applied to a medium or technology calls its universality into question. Once we seek to determine the corporation's origins, intents, and effects, we have reduced it to a phenomenon – a cultural institution or operating system – whose invention can be chronicled and credited to people living at a certain moment in history, whose long-term effects can be traced to particular intentionally and unintentionally embedded biases, and whose development and mutation over time as a discrete entity can be measured and observed. In short, the resulting environment of corporatism can be viewed from within.

This is one of the main intentions of the media ecological approach: to help us parse influences and effects that have taken on the quality of entire environments, and as a result have become indistinguishable from the natural world. As Marshall McLuhan once famously jibed: "One thing about which fish know exactly nothing is water, since they have no anti-environment which would enable them to perceive the element they live in."[49] Likewise, as my experience in Park Slope Brooklyn revealed in microcosm and the cultural study in later chapters reveal more generally, the corporate sphere has become for many an imperceptible medium in which human affairs just occur. Its rules and biases are accepted as the natural laws governing human communication and relationships.

The purpose of this chapter is to suggest the possibility of an anti-environment to corporatism, first and foremost by exploring the cultural and economic landscape immediately preceding the corporation's invention, and then by inferring the intention and impact of corporatism both by parsing the terms of the original corporate charters and by chronicling their immediate and long term impact.

Section 1.1 begins with a description of McLuhan's tetrad of media effects, a framework that will be applied systematically throughout this chapter. The tetrad approach examines the effects a technology or medium has on a society by emphasizing four major types of interaction: enhancement, obsolescence, retrieval and reversal. This technique creates an understanding of how a medium has arisen and what it has replaced, in our case allowing an exploration of the underlying *grammar and syntax* of the corporation as a medium.

The stage is set in section 1.2 with an overview of the historical context surrounding the

[49] McLuhan and Fiore, 1968, 175

emergence of the corporation, seen through the lens of media ecology and drawn from several historical studies. As the rising power of the burgher middle class introduces the new medium of the market and renders the feudal system obsolete, the aristocracy must strive to retrieve its importance through the creation of a new medium.

As the tetradic analysis will show in section 1.3, the first axis of McLuhan's tetrad (enhancement and obsolescence) appears as members of the aristocracy devise the corporate charter to *amplify* their hierarchical control while rendering the existing bourgeois marketplace *obsolete*. This new medium created an environment that gave the merchant classs the limited liability it needed, and aristocracy the new sources of income it desired, thereby protecting the profit streams of both.

Section 1.4 then examines what the corporation as a medium *retrieves*: individualism and idealization of profit from ancient Greece, and imperialism and central authority from the Roman Empire. In combination with an ecology of influences including the regulated time of the clock, the forced view of perspective painting, and the distancing effect of the press, the corporation also decontextualized the marketplace by separating the purchaser of goods from their production.

This distancing effect increased over time as the ideology of individualism and profit flourished in the corporate media environment. Section 1.5 completes McLuhan's tetrad by demonstrating that when pushed to extremes, as seen in the Industrial Revolution, the corporation *reverses*, flipping into "corporate personhood" while pushing labor toward its own reversal in automation. Ultimately these reversals created an environment of complete detachment as labor disconnected from management, producers disconnected from consumers, and people disconnected from each other.

1.1 McLuhan's Tetrad

For McLuhan, the most appropriate rhetorical technique for exposing the inventedness of the corporation as well as analyzing its impact would probably have been the tetrad.[50] A tetrad is a concise foursome of media effects, which gives us a simple way of analyzing what impact a medium or technology is having on society. More importantly, though, the tetrad gives us new insights into the social processes underlying a medium's invention and adoption. A tetrad is to be conducted through the asking of four related questions.

1. What does the medium enhance or amplify?
2. What does the medium make obsolete?
3. What does the medium retrieve that had been obsolesced earlier?

[50] McLuhan and McLuhan, 1988

4. What does the medium become or “flip into” when pushed to extremes? (What is the potential reversal?)

In his Tetradic Glossary in *The Global Village*, McLuhan subjects familiar media and technologies to his tetradic analysis. The telephone, for example, amplifies the impact and speed of the private voice. It erodes the body as hardware; creates the disembodied consciousness. Retrieves sense of telepathy. Pushed to the extreme it leads to omnipresence, like the conference call or teleconferencing.[51] Radio-Television, on the other hand, improves simultaneous access to the entire planet — everybody: “On the air you're everywhere. It obsolesces wires, cables and physical bodies. It retrieves tribal ecological environments: echo, trauma, paranoia, and also brings back primacy of the spatial, musical, and acoustic.” Finally, pushed to the extreme it “reverses into global village theater (Orson Welles's Invasion From Mars: no spectators, only actors).”[52] The fourth element of the tetrad — the medium pushed to extremes — often suggests what McLuhan called a “reversal,” or a reaction against the medium. This reversal would form the landscape for the next medium in an ever-growing chain.

According to McLuhan, the tetrad is not something that happens sequentially. Rather, all four parts of the tetrad are occurring simultaneously, or are at least embedded within the medium from the start:

> This tetrad of the effects of technologies and artefacts presents not a sequential process, but rather four simultaneous ones. All four aspects are inherent in each artefact from the start. The four aspects are complementary, and require careful observation of the artefact in relation to its ground, rather than consideration in the abstract.[53]

The elegance of this approach is that it will force us to define the corporation as a specific invention, promoting certain powers and functions while suppressing others. And we are free to do so without necessarily laying blame or proving intention — even though both may be inferred from the results of our study.

Likewise, the tetrad is meant more as a “probe” or method for exploration than it is a quest for a final definition of a medium. McLuhan developed the tetrad very late in his career, mainly as a reaction to charges that his analyses were not scientific enough. But however formalized the methodology he came up with, he did not surrender his literary, multi-causal

[51] McLuhan and Fiore, 1968.
[52] Mcluhan and Powers, 1992, 176
[53] McLuhan and McLuhan, 1988, 99

perspective to the stark, uni-directional cause-and-effect of the logician. Like media ecology, the tetrad is not a media-determinist approach to technology, which would urge us toward over-simplifying conclusions. Neither two-column accounting nor the tall ship can be credited entirely for the emergence of the corporate charter — even though the former informed the corporatist debt equation, and the latter's influence was vastly amplified by the existence of national charters. Rather, these were all concurrent, mutually reinforcing and dampening forces in a greater ecology, whose impacts can only be assessed relationally.

The development of a tetrad for the corporation will require us to survey the available record of the corporation's development; choose a specific artifact or set of artifacts as the invention of the corporation; determine what activity it amplified as well as what activity it repressed; analyze the concurrent inventions for their biases in order to infer what is being retrieved; and, finally, follow-through to see what the corporation itself "flips into" as it is pushed to the extreme.

Once we have achieved this, we will have necessarily de-naturalized the corporation, and prepared ourselves to evaluate its participation in the remaking of the rest of the media and cultural landscape. We will also be in a position to gauge the way broadcast and interactive media support or challenge its dominance, as we will do in Chapters 3 and 5.

This survey will reveal that the corporatized economy in which we currently operate is not a natural system, but a set of rules developed in the Late Middle Ages in order to prevent the unchecked rise of a merchant class that was creating and exchanging value with impunity. The hierarchical corporate economy replaced what, in contemporary terms, we might call a peer-to-peer economy that did not depend on central employers or even central currency. Our survey will also allow us to distinguish between corporatism and other practices of commerce.

Commerce and corporatism are not interchangeable. While commerce might best be understood as the creation and exchange of value, the corporation must be recognized as a very specific entity within the commercial market. It may have become equated with notions of business in general, but it is in many ways antagonistic to structure and function of the greater commercial market of which it is a part, having been first chartered by monarchs for purposes that have very little to do with helping people carry out transactions with one another. Its purpose, from the beginning and as recognized by a growing consensus of contemporary economic historians, was to suppress these lateral interactions between people or small companies and instead redirect any and all value they created to a select group of investors.[54] This agenda was so well embedded into the philosophy, structure and practice of

[54] For a more detailed look at the beginnings of corporatism from the historical-economic perspective, see: Cawston and Keane, *The Early Chartered Companies: 12-96-1858*. (New York: Burt Franklin, 1968); Carlos and Nicholas, "Agency problems in Early Chartered Companies: the Case of Hudson's Bay Company" in *The Journal of Economic History* (50, no. 4 (1990): 853-875); Carlos and Nicholas, "Giants

the earliest chartered corporations that it still characterizes the activity of both corporations and — as we will explore in Chapter 3 — real people today. The only difference today is that most of us — bankers and corporate chiefs included — have no awareness of these underlying biases, or how automatically we are compelled by them.

In the terms of the Tetrad, the corporation *obsolesced* peer-to-peer commerce and the rise of the middle class, while *amplifying* the power of centralization. Analyzing the corporation's development along this first axis of the tetrad will reveal its propensity to *retrieve* the values of abstraction and distance. Finally, we will follow the corporation as its structure and function are pushed to extremes, and the entity *flips* toward a recapitulation of personhood, itself. That flip has in turn motivated the second aspect of corporate extremism: the re-invention of peer-to-peer networking and localism.

That's why we have to go back to the birth or, better, the invention of the corporation itself to understand how the tenets of corporatism established themselves as the default social principles of our age. Its basic laws were set in motion as far back as the Renaissance; it was accelerated by the Industrial Age; and it was sold to us as a better way of life by a determined generation of corporate leaders who may have truly believed they had our best interests at heart and who — to a great extent, anyway — succeeded in their dream of controlling the masses from above. We have succumbed to an ideology that has the same intellectual underpinnings and assumptions about human nature as — dare we say it — mid-twentieth century fascism.[55] The current situation resembles the managed capitalism of Mussolini's Italy, in particular. It shares a common intellectual heritage (in disappointed progressives who wanted to order society on a scientific understanding of human nature), the same political alliance (the collaboration of the state and corporate sector) and some of the same techniques for securing consent (through public relations and propaganda). Above all it shares with fascism the same deep suspicion of free humans.

And, as with any absolutist narrative, calling attention to the inherent injustice and destructiveness of the system is understood as an attempt to undermine our collective welfare. For today's battle for total social control is waged and won not through war and overt repression, but through culture and commerce. Instead of depending on a parental dictator or nationalist ideology, today's system of control depends on a society fastidiously cultivated to see the corporation and its logic as central to its welfare, value, and very identity.

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of an Earlier Captitalism: The Chartered Trading Companies as Modern Multinationals" in *The Business History Review* (62, no. 3 (1988): 398-419); and Jones and Ville, "Efficient Transactors or Rent-Seeking Monopolists? The Rationale for Early Chartered Trading Companies" in *The Journal of Economic History* (56, no. 4 (1996): 898-915).

[55] Given how the word fascism has been misapplied to everyone from police officers to communists, we might best refrain from resorting to what has become a feature of cheap polemic. But in this case it's accurate, and that we're forced to dance around this "F word" today would certainly have pleased Goebbels greatly.

Our tetradic analysis plainly reveals, however, that the corporation was invented in the renaissance, granted personhood in post-Civil War America, and then, in the 20th century (Chapter 3), branded as a benevolent guardian — an ideology. At each stage, the invention of corporatism was reinforced so securely that we have currently reached a point where the fundamental blurring of real life with its commercial counterpart prevents us from imagining any alternative.

Clearly, current events reinforce the corporate economic structure as the only economic structure possible. The downturn in the western economies has led to the widespread and relatively unquestioned assumption that we have to bail out the banks and promote corporate investment in order to create jobs, save our communities, and so on. U.S. President Obama's funding of the banks, the Federal Reserve's "Quantitative Easing," the U.S. states' focus on supporting corporate employment, and federally funded "economic stimulus" in the form of tax cuts for corporations or investment through corporations all function to keep the corporate economic structure in place. Likewise, interventions by the European Central Bank, manipulation of the Euro, and forced "austerity" measures on failing European Union states appear at first glance — and as presented by news media — to be necessary economic maneuvers. Debate inevitably centers on which policy or strategy to enact. However, all of these strategies are based on the idea that the *corporate economy* is *the economy*, and ignore the more fundamental concerns they are supposedly meaning to address: how people can create and exchange value with one another to achieve financial sustainability and functional prosperity.

Likewise, most history books recount the development of the corporate charter as a natural, almost evolutionary step in the advancement of commerce.[56] To a certain extent, this approach — employed and supported by more libertarian-leaning but still-respected institutions from the Cato Institute to The Economist, which assume a kind of evolution of the market economy — is reasonable, even though it lays the groundwork for the naturalization and assimilation of a seemingly inescapable economic structure. However, subjecting this chain of events to the same sort of probe McLuhan would utilize to explore the development of the telegraph or radio, the invention of the corporation is revealed less as the incremental evolution of new commercial pathways than their interruption and severance. In other words, the corporation was not about growing commerce, but slowing it down.

As even conventional historical sources (Burkhardt, Braudel, and others) will plainly reveal, the pre-corporatized marketplace of the Late Middle Ages was actually growing quite rapidly into a robust, sustainable peer-to-peer economy. Local communities were

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[56] Baskin and Miranti, 1999, quickly gloss over some 1300 corporate charters in their survey of pre-Wilsonian American business in their *A History of Corporate Finance*, while corporate historians Moore and Lewis, 2000, pay no attention at all to the early corporate charter in their *Foundations of Corporate Empire*.

strengthening, and standards of living were increasing as peasants became less dependent on Lords for sustenance. Not surprisingly, this weakened the aristocracy's monopoly over wealth generation, and threatened their rule. Analyzed in this context, the invention of the charter will appear less the expression of some natural economic evolution, than the active resistance of an upper class, determined to intervene in the expression and realization of a peer-to-peer marketplace. Indeed, treating the corporate charter as an invention of media reframes it as a *reactionary* intervention specifically crafted to undermine sustainable local economies and promote global market control, buttressing imperial influence and profit. While this may not be the only way of understanding the emergence of the corporate charter, it is certainly a narrative worthy of a place alongside the popular mythologies of the evolution of business.

Finally, as I will chronicle in Chapters 4 and 5, the emerging countercultural bias *toward* local and peer-to-peer economies — from Burning Man to Bitcoin — might represent the "reversal" of our tetrad toward the pre-corporate sensibility, and a tacit acknowledgment of the corporation's alien status on the landscape of commerce. The peer-to-peer trading, barter, and gift economies on the Internet in particular mirror and retrieve the community-based economic evolution enjoyed during the Late Middle Ages before the birth of corporatism.

But first, consistent with a media ecological approach, I will trace the invention of the corporation, the environment in which it was originally invented, the biases within the invention (both intentional, and resulting from the historical context), and how — pushed to the extremes — it gained the legal rights of persons. This is not meant to be a thorough historic overview, but more of an archipelago of the elements culled from extensive existing surveys and historical studies on the subject, chosen for their applicability and importance to the media ecological approach. We are focusing specifically on the environment-generating capacities of the corporation and central currency, their impact on the pre-existing peer-to-peer economy, as well as the ways in which these innovations were open or closed to participation.

1.2 One Man's Amplification is Another's Obsolescence

After the fall of the Roman Empire, early Middle Ages Europe fell into disarray. Whereas in the Roman Empire the city was the center of social and political life, during the "Dark Ages," as it was later dubbed, "the city was an anachronism."[57] Europeans lived in isolation from one another, dominated by rural, self-sufficient and self-governing manors. Social hierarchy was strictly fixed, poverty was abundant, villages were scattered and insular, and people were brutal and superstitious. Feudalism, as the prevailing political system came to be called, was challenging for the peasants who made up a majority of the continent's population; those who

[57] Cipolla, 1994, 117.

were not serfs were associated with either military (nobles/vassals) or religious life (clergy), while a handful of privileged families held all the local wealth and power. Land-owning lords placed tracts of land under the care of vassals, in return for their military allegiance. Vassals, in turn, ruled the peasant farmers, who were usually permitted to subsist on the remnants of their crop. Unlike the Roman Empire, laws varied widely from place to place. The long-distance control and hierarchy of the Empire had given way to regional control, but economic mobility and access to wealth creation or value exchange were, by all recorded measures, even more limited than before.[58]

This situation lasted through most of the early centuries of the Middle Ages. But the great vulnerability of the feudal system was its extreme regionality. The lack of an overriding system of commerce left the lords out of a significant but growing business sector: the activity occurring between the people of different manors and beyond.

By the 1200s, technological developments such as water mills and windmills as well has increased travel and commerce led to the resurgence of towns and cities outside the lord's direct control. Towns became centers for the manufacturing, exchange and circulation of goods, and provided a stark contrast to the to-each-his-own way of life in the manors and villages. During this productive period, people with special skills from rural areas migrated into urban areas, and towns began to emerge once again, whether reviving an ancient Roman town or forming around a fort, monastery, market or imperial palace.[59] Additionally, many towns became so prosperous that they invested in long-term projects, like cathedrals. The "Age of Cathedrals" of this pre-Renaissance period was not funded by the Vatican, but by the bottom-up activity of vibrant local economies.[60]

In their new urban setting, serfs found legal freedom, opportunities for work, and a fresh start; the work-week got shorter, people got taller, and life expectancy increased.[61] City dwellers "enjoyed a unique personal status," and became known as *burghers*, a term that spread throughout medieval Western Europe and provided the basis for the later word "bourgeoisie."[62] Though society was still operating within a rigid hierarchy, for the first time in centuries there was a chance at social and economic advancement. The burghers developed a sense of unity and companionship against the hostile forces of the outside world and the old institutions, challenging every aspect of traditional society in medieval Europe and eventually breaking from control of the feudal lord, the church, and the nobility.[63] This social and economic reorganization was motivated by necessity: "The burghers of the tenth and eleventh centuries were ruthlessly harassed, blackmailed, subjected to oppressive taxes and humiliated.

[58] Ibid., 118.
[59] Ibid., 119.
[60] Lietaer, 2000, 163.
[61] Ibid., 142.
[62] Cipolla, 1994, 119.
[63] Ibid., 120.

This drove the bourgeois back upon their own resources."[64] Emerging social groups and economic organizations, like the *gild*, the *confraternity*, the *university*, and the *commune*, created a more horizontal, or at least wider, social hierarchy.[65]

It was only a matter of time before the burghers would grow wealthier and potentially even more powerful than the aristocracy. Instead of depending on the ownership of a fixed tract of land farmed by peasants and protected by an expensive army of vassals, this new class of merchants and manufacturers could increase production, commerce, and acquisition almost without limit. The heart of the town was the market, and, essentially, the rise of the town went hand in hand with the rise of the public market. (Braudel credits the rise of the market with the rise of modernity itself.)[66]

The rise of the market created a new phenomenon: profit. Production for the market in order to make a profit was a vastly different practice than production solely for self-subsistence, and motivated a new set of social aspirations. Growth and change were now possible. The market was the center of social life, and grew at enormous rates. On set days, the artisans and farmers would set up stands to sell their goods for the residents and outside visitors to consume. Oftentimes, the marketplace could grow as large as it needed to accommodate the increasing trade, simply by spilling outside the city center and into the surrounding streets.[67] The town then naturally expanded around the new location, and this cycle would continue until the town would eventually blossom into a full-fledged city, which would in turn require more goods and commerce, and so on.

Antipathetic to the markets, and generally incapable of extracting great value from market activity, Lords attempted to regulate all this trade and growth by monitoring prices, standards, and the size and location of the market itself. They limited the days the markets could be open, imposed tariffs, and enforced their laws with fines and sometimes even corporeal punishment.[68] However, even as the aristocracy put limitations on commerce — including, most obstructively and permanently, the centralization of currency (which we will analyze in Chapter 4) — people found ways around these boundaries and restrictions, detouring or avoiding the market altogether.

One such boundary-crosser was the merchant, who resurged in about the 13th century to serve as an intermediary between town and country, providing the first links in the chain connecting the movement of goods between producer, merchant, and retailer. From the 13th century on, the most important alternative to the market was the private shop that developed in resistance to the space limitations and time restrictions of the marketplace. On non-market days, cobblers, blacksmiths, and artisans were accustomed to selling their wares

64 Cantor, 1993, 231.
65 Cipolla, 1994, 122.
66 Braudel, 1992, 30.
67 Ibid., 29.
68 Ibid., 42.

through the windows of their workshops.[69] To respond to the demand for goods on non-market days, merchants set up their own shops to sell these items — for a profit — on behalf of the artisans, giving the latter more time to do what they did best.

Unlike artisans and sellers at the market, merchant shop owners did not specialize in actually making anything but rather in generating profit through selling. Gradually shops became more common, specialized, and varying in type. Services, such as apothecaries, pawnbrokers, moneylenders and banks, began to emerge, as did social centers such as inns and taverns. A shopkeeper hierarchy developed, with those merchants specializing in long-distance trade at the top.[70] Additionally, "private" channels of trade gave birth to traveling peddlers, salesmen, and merchants, who acted as wholesalers and middlemen willing to deliver goods to one's own door.[71] Business for business's sake was born and over the next few generations, along with the traders, moneylenders, and investors who backed them, these retailers would become the core of the urban bourgeoisie.

However, in their travels, merchants also benefitted from the vast resources of other territories, and access to international trade, investment, and an alternative economy to that of the manor. While the new bourgeoisie were becoming members of a fledgling global marketplace, the traditional aristocracy was essentially landlocked.[72] What official authority the aristocracy had left to offer their subjects was diminishing as rapidly as their wealth, influence, and numbers. In contrast to the rising middle class, feudal lords and early kings were not participating in any of this wealth creation. Their families hadn't created value in centuries, and they needed a mechanism through which to maintain their own stature in the face of a rising middle class. The aristocracy longed for a way to participate in the new economy — a way to invest that didn't put them or their good names at any risk.[73]

This opposition between the rising merchant class with its growing marketplace, and the aristocracy with its regulatory authority, creates the first axis in our tetrad. The aristocracy's interests will be represented by the corporate charter they devise — the top-down control they wish to *amplify*. The market's interests — those of unchecked free trade to grow with society's needs and activity — are the ones repressed and effectively made *obsolete* by the new medium.

1.3 Unlikely Alliance

To the extent that successful merchants interests were aligned with those of their aristocratic counterparts, there was common ground for the creation of a new means to regulate change. Even successful merchants occasionally seek to slow the turnover of free enterprise — the

[69] Ibid., 62.
[70] Ibid., 68.
[71] Ibid., 47.
[72] Cipolla, 1994, 120.
[73] Braudel, 1992, 477.

“creative destruction” endemic to a rapidly growing and changing marketplace with few forms of what we would today call insurance against disasters.[74]

The new merchant class had certainly increased the speed and breadth of wealth creation — but this also made for a highly competitive and fluid business environment. Sudden wealth could be followed by a sudden wipeout if a single ship got lost at sea or a fire took down a factory. Merchant businesses were still mostly family run, and rarely operated more than a few voyages before a shipwreck or other calamity took them down. They needed a way to institutionalize their success while they were on top, right after their ship had come in.[75]

Ironically, business success actually tended to lock merchants out of the innovation cycle — making them more vulnerable to competition. In fact, while the Renaissance is often celebrated for its emphasis on specialization and expertise, the division of labor is distinct from the specialization of labor.[76] On the surface, it may appear that a society of merchants, managers, and various levels of laborers is more specialized than one of shopkeepers and artisans. But it was not to the manager's advantage to hire highly specialized laborers who could demand higher wages. Instead, managers standardized processes in order to hire the least qualified and most replaceable laborers around. Far from encouraging specialization, competence, or innovation, all this mercantile and industrial activity actually favored generalization.[77]

As evidence of this trend, during this period of economic expansion arose the labor market, where people offered their physical bodies, intelligence and skills for sale.[78] As the population grew and the demands for goods increased, open land became privatized. This uprooted rural peasants, forcing them into the generic labor market. Previously, the life of a rural peasant had been below or altogether removed from money and the market found in urban centers. Peasants made do with what they could produce with their own hands. It was a life of great limitation, but also of self-sufficiency. As the commercial economy spread, the peasant had to turn the only marketable skill he had — physical labor — into his means of survival. Evidence of this sort of wage labor can be traced all the way back to Portugal in 1253.[79] There were designated meeting places, usually a square at sunrise, where a foreman, representing an employer, would meet with day laborers and hire them right off the street for

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[74] An idea first espoused by Marx and later adapted by Joseph Schumpeter, creative destruction is the idea that capitalism devalues existing wealth to promote new wealth. The existing wealth may be devalued through natural calamity or the innovation of competitors.

[75] Braudel, 1992, 472.

[76] For example, historian John F. Benton argues in his “Consciousness of Self and Perceptions of Individuality,” found in *Renaissance and Renewal in the Twelfth Century* (Benson, Constable and Lanham, Eds., Cambridge: Harvard University Press, 1982, p. 290) that the specialization/division of labor created an identity necessary and unique to the true Renaissance man.

[77] This process plays a key role in Max Weber’s theories on social class found in his *Economy and Society, Vol. I* (Berkeley: University of California Press, 1978), and as outlined by biographer, Reinhard Bendix, in *Max Weber: An Intellectual Portrait* (Garden City, N.Y.: Doubleday, 1962).

[78] Braudel, 1992, 51.

[79] Ibid., 53.

domestic or agricultural type work; at times the state would also use hired labor as mercenaries for fighting.[80]

Meanwhile, the managerial class sought to diversify itself as quickly as possible, undermining any specialization of its own. Once a low-level shopkeeper or wage earner had saved enough money to make the first step into more advanced levels of commerce, his first move was to commission the very work he used to perform. Then he began diversifying his wares and financial activities. The higher the capitalist was on the economic ladder, the broader and more varied were his investments and enterprises — and the more disconnected he was from his business's skills and people performing them.[81]

So both the aristocracy and the most successful of the mercantile class required a new mechanism through which they could invest their almost "generic" capital in the form of pure financial and legal power. This mechanism had to offer the ability to invest in a business with total discretion, anonymity, limited liability, passive participation, and little or no expertise — in other words, completely abstracted involvement.[82]

The earliest business model for the first firms and companies was the Italian *commenda*, a short-term maritime-based partnership consisting of one partner who stayed on land providing capital and another partner who went to sea providing labor.[83] Later, the family-centered *compagnia* (*cum* meaning 'with' and *panis* meaning 'bread') became the most common form of business partnership, where labor, risk, and capital were all shared by blood ties. As family documents and journals of the period suggest, what we might call an early capitalist mentality, characterized by intentionally rational economic choices and policies, was emerging among the owners of these companies. This was particularly true in Florence, "the city of incessant movement, which has left us a record of the thoughts and aspirations of each and all who, for three centuries, took part in this movement."[84] In Leon Battista Alberti's *Libri della Famiglia* (*Books of the Family*), part of which was written in Florence in 1441, the author leaves for his children such sayings as money is "the root of all things"; "with money, one can have a town house or a villa; and all the trades and craftsman will toil like servants for the man who has money. He who has none goes without everything, and money is required for every purpose," and "always remember, my sons, that your expenditure should never exceed

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[80] Ibid.
[81] Ibid.
[82] As owners and managers of the first corporations, they would insert themselves into the framework of the family-run business, undermining the local economy through a new participation in the abstracted global market. But this would be a family firm in appearance only. Unlike the rising middle class merchants who were actively involved in their local communities, however, these external investors would have little interest in supporting the local economy, except insofar as it could be used to expand power, influence, and money holdings; for the upper class, their abstracted involvement in the local economies were truly just a means to a globalized economic end.
[83] Braudel, 1992, 434.
[84] Burckhardt, 1990, 57-8.

your income."[85] Similarly, Florentine writer Paolo Certaldo wrote in *Les marchands ecrivains: Affaires et humanisme a Florence, 1375-1434 (The Merchant Writings: Business and Humanism in Florence),* "if you have money, do not wait, do not keep it lying idle at home, for it is better to work in vain than to be idle for nothing, because even if you gain no profit by working, at least you do not lose the habit of doing business," as well as "always take trouble and strive to make gains"; "It is a fine thing and a great science to know how to make money, but it is even better to know how to spend it sensibly and in the right place."[86]

But these lessons and platitudes were not enough to maintain these new, long-distance business enterprises over decades. Over time, these family-run businesses proved incapable of managing the risk of their enterprises and expeditions. They reached beyond bloodlines, accepting outside investors and foreign partners. These types of partnerships tended to fare better and become more complex inland than in coastal settings due to the short life of most maritime partnerships, which usually ended once the ship had returned to port.[87] Toward the end of the 13th century, public business registrars became commonplace thus paving the way for the credit system that developed in the 14th and 15th centuries.[88] New kinds of laws, contracts, and standardized currencies, as we discussed, would be required to extend these agreements to people of different families and regions. Florence, with its key Mediterranean location, its widely accepted currency, the gold Florin, and its "capitalist mentality," became the birthplace of the first "limited partnership" firms, the precursors to corporations.

The limited partnership firm first appeared in Florence in 1532, and distinguished between the liability of the firm's directors and of those who merely contributed capital, who would only be responsible for the amount of their contribution.[89] Furthermore, contributors were not subject to being listed among the business partners, allowing noblemen, and even monarchs to hide their commercial interests, which among other things, protected them from potential loss of rank if their investment were a failure. The concept of the limited partnership — a uniquely abstracted way of organizing a business — quickly spread throughout Europe, steadily replacing the family-run firm, with rampant funding for daring investments from mines and plantations to colonialist adventures. Through this new opportunity for quiet and passive participation, the nobility became mad for investing, promoting the diversification of trade and the rise of long-distance business partnering.

As the operators of these huge projects sought to secure even more capital from a wider range of regions and social classes, they formed a more advanced form of limited partnership called the joint stock company, which could generate investment from

[85] Braudel, 1992, 579-80.
[86] As quoted in Braudel, 1992, 580.
[87] Ibid., 436.
[88] Ibid., 437.
[89] Ibid., 428.

shareholders on an open market. Associations of capital were contributed by shareholders made up of merchants and aristocracy to form a sole entity whose shares were both transferable and for sale on the open market, and investors would only be liable for losses totaling their stake in the company.[90] Braudel explains that the "joint stock company was a way of reaching a much larger investing public, a way of extending both geographically and socially the zones from which money could be drawn."[91] This broke business open, allowing for the creation of businesses by virtually anyone capable of getting investors. It almost heralded an era of business meritocracy, which would have generated unprecedented churn in the class structure.

But success has its downsides: the wealthiest merchants were now as vulnerable to upstarts as the aristocracy. Finally, the monarchy had something it could offer the bourgeoisie who threatened to unseat them. Although monarchs might have lacked the vast financial resources of joint stock companies, they still enjoyed a structural advantage over any of them: central legal authority. Taking a cue from the Church, which had a tradition of "incorporating" groups of monks into single entities, royals exercised their authority to sanction a new kind of chartered body: the corporation. The corporation was not a business or a government entity, but a combination of the two. Its government supporters — the monarchs — had the authority to write the trade laws and grant monopolies; its business participants — the chartered companies — would enjoy the exclusive right to exploit them. It may have appeared as only an incremental step from the joint stock company, but it was a fundamentally different formation.

By granting a specific joint stock company a legal charter to do business, monarchs could give it monopoly control of its business sector. So a shipping company that once competed with others for the resources of a set of islands now enjoyed exclusive, royally mandated control over that domain. No other corporation could do business in that region, and even locals or colonists would be prohibited by law from competing against the corporation extracting their resources or selling them goods.[92] Another corporation would be granted monopoly control over glass production; another would win the exclusive right to brew beer, and so on. By issuing corporate charters, kings could empower those most loyal to them with exclusive and enduring control over their colonial regions or industries.

The joint stock companies' problem with competition from rising new businesses or local activity was solved. Though small firms were by far the most prolific business forms, the size of the firm "only increased significantly when the state was concerned: the most colossal of modern enterprises, the state, helped others to grow as it increased in stature itself."[93] And

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90 Cawston and Keane, 1968, 9-10. Also, Thomson, 1994, 32-33.
91 Braudel, 1992, 442.
92 Korten, 1995, 60.
93 Braudel, 1992, 443.

in return for granting legally enforceable monopolies over particular industries and regions, monarchs got fiscal support and profit participation far exceeding the worth of any cash investment they could have made.[94] As a Dutch lawyer of the period explained in a letter justifying the very first charter of this sort, for Holland's East India Company, "the state ought to rejoice at the existence of an association which pays it so much money every year that the country derives three times as much profit from trade and navigation in the Indies as the shareholders."[95]

For merchants whose businesses previously lasted only as long as a single expedition, the arrangement offered a way to earn more permanent status, military protection from the crown, and the right to exploit new regions and peoples with authority and impunity. Equally important, they could lose no more than their initial investment. The "limited liability" granted by a charter meant that a corporation's debts died with the bankruptcy of the corporation. And bankruptcy protection was granted by the state. The basic rationale for early charters was to provide companies with the mechanisms to defend themselves during overseas trade and commerce.[96] These processes:

> in semi-barbarous times become risky, and need the protection both of their own rulers and of the foreign States where they have established themselves somewhat in the envious character of intruders, monopolists, and interested opponents of all incipient industrial enterprise.[97]

By inventing this new medium, this paper entity — the corporate charter — the aristocracy and the bourgeoisie entered into a mutual co-dependency that changed the character of both. Through these first great trade monopolies, such as England's Muscovy Company of 1555, the British East India Company of 1600, or the Dutch United East India Company of 1602, monarchs found a way to extend their reach without the cost or liability of an official military expedition.[98] Better yet: for the monarchs, the merchants running the corporation would now become loyal subjects, dependent on the crown for their legitimacy, protection, and escape clauses.

So by tracing the development of the corporation in terms of what it amplifies and makes obsolete, its inventedness and its form, if not its very purpose, become clear. Understood as a medium in its original form, the corporation as charter — a set of rules on paper that amplify the power and resilience of extant hierarchies, while obsolescing the

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[94] Korten, 1995, 61.
[95] Braudel, 1992, 445.
[96] Cawston and Keane, 1968, 3.
[97] Ibid.
[98] Korten, 1995, 60.

influence of the market, competition, or even nature to change them. They did not simply "happen" — they were neither the creations of God, pre-existing conditions of human society, or, most to the point, expressions of the growing marketplace of the Late Middle Ages. Rather, as our tetradic analysis reveals, they acted as a counter-force to that marketplace and to free market competition itself, effectively obsolescing the unchecked challenge to feudal rulers, and free market competition itself.

It may appear that this simple historical survey and tetradic analysis reveals only the obvious. This only attests to the power of the tetrad's simplicity. For the intent and function of the charter remained obscure for many years to come. As we'll see in Chapter 3, traditional historians accepted the Renaissance elite's scribes' premise that these charters emerged quite naturally, as the most successful businesses grew bigger and faster than their earlier structures could handle. Even 20th-century corporate apologists (often funded by larger American industrial corporations) attempted to prove that the businesses that won chartered monopolies only did so because they had grown so powerful on their own.

But contemporary re-evaluations of this premise, conducted by economic historians, indicate quite the opposite. S.R.H. Jones and Simon P. Ville, for example, have focused their research on challenging the notion that these newly corporatized actors were such "efficient transactors" in the first place.[99] Recasting the chartered monopolies as "rent-seeking monopolists," these historians, along with Ann M. Carlos, Janice E Thomson, and the vast majority of today's contributors to the *Journal of Economic History*, challenge long-held assumptions about the rationale for company charters. They suggest that the assertion that these companies succeeded because they were more efficient than the local companies they replaced is "myth," and that their triumph was entirely dependent on having won a charter in the first place.

1.4 What does the medium retrieve?

The charters that monarchs and mercantilists wrote not only stopped their own decline from power; they stopped time, locking in place a set of corporatist priorities that to this day have not significantly changed. Instead, as the corporate charter proliferates, these priorities work to change the world and its people to conform to the rules of corporatism. Several contemporary economic historians have analyzed the emergence and enactment of early corporate charters, and have concluded that the regulations within them promoted monopolization in the extreme.[100] People who had always engaged in business with one another would now be required to do so through monopoly powers. All lateral contact between people and businesses would now be mediated through central authorities. Any

[99] Jones and Ville, 1996.
[100] Most notably seen in Carlos and Nicholas, 1990, and Carlos and Nicholas, 1988.

creation or exchange of value would have to be run through these centrally mandated companies, in a system enforced by law, controlled by currency (Chapter 4), and perpetuated through the erosion of all other connections between people and their world (Chapter 3). Moreover, and retrieving an abstracted value set from as far back as the Roman Empire and even the Ancient Greeks, the emphasis of business would shift from the creation of value by people to the extraction of value by central authorities.

In the new corporate scheme the profitability and authority of a company now depended on its *centrality*. Retrieving the values of the Holy Roman Empire, the more powerful the king, the more dominion a chartered company could enjoy. Where successful companies once threatened the authority of the state, now they contributed to it. While earlier companies benefited from a landscape on which value could be created independently of established power structures, these new, chartered corporations were *part of* the established power structures. The more that currency, law, and belief systems favored trade conducted at a great distance and orchestrated by a central authority, the better off chartered corporations were.[101] Merchants who originally came to power in a bottom-up fashion were now maintaining their positions through borrowed top-down authority. Their power was no longer earned in real time, but mandated by proxy; their business practices were no longer dependent on value created but value extracted.[102]

Of course, the Renaissance — literally re-birth — was characterized by the retrieval of many mutually sympathetic values. The invention of the corporate charter — with its biases toward abstraction, extraction of value and dehumanizing centrality — was not created in a vacuum. Rather, the significant inventions and innovations of the time were all contributing to an environment — a media ecology — of abstraction and individualism. Just as I am investigating the invention of the corporate charter from a media ecological approach, others have explored contemporaneous inventions and innovations that also augmented the biases of this new environment, including the clock, the printing press, perspective painting, and the philosophical development of the individual. The use of the map is also historically significant, and we will cover the map extensively in *Chapter 2:The Map Becomes the Territory*.

According to Lewis Mumford, the clock "has been the foremost machine in modern technics: and at each period it has remained in the lead: it marks a perfection toward which other machines aspire."[103] There are records of mechanical clocks dating back to the thirteenth century, with timekeeping most often being the purview of churches, as "the bells of the clock tower almost defined urban existence."[104] By 1345, it was common knowledge that

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[101] Braudel, 1992, 545.
[102] For an in-depth review of early top-down corporate control mechanisms see Carlos and Nicholas' *Giants of an Earlier Captitalism: The Chartered Trading Companies as Modern Multinationals,* 1988, 413.
[103] Mumford, 1963, 15.
[104] Ibid., 14.

hours and then minutes were divided into sixty parts of the whole creating an "abstract framework of divided time."[105] This abstraction of time created a reference point for "action and thought," while "it dissociated time from human events and helped create the belief in an independent world of mathematically measurable sequences: the special world of science."[106] Measuring time meant the potential ability to measure anything with specificity, advancing the study of astronomy, which focused on the regular movement of celestial bodies in space.[107]

By the early sixteenth century, a Nuremberg mechanic — most probably Peter Henlein — invented the small domestic clock, which within a few decades would spread as far as England and Holland. To be "as regular as clockwork" became a "bourgeois ideal."[108] As time was now quantifiable and able to be standardized, it was disassociated and abstracted from daily organic existence — people no longer ate or slept when they felt particularly hungry or tired; they ate and slept when it was time to do so. With the widespread use of clocks, "time-consciousness" regulated existence and "time-keeping passed into time-serving and time-accounting and time-rationing."[109] Similar to the naturalization of the corporate economy as the only conceivable economic structure, "Western peoples are so thoroughly regimented by the clock that it is 'second nature' and they look upon its observance as a fact of nature."[110] This invention was clearly biased toward abstraction, as time was no longer governed by such natural phenomena as daylight or seasons, but rather by a concept of segmented units which could be measured and then have value applied to them.

Likewise, the invention of the printing press and the resulting proliferation of printed material perpetuated a similar abstraction as the invention of the clock. Similar to a clock's dial and pendulum, typography segmented and fragmented "an integral action" and promoted standardization, mechanization, precision and uniformity.[111] Reaching even further into its biases, Burke argued that the press also "aided and encouraged the process of what might be called 'decontextualization' or 'distanciation'."[112] McLuhan dubbed it "detachment and noninvolvement."[113] When people read about ideas instead of hearing them directly from another person, they were able to remain distanced and critical, as they could compare and contrast different texts.[114] Furthermore, because of the nature of print, the reading public could be more dispersed, and "also more atomistic and individualistic than a hearing one."[115]

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105 Ibid., 15.
106 Ibid.
107 Ibid.
108 Ibid., 16.
109 Ibid., 14.
110 Ibid., 16.
111 McLuhan, 1994, 218.
112 Burke, 1998, 61-2.
113 McLuhan, 1994, 235.
114 Burke, 1998, 61-2.
115 Eisenstein, 1983, 94.

Historians and media theorists alike also link the proliferation of print with the contemporaneous invention of "perspective painting" and the larger philosophical migration toward "individualism." McLuhan described the printed book as:

> an extension of the visual faculty, intensified perspective and the fixed point of view. Associated with the visual stress on point of view and the vanishing point that provides the illusion of perspective there comes another illusion that space is visual, uniform and continuous. The linearity, precision, and uniformity of the arrangement of moveable types are inseparable from these great cultural forms and innovations of Renaissance experience.[116]

The imperatives of uniformity and standardization functioned interdependently with the emergence of a new sense of individualism. "The more standardized the type, indeed, the more compelling the sense of an idiosyncratic personal self."[117] That concept of an individual perspective was consistent with how print functioned by:

> breaking the individual out of the traditional group while providing a model of how to add individual to individual in massive agglomeration of power. The same spirit of private enterprise that emboldened authors and artists to cultivate self-expression led other men to create giant corporations, both military and commercial.[118]

Whereas the traditional sense of community necessitated gathering together to receive information, the reproduction of information highlighted the individual reader, rendering a reading public "a bundle of discrete units."[119] However, even as communal ties loosened and faded, participation in distant or global events forged larger collective units; this embracing of the larger global perspective in lieu of the local community perspective was consistent with and supportive of the emerging biases of mercantilism and the corporate charter.[120]

The invention of the perspectival method in Renaissance painting was an equally significant achievement that became so naturalized it was regarded for the next four centuries

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[116] McLuhan, 1994, 235.
[117] Eisenstein, 1983, 56-7.
[118] McLuhan, 1994, 235.
[119] Eisenstein, 1983, 94.
[120] Ibid.

as the "only and 'true' way to see."[121] The understanding of perspective in the visual arts required that individuals "unlearn all the compensations they naturally learned as children."[122] Perspective comes from the Latin *perspicere*, which means 'to see through, behold', and "its development required a philosophical basis in the idea of the separation of the seer from the seen; the separation of subject and object" further underscoring the awareness of an individual self in relation to the surrounding world, as well as the presumption that mathematically derived attributes such as vanishing points and horizon lines accurately depict reality.[123] The Renaissance marked a fascination with the complexity of man's nature and "inner experience of the individual, a penetrating of illusory external appearances to acknowledge, as in the study of Hamlet or the portrait of the Mona Lisa, the mystery within."[124] But just as the individual looked inward, they were also able to address the external world in a new way. Similar to the interdependence of standardization and self-realization, the *subjective individual* became capable of "an *objective* treatment and consideration of the state and of all the things of this world."[125] *Objects* with quantitative properties were to be studied by thinking, acting *subjects* who investigated the objects.[126] This paradigm shift reflects the biases of detachment, distance, and extraction of value inherent in the subject-object relationship – a relationship mandated by the underlying rule sets of the corporate charter.

While all of the inventions and innovations of the time were contributing to an environment of abstraction, the abstract and independent nature of the corporation gave it an individualistic life and agenda of its own. Just as McLuhan suggested, authors and artists were motivated by the same "spirit of private enterprise" that led men to create giant military and commercial corporations.[127]

We must remember, however, that corporatism was not an inevitable evolutionary development but rather an invention consistent with this environment of abstraction and individualism, and depending on these biases for its success and growth. In the other direction, of course, the more such corporations came to dominate business and finance, the more that legal and social systems developed to serve them and their biases, creating a feedback cycle that reinforced the power of the invention and the retrieval of values it initiated. Most of the business and finance innovations of the early corporate era — inventions we still utilize today — were really just ways of preserving and extending the reach of this new business entity.

[121] Ashcrost, 2001, 134.
[122] Ibid.
[123] Ibid.
[124] Roston, 1990, 170.
[125] Burckhardt, 1990, 98.
[126] Skirbekk and Gilje, 2001, 172.
[127] McLuhan, 1994, 235.

From a media ecological vantage point, the corporation can be understood as a particularly archetypal and influential medium in that it did not simply imply and reinforce but it actively required a new environment in order to survive and prosper. One component of this new environment was double-entry bookkeeping – itself a media technique creating its own environment and legacy. The health of a corporation was understood purely in terms of money, and states became "obsessed with the size of their monetary reserves," as measured by the new accounting technique of double-entry bookkeeping.[128] Any transaction resulted in the debiting of one account and the crediting of another. This made achieving a favorable balance of trade the highest priority, and fostered a zero-sum game mentality among all participants.

The resulting environment of international trade that the new medium of the double-entry ledger helped cultivate was a fierce competition between states for positive balances, which led to wars unlike any seen before.[129] Where armies and navies had for most countries consisted of temporary forces raised to wage a specific conflict, the emergence of corporations with long-term agendas now necessitated full-time professional armed forces, resulting in strong merchant marines.[130] This, in turn, led monarchs to raise sufficient quantities of hard currency to support their militaries, which they bolstered with duties and import/export restrictions in their favor.

For example, in France, Jean-Baptiste Colbert, the minister of finance under Louis XIV increased port duties on foreign vessels entering French ports while providing bounties to French shipbuilders. In England the Navigation Laws of 1650 and 1651 prohibited foreign vessels from engaging in coastal trade in England and required that all goods imported from the continent of Europe, or traded between England and her colonies be carried on either an English vessel or a vessel registered in the country of origin of the goods.[131] The Staple Act of 1663 extended the Navigation Act by requiring that exports to Europe from England's colonies be routed through an English port before being re-exported to Europe. Navigation policies by France, England, and other powers were directed primarily against the Dutch, who dominated commercial marine activity in the sixteenth and seventeenth centuries.[132] Corporations were happy to pay the levies for military protection and to accommodate the import/export restrictions — as long as they gained more influence over state policies protecting them from competition. And thus the cycle reinforced itself.[133]

As businesses and states alike adopted the rules and strategies of corporatism, corporatism itself began to function like a medium – a lens through which they saw the world. Like any medium, this new corporatist eyepiece was responsible for making them see and

[128] Braudel, 1992, 545.
[129] LaHaye, 2006.
[130] Ibid.
[131] Ibid.
[132] Ibid.
[133] Ibid.

relate to many phenomena quite differently; places became territories, people became laborers, money became capital, and laws became game rules. For this was the embedded bias of the charter itself: to maintain the *central authority* of the state while granting *monopoly power* to the corporation. We may call this the ideology of corporatism. Real things, such as human beings, land, and resources, only mattered insomuch as they kept the credit side of the balance sheet bigger than the debit side. The underlying bias of corporatism would be that everything, and everyone, could be colonized for a profit. Anything and anyone would be incorporated, as long as they increased the power of a central authority that in turn promoted the monopolies of its chartered corporations.

In "Giants of an Earlier Capitalism: The Chartered Trading Companies as Modern Multinationals," Carlos and Nicholas describe chartered trading companies as "institutions for economizing on the costs of using the market." [134] In their description of these economizing strategies, there is a consistent pattern of vertical integration, centralization of control, and the replacement of local markets. The English East India Company, for example, dealt directly with Bengali weavers, bypassing all involvement with local markets as an intermediary between the company and the local labor force.[135] As a result, local merchants were left out of a workflow that included operating factories operations and transporting the product locally. Similarly, the Muscovy Company opened up its own cordage factory in Russia employing an English workforce, while "the Dutch and British East India companies owned saltpeter and silk spinning factories in India."[136]

"Transaction cost theory" is used to explain why many of these companies undertook local production and bypassed existing local markets. This theory suggests that high frequency transactions, coupled with a decentralized and local market, resulted in vertical integration to keep costs down.[137] These companies thus "replaced the market as the device for transacting in long distance trade."[138] It should be noted that by "market," Carlos and Nicholas are quite clearly referring to "local markets." In addition, the use of the term "long distance trade" is curious since it implies that only large scale international trading commerce was affected by this phenomenon. As Carlos and Nicholas's prior descriptions illustrate, this was clearly not the case. The transactions being monopolized were local and real; only the extraction of wealth was done from a distance, consistent with the embedded bias of corporatism for control from afar.

The rise of European imperialism itself was consistent with this revival of the abstracted, long-distance, perspective of earlier empires. Thanks to the distance and limited liability offered by the new corporate entity, the people enacting policies and making decisions

[134] Carlos and Nicholas, 1988, 414.
[135] Ibid., 412.
[136] Ibid. 413.
[137] Ibid.
[138] Ibid., 414.

were effectively removed from any personal connection to the repercussions of their actions. The less they were liable for and connected to their choices, the less responsibility they felt and culpability they incurred. The contracts that monarchs and mercantilists wrote not only stopped their own decline from power — they stopped time, locking in place a set of business priorities that still haven't changed. Besides, corporations outlived any human individual or monarch, anyway.

In terms of the tetrad, the corporate charter retrieves the abstract values that permit and encourage this relationship of state, business, and people. The focus on metrics, the idealization of concepts such as profit, and even the elevation of the individual — all retrieve the values of Ancient Greece, while the emphasis on command-and-control, the drive to imperialism, and the elevation of central authority retrieve those of the Romans - both of which were previously obsolesced by the fall of the Roman Empire.

1.5 It's Alive: The Corporate Charter Flips

Completing our tetrad, we must finally ask what does the medium of the corporate charter "flip into" when pushed to extremes? Some might argue we haven't gotten there yet. But resistance to corporate imperialism, particularly in the early American era, did at least temporarily challenge the preeminence of the medium. This challenge pushed the corporate charter to a new extreme: it became a person. All along the way, legislation was the medium used to redefine cultural and political phenomena in terms of corporatist interests.

By the 17th and 18th centuries, monarchs were unflaggingly catering to the merchant corporations that fed them. Whenever state favoritism became too overt and subjects or colonists revolted, monarchs eased restrictions on the people and promoted their favorite corporations' interests through preferential taxes and duties. Everything went through corporations; even the Pilgrims' famous voyage to America was made on a chartered British East India Company ship, the *Mayflower*, which was actually on its fourth such trip to the continent.[139] The corporation had already claimed — and been granted — the entire American coast. Successive waves of colonists were appreciated solely for their capacity to enhance the credit column of the ledger back home.

The East India Company lobbied vigorously for laws that would help it quell any competition from the colonists.[140] This was a particularly easy sell since the royals and governors they were lobbying also happened to be shareholders. To support local manufacturers, the government developed trade policies imposing tariffs, quotas, and prohibitions on imports of goods that competed with local industry.[141] Competition to produce manufactured goods from foreign countries, or even from the colonies of the home country,

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[139] Hartmann, 2002, 64.
[140] Ibid., 70.
[141] LaHaye, 2006.

was thwarted by prohibitions on the exportation of tools and capital equipment and on the emigration of skilled labor.[142] Laws forbidding colonists from actually fabricating anything from the resources they grew and mined made self-sufficiency or local economic prosperity impossible. Colonists who grew cotton were not permitted to sell it to other people or, worse, fabricate clothes.[143]

As with the trading of farmed grain for grain receipts, these activities would have generated value from the bottom up, without the requirement of a central lending or approving authority. Instead, colonists were required to sell cotton to the Company, at fixed prices, which shipped it back to England where it was fabricated into clothes by another chartered monopoly, and then shipped back to America for sale to the colonists.[144] It was not more efficient to transport commodities back and forth across an ocean; it was simply more extractive.

The resulting economy also encouraged — and often forced — people to accept employment from chartered corporations rather than create value for themselves. For example, when natives of the Indies began making rope to sell to the Dutch East India Trading Company, the Company sought and won laws making rope fabrication in the Indies illegal for anyone except the Company itself. Former rope-makers had to close their workshops, and work instead for lower wages as employees of the company.[145] In a similar example, "An Act For the Restraining and Punishing of Pirates" defined the import of tea from anyone other than the Company as smuggling.[146] "The Townshend Acts of 1767" and "The Tea Act of 1773" helped the Company unload a surplus of tea accumulated in British warehouses by removing all barriers to trade as well as granting tax exemptions.[147] "No taxation without representation" — the rallying cry that led to the Boston Tea Party — wasn't about voting as much as about Britain's passage of tax laws to the exclusive benefit of the East India Company.[148] The American Revolution itself was less a revolt by colonists against Britain than by small businessmen against the chartered multinational corporation writing their laws.

This is likely why the founders so carefully limited the reach and scope of corporate power in newly independent America. Corporations were to be chartered by states, not by the federal government, ensuring that their actions could be governed locally by those affected. Corporations were also required to demonstrate that they had a specific beneficial purpose other than making money — such as getting a bridge built or a waterway opened.[149] Having fought against a foreign mega-corporation, the founders surely understood the dangers

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[142] Ibid.
[143] Hartmann, 2002, 118.
[144] Ibid.
[145] Carlos and Nicholas, 1988.
[146] Hartmann, 2002, 70.
[147] Ibid.
[148] Ibid., 71.
[149] Morris, 1996.

inherent in the kind of centralized economic authority demanded by corporatism. Like Adam Smith, they were suspicious of big government and big corporations alike, envisioning the ideal business landscape as one characterized by locally scaled firms and farmers, unencumbered by large, dehumanizing monopolies. Thomas Jefferson considered "freedom from monopolies" one of the fundamental human rights.[150] James Madison praised self-sufficiency and appropriately scaled enterprises: "The class of citizens who provide at once their own food and their own raiment, may be viewed as the most truly independent and happy. They are more: they are the best basis of public liberty, and the strongest bulwark of public safety."[151] It was as if they meant to reverse the effect of the Renaissance-conceived corporate charter. (This begs a tetradic analysis of the US Constitution as a counter-medium to the corporate charter.)

Still, due in large part to the tremendous Revolutionary War debt, early American politics was dominated by a division over whether or not the United States, like European nations, should have a strong central government that was also capable of granting corporate charters and running a bank. Jefferson argued unsuccessfully against Federalists George Washington and John Adams for the Bill of Rights to include "freedom from monopolies in commerce" and to forbid the creation of a permanent army.[152] This back-and-forth continued for the next century. One administration or congress would pass laws favorable to corporations, and then the next would attempt to rescind them. But because they could live on indefinitely, corporations simply waited for conditions to change, made what progress they could, and then waited some more.

The corporate charter — the paper-based set of rules defining a sanctioned business — finally gained the capacity to "flip" into a new form under Abraham Lincoln, who had built his legal career fighting on behalf of the Illinois Central Railroad, and then used the privilege of free rail travel that his job afforded him to keep his presidential-campaign costs low.[153] With Lincoln's help the railroads won the right to break unions, hire immigrants for up to a year by paying for their passage to America, and — most important — enjoy strong contractual advantages that people didn't have. According to successive pieces of legislation he signed in the early 1860s, if a corporation broke a contract with another corporation, it was still to be paid for the portion of the contract it had fulfilled. But a human who broke a contract with a corporation was entitled to no payment whatsoever. The playing field itself was changed to give corporations rights that people lacked.[154]

The only privilege corporations were still denied was that of *personhood itself*. If only corporations could get the courts to consider them people, they would be entitled to all

[150] Hartmann, 2002, 84.
[151] Madison, 1865, 476.
[152] Hartman, 2002, 92.
[153] Ibid., 107.
[154] Ibid., 108.

the rights granted to real people by the Constitution and the Bill of Rights. The rail companies understood this well, and routinely made the "personhood" argument in court cases — whether it applied or not.[155] The passage of the Fourteenth Amendment, written to guarantee the rights of citizenship to former slaves, gave corporate lawyers the legal framework to make their cases. For reasons historians can't quite articulate, the Amendment uses the phrase "persons" instead of "natural persons."[156] Corporations argued that this was because it was meant to include their own, non-natural personhood. In their opinions, justices repeatedly scolded corporate lawyers for attempting to exploit a law written on behalf of emancipated slaves. But the corporations had patience, and opportunistically sought out every leak and crack in the system.[157]

Finally, in 1886, in a legal maneuver that has yet to be conclusively explained, a Supreme Court clerk with documented affinity for corporate interests incorrectly summarized an opinion in the headnotes of the Court's decision in *Santa Clara County v. Southern Pacific Railroad Company*.[158] The clerk wrote: "The defendant corporations are persons within the intent of the clause in section 1 of the Fourteenth Amendment to the Constitution…which forbids a State to deny to any person within its jurisdiction the equal protection of the laws."[159] There was no legal basis for this statement, nor any discussion about it from the justices. From then on, however, corporations were free to claim the rights of personhood. The more precedents that were established, the more embedded the law became. Over the next twenty-five years, 307 Fourteenth Amendment cases went before the Supreme Court — 288 of those were brought by corporations claiming their rights as persons.[160]

The elevation of corporations to personhood was necessarily accompanied by a slow, corresponding devolution of human beings to something *less* than personhood. Corporations were bigger than people, lived longer, had more money and more influence. The biases programmed into corporate charters four centuries earlier, however — to thwart local activity, prevent competition, and disconnect people from their resources and competencies — remained the same, regardless of the circumstances. Traditionally, geography, class, and race defined the distance between corporations and the people or territories they exploited. But America was no longer a colony, and its people had been raised on an ideology of equality, freedom and agency.

Fortunately for the corporations, the Industrial Age gave them a new way to create the illusion of a preordained social order: the machine. Originally, the steam engine was

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[155] Ibid., 113.
[156] Ibid., 7.
[157] Korten, 1995, 66.
[158] Ibid.
[159] Hartmann, 2002, 23.
[160] Ibid., 24.

developed as a means of sucking water out of mine shafts in order to get to the coal beneath.[161] Until the abolition of slavery, American industrialists saw no role for this contraption in agriculture or industry, where the human body was still the primary energy source. When slavery became untenable a reconfigured steam engine rose to the occasion, accomplishing with coal what used to be done with indentured muscle, and what we now call the Industrial Revolution began. Coal allowed for the mechanized factory, the locomotive, and, perhaps most importantly, the steamship. With coal-powered boats, newly industrialized Western nations — predominantly Britain — were capable of distributing their manufactured goods to their colonies, as well as enforcing military superiority and the trade policies that went along with them. Legislation required the colonies in India to use mechanized looms, for example, so that the ready availability of human labor in that region could not compete with England's mechanical replacements.

As we will see in Chapter 3: Corporatism as Media Spectacle, the legacy of the Industrial Age was a corporatist agenda that dovetailed neatly with the spiritual and social underpinnings of early 20th century American culture. An entire public relations and advertising industry was erected to support this agenda. When we trace the gross impact of corporatism's own biases on culture and behavior, we will be able to see even more clearly how it created a society more compatible with its own "flip" toward personhood and corresponding "reversal" of humanity toward automation.

Briefly summarized, however, America witnessed both worker and schoolchild subjected to various versions of mechanization. Henry Ford utilized the assembly line, while educators adopted the "Prussian" education method of bells and other factory media. Meanwhile, the mechanization of the American lifestyle – from the promise of technology to the utilitarian uniformity of planned suburbs – was celebrated in public relations campaigns from World's Fairs to Hollywood movies to highway billboards. As Richard Barbrook has documented[162], corporations funded management theory and economics whitepapers consonant with a view of humans as essentially programmable, and advertising agencies exploited new psychological techniques to leverage these effects.

The last century of media-enhanced public relations set in motion something the founding fathers simply couldn't have imagined: a corporate sphere in cahoots not only with a corrupt government, but with the people. *We* are the new collaborators, engaging with one another and the world at large through these artificial actors. As we do, our behaviors become increasingly predictable, our lives more predetermined, and our awareness of alternatives to corporate enabled autonomy diminished. Consumer research companies such as Axciom and Claritas work with "big data" companies such as Opera to churn out remarkably accurate

[161] Savery, 1827.
[162] Barbrook, 2007.

predictions of our future choices based on statistical modeling and factor analysis of our past behaviors.[163]

The more disconnected and predictable people become, of course, the less *alive* we are by all measures that matter from a humanist perspective, and the more our corporations take on a life of their own. On the synthetic landscape of corporatism, corporations are the indigenous creatures and humans are the aliens. Corporations function better than people can, because our laws - even our roads, neighborhoods, and political processes - are written to favor their activity over our own. We must work *through* them rather than through each other, which only increases our disconnected predictability. We surrender our agency, losing access to and awareness of the free will that makes us human. Corporations are fast flipping into human beings, while human beings are de-naturalized into Facebook profiles. We have reversed roles.

The landscape as reconfigured by corporatism is necessarily abstracted and individuated: it favors the selfish over the social, the brand over the product, and the central over the local.[164] This is why our search for solutions has been so challenging; we look for nationally branded or corporate-sized answers to problems that might better be approached on a local or personal level.[165] We are drawn to solutions that offer the same instant gratification as consumption, the same frictionless immediacy as high-end salesmanship. Political leaders have all the emotional power — and insubstantiality — of the tested images on which their campaigns are based.

As a result, government — democracy, really — turned out to be just as vulnerable as the free market to the amplified agendas of the corporate. Increasingly mediated, branded, and nationalized campaigns — consistent with the abstracted, long-distance bias of corporatism — made candidates all the more dependent on a scale of support only corporations could mount.[166] And despite frequent attempts by the courts to block corporate influence over the political process, this turned out to be the frontier on which the corporate charter was to push to its most recent extreme.

Still "flipping" after all these years, the American corporation was unsatisfied with mere personhood, and in the 2010 US Supreme Court case *Citizens United vs. Federal Election Commission*, gained the same free-speech rights as the individual.[167] As recently as the 1970's, Justices William H. Rehnquist and Byron R. White held that corporations were "creatures of the law" capable of amassing wealth but due none of the rights of voters. But the

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[163] See Rushkoff, 1999 and Goodman and Rushkoff, 2003.
[164] Burckhardt, 1990, 129.
[165] See Klein, 2001, and Pariser, 2011.
[166] Eismeier and Pollock, 1988.
[167] See numerous articles in the *New York Times* and *Los Angeles Times* chronicling the case, including David G. Savage, "Corporate free-speech ruling speaks of shift in Supreme Court." *Los Angeles Times*, February 9, 2010.

new Supreme Court, in what most analysts consider a "profound shift"[168] among conservative justices on the nature of the corporation, voted that corporate funding of political broadcasts in candidate elections cannot be limited. The case overruled a lower court's decision to block the broadcast of a film highly critical of then-candidate Hillary Clinton, shortly before the 2008 Democratic primaries.

In his dissent, Justice Stevens remarked:

> At bottom, the Court's opinion is thus a rejection of the common sense of the American people, who have recognized a need to prevent corporations from undermining self government since the founding, and who have fought against the distinctive corrupting potential of corporate electioneering since the days of Theodore Roosevelt. It is a strange time to repudiate that common sense.[169]

From the perspective of tetradic analysis, however, the ongoing "flip" of the corporate charter toward increasingly human rights and privileges is embedded in its very DNA, and mirrors its correspondingly dehumanizing effect on those subjected to its biases. For like any medium, the corporate charter — or, now, corporate citizen — interacts with and alters the environment from which it emerges and in which it exists.

More significantly in this case, the more embedded its biases become in the overall fabric of society, the more difficult it becomes to recognize, parse and extract corporate activity from the rest of the social and economic sphere, and to imagine alternative or "anti-environments" to corporatism. Whether the corporation's continuing ascent will provoke a countercultural reversal — enacted, perhaps, through corporate-manufactured Internet technologies (Chapter 4) — has yet to be seen.

So far, our analysis shows how the invention of the corporate charter and the environment in which it was invented- with clear biases toward abstraction, extraction of value and dehumanizing centrality- set the precedent for the disconnectedness on which corporatism still relies.

As we will see repeatedly in succeeding chapters, a corporate economy, unlike the economy it obsolesced, is an economy based in scarcity and competition rather than abundance and collaboration; an economy that requires growth and eschews sustainable business models. The biases it retrieves are abstracted, distancing, and alienating. They are also self-reinforcing: the less local, immediate, and interpersonal our experience of the world

[168] Savage, 2010.
[169] Stevens, 2010.

and each other, the more likely we are to adopt self-interested behaviors that erode community and relationships. This makes us more dependent on central authorities for the things we used to get from one another; we cannot create value without centralized currency, meaning without nationally known brands, or leaders without corporate support. This dependency, in turn, makes us more vulnerable to the carefully constructed mythologies of corporatism, which we mistake for natural phenomena.

It is time for the fish to contend with the water in which we are swimming. The corporation was not a natural expression of people in the market needing bigger and better ways to interact. It is not an inevitable feature of nature, or part and parcel of the human environment. Whereas the market of the early Renaissance was actually evolving toward ever more sustainable peer-to-peer interaction that strengthened local community economies and promoted new forms of human agency, the invention of the chartered monopoly was an intervention that ensured power and wealth would be routed away from the burgeoning middle class and back toward the aristocracy. It amplified the hierarchy, obsolesced human interaction and transaction, retrieved alienating abstraction, and pushed through to the extreme of corporate personhood.

Our media ecological approach has already granted us the ability to understand the corporation's inventedness, as well as an initial look at the kinds of environmental impacts corporatism had as a new medium. These impacts were not limited to our view of already abstract social institutions such as the market and finance, but extended to the way in which we perceive the very real world on which we are walking. In Chapter 2, we will explore how this abstracted map replaced the territory of human interaction.

2. Mistaking the Map for the Territory - How the Globe became a Media Environment...ad infinitum

Having established corporatism as a medium, we may now begin to analyze the environment it created. It will turn out not to be nearly as straightforward as analyzing the environment created by a light bulb. For our media ecological frame will reveal not a single environment at all but succession of environments built on top of one another.
The specific medium at the center of this process is the map – a medium in its own right, which when operating within the abstracted environment of corporatism ends up serving to create still further levels of abstraction: new maps. We will also see how each of these maps treats the preceding map as legitimate territory, no matter how abstracted from land or place it might already be. To help us parse this process of successive abstraction and distancing, we will be calling upon some of media ecology's adopted adjuncts, philosophers of semiotics and postmodernism, for orientation on these highly abstracted planes.

We will rely on the fundamental insight from Alfred Korzybski[170] and others that "the map is not the territory" to explore how the highly abstracted media environment of corporatism encouraged a progressive series of "maps of the territory"; new media in their own right, born from increasingly abstracted notions of place. Each level of abstraction in this system forms a new exchange of the physical experience of the land for a further removed simulacrum; each new medium creates an environment fostering a new perception of ownership, further detached from the original object itself.

The purpose of section 2.1 is to assert the contemporary relevance of this inquiry, and demonstrate once again the ability of a media ecological perspective to decipher and parse the seemingly inscrutable chaos of 21st century corporatism. In a narrative introduction, we witness the game show incarnation of the housing market today, as well as its support by authorities such as Federal Reserve chairman Alan Greenspan. We will witness people acting against their own interests, desperately attempting to educate themselves, yet lacking any appropriate tools for the job and miring themselves in still greater debt as a result. Treating the scene as a media environment, we become immediately able to disassemble the scene's showmanship to reveal a highly corrupted and abstracted marketplace in the wake of a

[170] Korzybski, 1958.

"housing bubble" where mortgages were lost by many and sold back to the misfortunate in the form of a map to success, an abstraction of the already abstracted concept of homeownership. We confront the mortgage as a second-order simulacrum, threatening to replace the original values of home ownership – which, it will turn out, are themselves the artifacts of yet other layers of maps. The appropriateness of a media ecological approach to the task becomes our justification to trace the lineage of progressive abstraction back to its roots in early colonialism and the 16th century obsession with cartography.

Section 2.2 reflects on the process through which the map, a medium, first replaced the territory in an early corporatist media environment. This will be done in some detail, as it forms the foundational process that will be repeated many times over the next five hundred years, bringing us onto new maps based on those maps. I will introduce Alfred Korzybski's description of how maps substitute for physical understanding of the land as an introductory framework for understanding this initial map as well as the successive remappings to come.

Section 2.3 begins to explore the biases of the greater media environment created by mapping and remapping, as well as how those biases become even more influential on each successively abstracted layer. We will use this frame to analyze the way cartography turned land into property through the act of mapping, reducing the complexity of real space to borderlines. We will call upon both Baudrillard and Barthes for their schematics on successive abstraction, as well their understandings of how to determine the disconnectedness or manipulations inherent in these symbolic landscapes.

Maps proved that land was limited and thereby valuable as abstracted from its physical use. The map became a medium in its own right, embedding the social and political biases of its cartographers and creating a new context through which society would come to view itself. As Roland Barthes described the way in which the signifier and signified form a myth of naturalization through their unity in the sign, the map and the territory became entwined in the representation of mapped territory.

The map redrawn in the wake of World War II will be recast through our media ecological framework as another step in the precession of simulacra, moving from the abstraction property to a new measurement of the difference between two points: Gross Domestic Product. As section 2.4 further reveals, the creation of the International Monetary Fund (IMF) and World Bank in 1944 established a new context in which nations could be comparatively evaluated in terms of value metrics the IMF decided upon. These measurements allowed the drawing of a new map of the territory, a new medium creating a new environment of corporate exploitation. The nations who turned to the World Bank for loans found themselves re-colonized as IMF-dictated policies favored corporate rule of their lands. Such a perspective on this process becomes possible because of our framework of maps as media environments.

Section 2.5 describes how the suburban ideal arises out a similar process of abstraction and how it fused the signifier (mass-produced homes) and the signified (dream of homeownership) allowing a mythology to emerge re-casting the suburbs from an undesirable location of the poor and filthy, to a self-evident, *natural* imperative. The railroad, a co-evolving medium, contributed to this ecology of physical detachment, allowing for the "commute," linking while also disconnecting the suburb and city. We will further explore the media and culture that grew out of this dual environment, as the distancing effect of homeownership as a medium also transformed the relationship between public and private space. The medium of the map changed other media, including language. We will thus come to understand how and why "home" became redefined. While "home" was once understood as the town of one's residence, its meaning shifted in a to that of personal property and space, the distance one enjoyed from others and especially from laborers.

In 2.6, the mortgage will be recast in our media ecological framework as just another map. We will see how the mortgage and mortgage mapping arose in order for the middle class to enjoy the simulation of wealth offered by home ownership – the previous map. The rise of the mortgage, described in detail in section 2.6, took the precession of land one stage closer to pure simulation. In this light, we can see how the mortgage appeared to promise homeownership, hiding its true role as a *replacement* for real property. This illusion was foundational to the environment the mortgage created, enabling the development of the suburbs and the coordinate widespread adoption of the automobile. In this environment, debt, distance from neighbors and conformity become equated with freedom.

As will be revealed in 2.7, those qualities prove to be the precursors for an even more abstracted simulacra to rise above the already artificial maps of the mortgage market. This section will finally make sense of the seemingly impenetrable housing derivatives crisis by treating it as just another stage in an already established and now-comprehensible process through which a new map replaces another presumed territory, creating a new media environment. Corporations themselves related to the chimera of this map as if they were real, and invested their funds not in property but in its simulacrum: mortgages *others* took to buy property. These investments were in turn sold as derivatives and subsequently credit default swaps, resulting in third and fourth-order simulacra as the physical land became a meaningless triviality, ultimately untraceable from the financial instruments claiming dominion.

Finally, 2.8 serves as a coda to this analysis, in which we find the beginnings of an effort to reconnect people to the land and the values of lower-order maps. Without a framework for understanding the highly corporatized mapping process through which the disconnected environments in which we live were realized, however, the planners of such communities are powerless to differentiate themselves from the abstracted landscapes from which they seek to offer an alternative. The result is yet another abstraction – an unintentional simulation of planned communities and shopping malls dotting the suburban landscape. This section uses our framework of disconnected maps to expose these artificial places as yet another example of the corporatized abstraction of land into a new Baudrillardian "hyperreal," an idealization of a time and place that never existed.

In the process, we demonstrate how an ignorance of the media environments in which all this activity takes place leaves even well-intentioned cultural architects incapable of finding a way back to reality.

2.1 Pie in the Sky

"Hello New York!!!"

We're in New York, but we could as well be anywhere. Still, the crowd of several thousand people cheers, as if the master of ceremonies really cared where the traveling exhibition organized by The Learning Annex called Wealth Expo has set up shop for the weekend.

I visited the Wealth Expo on November 17-18, 2007, in order to conduct qualitative anthropological research on the culture and ideology surrounding the real estate crash in the United States, as well as the "wealth-building" phenomenon that arose around the financial disaster. I made audio recordings of the entire study, and conducted brief interviews with 80 participants as well as several follow-up interviews, which will be available at http://rushkoff.com/thesis/interviews. But the most important findings were those I gathered on attending and observing the event itself – a media spectacle with an internal logic that betrays what I came to see as the faulty premise on which the real estate marketplace is based. The following narrative is meant to give a sense of the spectacle:

> "Do you want to make money right now?"
> "Yes!"
> "I can't hear you!"
> "YES!!!"
> "Everybody get up and raise your arms!"

Over two thousand people rise from their folding chairs as if from the pews of a Southern Baptist church. Water leaks from the glass roof of the municipally funded Javits Center as it echoes with their collective capitalist cheer. A siren wails, and a dozen girls in tight tank tops with the word "FUN" stretched across the breasts bound onto the stage and begin their "money dance." "*Oh I wanna be rich*," they lip sync. "*Oh! Oh! I want a pie in the sky!*"

Charles and Sandra, a middle-aged couple, rise dutifully if slightly less spiritedly than their peers, and pump their arms into the air as directed. It is the second day of the conference, and the two-hundred-dollar admission price they have paid seems a bit less like the steal they'd imagined it to be.[171] Instead of buying access to the seminars and information they need to get rich quick, they've bought access to pitches for other more expensive seminars where this information will presumably be delivered.

Charles and Sandra — dressed less conspicuously than most of their peers at the event — aren't even particularly interested in real estate, the topic of the current pitch. They're just interested in making back some of the money they lost to unexpected (but, as they'll learn, not unexploitable) calamities over the past few years. I interviewed them as they toured the exhibits area, where Charles had just charged up a thousand dollars to buy a "Barron's investment package" — really just a password that will grant him access to special pages on the Barron's financial magazine website. An energetic young salesman explained to Charles that he was purchasing more than mere information, "it's a system." That's the big word here: system. "A system to give you an insiders edge to what's high, what's low, who is selling, who is buying…"

In a real-time display of buyer's remorse, the corners of Charles' mouth turn downward in the same moment that his credit card is swiped. I ask him if he's having second thoughts. "Hell," Charles says, parroting the salesman's pitch. "With this accessibility I can make a thousand dollars back in one trade. And they said if I changed my mind, I can just sell this access to someone else for a profit!"

"That's the spirit, hon," says Sandra, as she tugs him toward Keynote Hall, where Jack Canfield, the author of *Chicken Soup for the Soul,* frequent *Oprah* guest, and now an officially approved proponent of "The Secret tm," is scheduled to speak. "I want Charles to see this. It'll give him a winner's attitude," she explains to me. "He's been so depressed since the fire." Their story is typical of the Wealth Expo attendees. Charles and Sandra ran a successful fish restaurant near Atlantic City, New Jersey for over twenty years. They came back from their annual August vacation to learn that faulty wiring in the kitchen's refrigeration system had combusted, destroying the premises. "We didn't own the building," Charles told me.

The systems on offer at the Wealth Expo all seem almost interchangeable, as do the presentations. Although Canfield has been delayed, Than Merrill, the star of cable television channel A&E's instructional reality program *Flip This House* has flipped his time slot and taken the stage. Like most of the speakers, Merrill is a celebrity from an unrelated field. He graduated from Yale and went straight to the National Football League and a $200,000 season before an injury forced him to leave football.[172] He had to start again "from scratch," he explains to the crowd, "and so can you!" He is a classically good-looking American — white,

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[171] I interviewed forty participants about their experiences and intentions attending the Wealth Expo. "Charles and Sandra" are pseudonyms.
[172] Wikipedia, 2009.

wealthy, and winning. (Except for George Foreman, all the speakers at the Wealth Expo were white, even though the vast majority of their audience was not.)

"Are you ready?" he asks. "Everyone up on your feet, turn to the person beside you, give them a high five and say 'I am ready!'" Along with the rest of the crowd, Charles and Sandra follow his orders:

> I spent hundreds of thousands of dollars on my education, and now you can use that as leverage. What did I learn? Go after the pre-foreclosure lists, find the fire damage properties, the divorce lists, bankruptcy lists, tax lien lists. Go after these people *before* they are selling, *before* they're in foreclosure, and you can flip the properties *within the same day* to make a profit.

Then Mr. Merrill starts throwing CDs and DVDs into the audience. "Do you want to know my number one secret?" he keeps asking. "It's in this DVD!" Then he flings it at the spectators, who fight over it like fans scraping for a fly ball in the Fenway bleachers. He invites a young black man onto the stage and grasps his shoulders. "Are you happy now?" he asks. The man looks down, embarrassed. Then, giving his charge a shove in the style of a Southern Baptist preacher healing a cripple, Merrill shouts "you WILL be happy when you make $3,900 an hour!" The man starts to dance and takes a DVD as the crowd cheers.

As if the competition to catch a free DVD has convinced them of a desire to own one, a majority of the crowd then run to sales around the perimeter of the room, where girls in tight t-shirts accept credit cards from the willing throngs. From what I can tell, the DVD course costs $1,297. But the girls are also encouraging people to sign up for Merrill's special one-day event next month, at which even more secrets will be revealed. Sandra is one of the first standing in line to purchase Merrill's course. She spends the rest of their weekend's budget and then some, maxing out her last credit card on the DVD.

"What about Canfield's course?" I ask. It's the one she said she came for."isn't fate strange?" she says. "This is the one I must've been *meant* to get.""Besides," her husband tells me, "we're getting an 'Expo-only' discount. We could turn around and sell this for $2000." (That same evening, the same package was available on auction site eBay for $124.99 "or best offer."[173])

I interviewed over forty conference-goers that afternoon and over the following week[174], and their stories were all essentially the same. An illness (sixteen respondents), divorce (eleven), fire or flood (eight) had suddenly changed their circumstances for the worse.

[173] Saabgrl, 2011.
[174] For summary of interviews and analysis, see http://rushkoff.com/thesis/interviews

(The remaining seven blamed bad business decisions or having fallen for scams.) Too leveraged or indebted to adjust, or already living hand-to-mouth, they had lost their businesses and/or homes, and were now desperately seeking a way out of mounting debt. On hearing radio advertisements that the famed real estate and reality show maven Donald Trump had been paid a million dollars to share the secret of wealth, they flocked to the Javits Center and paid $200 each to start a new life under the benevolent tutelage of Trump and the other Learning Annex stars.

Instead of being taught how to get wealthy, however, they were persuaded to stretch their credit-card balances just a bit further to purchase "wealth systems" that would teach them how to take advantage of *other* people who had suffered unexpected setbacks such as illness, divorce, fire, or flood. People like themselves. In a feedback loop within a feedback loop, they were paying to get lists of fellow unfortunates.

The widespread disorientation at play in this scene, coupled with the willingness of people to take actions against their own interests, betrays the need for some good, sober media ecology. In order to understand the dynamics at play, we must come to understand the environment in which this activity is occurring, as well as how its biases came to be so opposed to the wellbeing of its participants.

There are two forces at play here, which must be dealt with separately. The communications media, spectacle, and public relations in use to persuade these people to invest in the promise of gaining "exclusive" access to secret knowledge will be considered in Chapter 4. That is a story of overt media and propaganda. Here, however, we will be more concerned with media ecology of maps and mapping, and very unreal real estate market that has resulted from their use.

On a nominal level, all of this activity constitutes what is called the real estate market. Of course, it is occurring on a level far removed from whatever "real" land or property these people may believe they once owned, lost, and now seek to regain. The original land, as a place on which to live and grow food in the past, is now being sold to them as an abstraction of an abstraction (of an abstraction, of an abstraction, and so on) — a DVD or a password to a wealth system somehow related to the derivatives of concepts of homeownership, but so far removed from the original land that its value is no longer recognizable, usable or even "ownable" in any real way. Furthermore, as if to support this simulation, the environment within which this abstraction takes place is itself a game show simulation of acquisition rather than acquisition itself.

Through our media ecological framework, we will be empowered to retrace the construction of this simulation, and in the process suggest a navigational pathway back to reality.

2.2 Unreal Estate: Land as Simulacre

General semanticist Alfred Korzybski offers us the beginnings of a theoretical framework for contending with the process by which people were disconnected from both the land and concepts about the land. His famous insight that "the map is not the territory" will form the foundational premise for this chapter, as we look at the way maps both actual and financial, substituted for people's understanding of and relationship to the real world in which they lived.[175] Our media ecological framework will consider the function and impact of the map as a medium – which it clearly is. The geographical map mediates our relationship to the land and seas, or whatever other metric its cartographers have chosen to represent. Since a map is intended as an explicit representation of reality, the environment it creates is often intentionally embedded as well. Its end users – map readers – are also often uniquely dependent on the map to visualize or even relate to the territory it describes. Without the map, we do not know what Europe is.

In our analysis of the disconnection of people from place, we are particularly interested in how one set of maps is replaced by another, without any reference point back to the original territory being described. As such, the new maps are successively both more abstracted from the original territory, and less likely to accurately describe whatever might be going on back on the ground.

We will also make use of Baudrillard and Barthes, whose observations on the abstracted nature of perception and symbol systems, respectively, help inform our own inquiry into the ways in which maps, territories, mortgages, and derivatives were able to overpower more tangible and realistic interpretations of terra firma. Korzybski remains particularly valuable in this regard, as his "structural differential" begins quite purposefully with the real "scientific object" or "a mad dance of electrons."[176] Although Korzybski would hold that we are never capable of beholding this level of reality through our various perceptual, cognitive, and psychological filters, it nonetheless exists. The next level of his differential has a subset of characteristics — the ones that matter to us at any given moment, but that ultimately limit our ability to appraise the whole in relation to the entire dance of matter and energy. Thus, a pencil has finite size, lead inside it, a point, an eraser, and so on. On the next level, the pencil itself is "a gross macroscopic abstraction."[177] [178]

This framework will help us analyze and describe the process through which corporations mapped the uncharted regions of an expanding globe, and they reduced a world

[175] Korzybski, 1958, 58.
[176] Ibid., 387.
[177] Ibid., 389.
[178] Barthes' discussion of the signified, the signifier, and the symbol, as well as Baudrillard's precession of the simulacra, provide similar yet distinctly useful frameworks for our analysis of how people were encouraged to, first, symbolize their relationship to the land, and then relate to these symbols as if they constituted a naturalized universe. See Barthes, 1972, and Baudrillard, 1983.

of people, cultures and ecologies down to one of slaves, commodities and economies. For as both the hegemony and the people fell under the spell of maps, they became incapable of perceiving what lay beyond them — even if reality contradicted these representations and abstractions. If it couldn't be represented on the map or the balance sheet that derived from those maps, then it didn't exist. Over the centuries that followed, these maps and ledgers became the new territories — which were themselves mapped and charted for the derivative value they could generate, and so on, and so on. As mortgages were themselves mortgaged and then mortgaged again, the thing we used to think of as real estate became anything but real. As Baudrillard reminds us, there are dangers inherent to the process through which people disconnect from reality and replace terra firma with an abstracted, simulated fantasy; in the case of the American real estate market and related economic derivatives crises, even an authority such as US Federal Reserve Chairman Alan Greenspan was eventually forced to admit that they had come to mistake their models and representations for reality.

Alfred Korzybski's 1930s assertion that "the map is not the territory" was really just his metaphor for the use of language as an abstraction from an object.[179] However, his metaphor also proves particularly useful for our exploration of value as abstracted through and by the corporate economic structure. Korzybski proposed the following "unusually simple considerations":

> A) A map may have a structure similar or dissimilar to the structure of the territory. B) Two similar structures have similar 'logical' characteristics. Thus, if in a correct map, Dresden is given as between Paris and Warsaw, a similar relation is found in the actual territory. C) A map *is not* the territory. D) An ideal map would contain the map of the map, the map of the map of the map, endlessly… We may call it self reflexiveness. Languages share with the map the above four characteristics.[180]

For a media ecological approach, the most relevant of these shared characteristics are C and D — that "words *are not* the things they represent" and that "language also has self-reflexive characteristics. We use language to speak about language…"[181] The difference between a word/map and the thing that is represented/territory is what Korzybski called "abstraction" and is the theoretical space within which Gregory Bateson — another theorist claimed by media ecologists — also engages:

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[179] Korzybski, 1958, 58.
[180] Ibid., 750.
[181] Ibid.

> We know the territory does not get onto the map. That is the central point about which we here are all agreed...What gets onto the map, in fact, is *difference,* be it a difference in altitude, a difference in vegetation, a difference in population structure, difference in surface, or what-ever. Differences are the things that get onto a map.... But what is a difference? A difference is a very peculiar and obscure concept. It is certainly not a thing or an event. This piece of paper is different from the wood of this lectern. There are many differences between them—of color, texture, shape, etc. But if we start to ask about the localization of those differences, we get into trouble. Obviously the difference between the paper and the wood is not in the paper; it is obviously not in the wood; it is obviously not in the space between them, and it is obviously not in the time between them... A difference, then, is an abstract matter.[182]

This relationship between language and environment supports our application of linguistic analysis to that of media environments. Media ecology founder Neil Postman's admiration of Korzybski (he is largely credited with having brought General Semantics to the media theory audience at all) is based primarily on the elder's concept of territory.[183] Postman relied heavily on Korzybski in the very formation of the media ecology approach, as he explains in his first definition of media ecology: "General Semantics deals with people's reactions to 'neuro-linguistic environments as environment.' In other words, Korzybski was the founder of 'linguistic ecology.' And that brings us to the beginning of my explanation of media ecology."[184] Korzybski's focus on territory and abstractions led to the entire approach of discussing thought structures, language, technologies, and media in terms of their biases: "The exploration of temporal bias, of spatial bias, of sense and body bias, of role bias, of abstraction bias—that is what Media Ecology is. In short, the study of media as environments. For what is language or television or an elevator other than a largely concealed environment which defines how people shall conduct themselves?"[185]

As Postman further refines for us: "Korzybski maintained that general semantics was a scientific methodology which included checking the fact-territory first and then constructing a language which reflects that territory as closely as possible."[186] In other words, the accuracy for which Korzybski strives is undermined by successive levels of abstraction — especially if

[182] Bateson, 1972, 457.
[183] Postman, 1977, 76.
[184] Ibid.
[185] Ibid., 80.
[186] Ibid., 135.

successive maps and representations are not checked against the original object or territory. And this is the phenomenon we will see repeated time and time again from the Late Middle Ages to the present day, as the land is abstracted into new maps. If anything, the only "check" of the real environment will involve the alteration of the territory to suit the map in use — at considerable social and economic cost to its human inhabitants.

Baudrillard also utilized Korzybski's metaphor to suggest how far we've abstracted from that original map-territory relationship: "The territory no longer precedes the map, nor does it survive it. It is nevertheless the map that precedes the territory-*precession of simulacra*-that engenders the territory..."[187] Baudrillard suggests here a primacy of the map that has come to redefine the episteme of the territory — in a word, "simulacra." Just as Bateson-via-Korzybski identified the *difference* between the word and its meaning, Baudrillard articulates "...a question of substituting the signs of the real for the real, that is to say of an operation of deterring every real process via its operational double, a programmatic, metastable, perfectly descriptive machine that offers all the signs of the real and short-circuits all its vicissitudes."[188]

This "descriptive machine," for our purposes, is indeed the metastasized map-turned-property-turned-mortgage-turned-forclosure-turned-bankrupcy-turned-wealth expo-turned-maxed-out-credit-cards, all in the hopes of being able to point to a map and say, "this is mine." Therefore, while it may seem to be an "unusually simple consideration" to say "the map is not the territory" in fact, we will see in the following sections how the literal map indeed became the territory through a series of abstractions, beginning with the birth of the corporate charter, and how Korzybski's famous statement might serve society better as an admonishment than a truism.

2.3 Prince Henry and the Navigators

Until late in the 20th century, European schoolchildren — particularly those in Portugal — were taught that the great Prince Henry single-handedly invented blue-water sailing when he taught his seamen how to navigate beyond sight of the shore.[189] Henry of Portugal's greatest achievement, according to those officially chronicling his exploits in the early 1400s, was to help sailors overcome their fear and superstition to sail south of Cape Bojador on the African coast.190 This opened unprecedented opportunities for trade, making Portugal one of the great colonial powers. Henry was later credited with opening a school of navigation at Sagres, and personally teaching courses to sea captains, and studying astronomy and the oceanic arts until his death. His story was told and retold so many times and in so many contexts over the

[187] Baudrillard, 1983, 1.
[188] Ibid., 2.
[189] Conner, 2005, 190.
[190] Beazley, 1894, 192.

centuries, that a 19th century German geographer eventually dubbed him Prince Henry the Navigator — which he is called to this day.[191]

Alas, Henry wasn't a navigator at all. He rarely traveled by ship except as a passenger on short routine voyages. He started no school, taught no sailors, and studied no stars.[192] The very notion that until Henry's sailors would have been forced to navigate by hugging the shore is itself preposterous. Sailors of all ages avoided the coasts, which were fraught with perils, and have successfully navigated in deeper waters beyond the sight of land for many centuries. Henry did not personally expand exploration of Africa's coasts — he did just the opposite.[193] For Henry was no sailor but rather one of Portugal's first corporatist monarchs. He issued a charter in 1443 that, instead of opening Africa's coast past the Cape of Bojador, prohibited sailors from going past it without his permission.[194] So contrary to corporatist mythology, Henry's charters didn't enable seafaring; if their journeys required approval, then apparently sailors were already more than willing to explore on their own. It was the Portuguese monarchy that, like the other kingdoms of the early Renaissance, sought to reign in the advancing class of ship merchants, and lock down deals that would help them monopolize any gains made.

Henry the Navigator might as well have served as the prototype of today's heroic CEO: a dry-land monopolist praised for his seafaring adventures, a calculating politician praised for his hands-on, can-do attitude, and a greedy opportunist lauded for his far-sighted philanthropy. Almost all media profiles of modern-day business figures perform a similar alchemy. Still, while they may not be able to take credit for oceanic travel, Henry and his royal peers can claim responsibility for transforming an era of exploration and trade into one of exploitation and monopoly.

On one level, these monarchs can't really be blamed for their reductive approaches to new territories. Advances in the sciences had led to a rationalist — or rationed — stance on nearly everything. While the notion of mapping the world represents a form of abstraction, the actual practice of mapmaking is necessarily reductive: the cartographer must choose which few of many elements he wishes to represent on the map, as well as on what level of granularity. Reductionism, as a subordinate bias to the general abstraction of the Renaissance era, promoted a fragmented view of the world, biased toward studying how constituent elements operated rather than how they might interact.[195] The monarchy's slow but eventually wholehearted acceptance of cause-and-effect logic and scientific observation might have been great for curbing magical thinking and superstitious activity, but it could just as easily be

[191] Conner, 2005, 191.
[192] Ibid.
[193] Ibid., 192.
[194] Russell, 2001, 218.
[195] Ponting, 1991.

abused to categorize foreign peoples the way a biologist might categorize any "inferior" species, and foreign places as wilds to conquer.

Reductionism proved quite consonant with both the biases and agenda of Renaissance mapmaking, which alongside concurrent inventions such as the clock and the printing press, promoted abstraction, the extraction of value, and the centralization of power in support of the corporate charter.

The clock, after all, was an "abstract framework of divided time."[196] Likewise, the printing press "aided and encouraged the process of 'decontextualization' or 'distanciation'," or "detachment and noninvolvement."[197] The map came to promote the same biases, and mapmaking's resurgence in this era allowed these biases to impact the overall media environment profoundly. Cartography was as much the rage in the Renaissance as Mapquest and Google Earth are today. Nearly every ship had a cartographer aboard to map new regions of the world and, of course, label them as belonging to whichever kingdom had chartered the voyage. Mapping a territory meant documenting one's control of it — whatever the reality might have been on the ground- marking first level of abstraction from the land itself. In relatively neutral terms:

> …the map performs a number of significant functions, among which are its use as: a necessary tool in the comprehension of spatial phenomena; a most efficient device for the storage of information, including three-dimensional data; and a fundamental research tool permitting an understanding of distributions and relationships not otherwise known or imperfectly understood.[198]

Eventually, the mapmaking fetish turned inward as well, as monarchs attempted to map the entirety of Europe and determine who owned exactly what. By 1427, a Danish cartographer working in Rome had developed the first known map of Northern Europe. In 1507, the voyages of the Florentine seaman Amerigo Vespucci resulted in the first maps of "America," showing two distinct continents separated from Asia. As is now widely recognized, the period between the last quarter of the 15th century and the first three quarters of the 16th constitutes the "100 years during which the European perception of the world land and water relationships changed more than it did in any comparable period."[199]

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[196] Mumford, 1963, 16.
[197] Burke, 1998, 61-2; McLuhan, 1994, 235.
[198] Thrower, 2007, 1.
[199] Ibid., 48.

As the map develops throughout history, it can be seen in idealistic terms, as "…a sensitive indicator of the changing thought of man, and few of his works seem to be such an excellent mirror of culture and civilization."[200] However, when viewed in the context not just of the environment it is chronicling (content) but also of the media environment it creates (context), the map can be understood to function not simply as a navigational tool, but as an embodiment and progenitor of the biases of its time. Even more significantly, for our purposes, the representations articulated by maps — however politically they have been concocted — end up embedded in the culture itself. The depictions take precedence over the things they depict, or even combine into symbol systems that then replace what was formerly considered the landscape.

Of course we are depending here on the semiotics of Roland Barthes, who delineates — as did Sassure — between the signifier (map) which expresses the signified (territory) and together become a sign (a map that denotes territory). What makes Barthes version of this construction particularly useful for us, though, is his description of the process through which a sign becomes myth – that is, "it goes without saying." For this is when a sign can no longer be effectively broken down into its component parts. It is accepted at face value. It is no longer beheld critically. Taken in this sense, then, Thrower's idealization of the map and how it functions as "an excellent mirror" is a tacit mythologizing of the map itself, similar to and supportive of the naturalization of the corporate economy by contemporary politicians, businesses, and historians — which has made us incapable of seeing any alternative. Barthes states:

> Semiology has taught us that myth has the task of giving an historical intention a natural justification, and making contingency appear eternal… What the world supplies to myth is an historical reality, defined, even if this goes back quite a while, by the way in which men have produced or used it; and what myth gives in return is a *natural* image of this reality.[201]

As Barthes has aptly pointed out, mythologizing something serves to naturalize it, camouflaging its inventedness as well as any intentionality underlying that invention — "the way in which men have produced or used it." Moreover, and most important to our analysis of the successive abstractions of place since the Renaissance, the naturalized mythic symbol is primed to become the signified in the next round of signification! That is, the land is signified by the map, and then the map — having reached the level of mythic symbol — becomes the

[200] Ibid., 1.
[201] Barthes, 1972, 142.

signified original. This leads to a potentially infinite regression (or in Baudrillard's universe, precession) of abstractions, each one being taken as the ground for the next. And while the closed off nature of this structural system was criticized later by Derrida and others for its reliance on a transcendental signifier — it is precisely this self-referentiality and solipsism that we are attempting to parse and expose.[202]

Clearly Korzybski and Bateson recognize the difference between symbol systems and the natural universe, yet they point to the same progressive abstraction as the primary liability inherent in mapmaking, whether literal or figurative. As Bateson remarked, building on Korzybski explicitly, this infinite series of abstractions goes both ways:

> We say the map is different from the territory. But what is the territory? Operationally, somebody went out with a retina or a measuring stick and made representations which were then put upon paper. What is on the paper map is a representation of what was in the retinal representation of the man who made the map; and as you push the question back, what you find is an infinite regress, an infinite series of maps. The territory never gets in at all. The territory is *Ding an sich* and you can't do anything with it. Always the process of representation will filter it out so that the mental world is only maps of maps of maps, ad infinitum...[203]

We see that while we look at the map itself as the first level of abstraction, there are perceptual abstractions that occur even before the territory is rendered on paper; therefore, a map can hardly be seen as a mirror.

The initial danger, of course, even before economics, ownership, mortgages and derivatives are built on top of the map, is that the map as representation overtakes whatever significance the land it represented once had. That is, the signified — the land itself — no longer exists without its signifier. And indeed, as America, a sea route to India, etc., were discovered and exploited, Europe changed from a poor peninsula in the Middle Ages to the most significant and influential power in the world from the seventeenth to nineteenth century.

> [Exploration] produced a great body of information that, sooner or later, was added to maps. Much of the history of cartography has been concerned with the 'unrolling' of the world map and

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[202] Derrida, 1974, 49.
[203] Bateson, 1972, 322.

> there is a vast literature dealing with European geographical exploration and its cartographic representation. The two subjects are closely interrelated because a place is not really discovered until it has been mapped so that it can be reached again.[204]

The world itself becomes a media environment, ceasing to exist when it is not mappable and, by implication, changing its nature when it is signified differently. Thrower's mere assertion of the necessity of mapping (in order to get back and take what was there) reveals that the bias of abstraction of the territory is to extract value. Furthermore, reinforcing the gunship mentality of the colonial empires, with the physicality of the world represented in maps, and the exploitation of these maps arranged by charter, monarchs were at least two steps removed from the results of their actions — actions already undertaken with a cool logic defined by scientific rationalism. As place became property, this disconnect both characterized and fueled the colonial era, and determined the bias with which we treat our physical surroundings to this day.

At home in Europe, this abstraction meant a completely new approach to land ownership, as the senioral system gave way to active trading. Why should we care that control of land in late medieval Europe shifted, at the dawn of the Renaissance, from "feudal" to "market" control? For the peasant working the land, this turned out to be a significant distinction. In the feudal societies, land was rarely traded; it simply passed down from generation to generation. Peasants generally stayed put, and often had as much claim on the land they worked as the fief or lord who controlled it.

The market for land was a relatively new concept, and really developed more as a vehicle for capital — an investment opportunity for the burgeoning class of merchants and bankers. Merchants were making more money through their businesses than they could reinvest in them, while landowning monarchs were falling further behind. By selling their lands, the aristocracy could participate in the new market; meanwhile, merchants could acquire property, which was both a safe investment and an opportunity to earn social distinction.[205] Common lands, which might have been owned by lords but were open for grazing or even agriculture by any commoner, became increasingly "enclosed" or fenced in. These tracts were no longer pastures, but parcels.

As the market in property grew to account for more and more of the woods, pastures, and moors on which peasants worked, land — and the labor done to it — became more a commodity than a system of interdependence. Unlike the hierarchy of lords and vassals who both owned and depended on the active use of the land by its laborers, the people buying and

[204] Thrower, 2007, 47-8.
[205] Braudel, 1977, 60.

selling these parcels related to them as deeds to be sold for a profit as soon as the market allowed. Peasants moved from place to place, enjoyed less implicit and explicit authority over the lands they worked, and found their labors becoming part of the same commodity markets.

Of course, the people living in newer territories had it even worse. Aboriginal people who weren't simply massacred were treated with about the same respect as any other natural resource, and enslaved by expanding colonial empires. And while historians are at pains to decide whether the merchants or the monarchs chartering their voyages and settlements are more to blame for the inhumanity of colonialism, it was the charter itself, and the rules of engagement it demanded, that generated the disconnection from place permitting this exploitation and that remains with us today.

Remember, while the merchant class was rising in wealth and status, the aristocracy was stuck. This is because merchants were participating in manufacturing, trade, and other expanding businesses while nobles merely owned things. Their assets were stable, but static. In a growing economy, standing still meant falling behind. Charters gave the aristocracy a way to invest in opportunities that could bring their assets to life, and to do so on a playing field where they had the power to write the rules and, in Henry's case, their mythologies as well, because "myth, as we know, is a value: it is enough to modify its circumstances, the general (and the precarious) system in which it occurs, in order to regulate its scope with great accuracy."[206]

The discovery of the New World may have, for a short time, created a sense of endless frontiers. But to asset-hungry corporatists, Magellan's 1519 voyage around the world also accomplished just the opposite: it conveyed that the amount of land on this planet was bounded. There was only so much of it, making it scarce enough, at least in theory, to conform to the rules of the market. And those rules were rigged by the corporate charters spelling them out.

As investors in their corporations' projects and competitors in the fast-growing global marketplace, monarchs hoped to extract as much value as possible from their colonies, and to do so as quickly as possible. It was in the interests of both early corporations and the monarchs legitimizing them to colonize as much of the earth as possible over the next few centuries.

The map became the medium through which charters were defined and thus enforced. Although the charter necessitated the map, the map then created an environment where the charter could function with new authority. Territorial charters gave corporations the authority to take military action, while granting monarchs distance from the real and political consequences of this violence. Corporate monopolies enjoyed exclusive dominion over a region as defined by the map, and in return gave the authorizing monarch a

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[206] Barthes, 1972, 145.

disproportionate share of returns from that territory. Colonists, still subjects of the kingdoms from which they came, lived in regions as bound by the maps as the corporations on whose behalf they were drawn. Mercantilism didn't give them the opportunity to build businesses, but to extend monopolies owned by others. No sooner would a market arise than it would be usurped by the corporation. It was a closed system, created to maximize the extraction of a colony's human and resource value. This was true whether the regions considered themselves colonies or not. All that mattered was what was on the map.

The English East India Company thus enjoyed the freedom to ignore whatever markets already existed in the regions where it did business. They used their financial and military clout to deal directly with the laborers whose goods they wished to purchase, bypassing all involvement with local markets, and dissolving local cultures and business relationships in the process. It did not matter how a region understood itself; all that mattered was its corporate assignment on the map. In Bengal, for example, the East India Company provided its own looms, factories, and materials transport, slowly putting the local businesses that provided these services out of business.[207] Incapable of maintaining even a local presence, Bengal's internal weaving industry became utterly dependent on an international company that could define its own terms. Similarly, when the Muscovy Company realized that it was supporting local business in Russia by purchasing rope, it opened up its own cordage factory. But what might have looked at first like an employment opportunity for devastated workers quickly vanished, for Muscovy employed an entirely English workforce.[208]

These arrangements did not always make strict financial sense — certainly not for the local economies involved. That's why they were enforced not by the market, but by arbitrary laws written by monarchs to favor the activities of the companies in which they were either directly or indirectly invested. American colonists were permitted to grow cotton, but not to make clothing from it. It had to be shipped to England for manufacture, and then purchased back in finished form. This was not economic efficiency, but economic exploitation.[209] The only thing a corporation had to fear from one of the territories assigned to it on the map was revolution — but to attack a chartered corporation meant facing the army of the empire that underwrote it.

It was these 17th- and 18th-century equivalents of no-bid contracts to Halliburton that led Adam Smith to write *Wealth of Nations*. While celebrated today by corporate libertarians as philosophical justification for free trade policies, the book was meant as an attack on the scale and effects of the chartered long-distance monopoly on the real, local world in which people live. By arguing — now famously — that “self interest” might promote a more just society, he was speaking in the context of an economy already heavily tilted against individual

[207] Korten, 1995.
[208] Ibid.
[209] Fisher, 1932, 154.

human agency. “By preferring the support of domestic to that of foreign industry,” Smith explains of the average person, “he intends only his own security; and by directing that industry in such a manner as its produce may be of the greatest value, he intends only his own gain, and he is in this, as in many other cases, led by an invisible hand to promote an end which was no part of his intention.”[210]

Smith *assumes* that people would be biased against international trade, naturally preferring the security offered by sourcing goods locally — and that his readers would agree with him on this point; he saw an inherent advantage to their real connection to the real place in which they lived. He was not envisioning a long-distance economy to which one’s only relationship was through a map. Like the founders of America, who may have differed on almost everything else but this, Smith saw economics as characterized by small, scaled, local economies working in interaction with one another and guided by the enlightened self interest of individuals. In short, these were places people knew directly, rather than through the medium of the map – which could be controlled by whoever wrote it. Smith was not reacting to “leftist” regulations on corporate power, but against the unfair practices of early transnational corporations, who were operating on a level completely removed from the real affairs of people and the proper stewardship of resources – things people can best relate to directly.

So the map, as both a product of and reinforcement of the corporatist environment, served to replace the real territory of people with a biased abstraction more suitable to the interests of those who would extract value from afar. By treating the map as a medium, we become more able to recognize the environment it creates and practices it supports. At just this first level of the map replacing territory, we find long-distance and abstracted entities enjoying a competitive advantage over those still tied to the limitations of the real world.

Of course, eventually real people in real places stood up against corporations and the governments behind them — the American Revolution was just one of the first in a long series of anti-colonial movements that included the birth of many American, Asian and African nations. While governments of the modern era might never be permitted to charter monopolies from afar quite as directly again, corporations didn't forget the methodology of remote control.

2.4 Over There… Colonialism Once-Removed

Territorial maps were a form of media that helped define the political and economic realities of real places. Whoever controlled the map to a great extent controlled the people and resources of the regions within it. Wars were fought on the ground over the control of these

[210] Smith, 1999, 39.

first-order, territorial maps and the ownership of the lands they represented. The map of the land went back and forth between competing powers.

By the 20th century, as these explicit territorial wars gave way to higher order economic conflicts and declaration-of-war-free (if not entirely bloodless) trade wars, the structure and function of maps and mapping changed as well. At the end World War II, for example, it became clear that the last of the official colonies — such as Ceylon, The Ivory Coast and Burma — would be returned to local rule, thus "redrawing" the maps of the territories. The problem for locals, however, was that their economies and social infrastructures had been devastated over a century or more of corporate exploitation. There was a new set of maps coming into use that undermined any sense of ownership and control indigenous populations thought they were regaining.

Successive sets of maps concerned themselves with utterly different and usually more highly abstracted metrics. One map might define the property values of a town, while the next more highly abstracted map might define the mortgage worthiness of those very same properties. And as we will see, the higher the order of the map, the more disconnected its representations are from the underlying land, and the more of an environmental influence it has over the representations beneath it. By tracing the process through which maps were not simply re-sectioned but redrawn on altogether new levels of abstraction, we can come to understand both the way that control has remained within the same hands, as well as why those living in the environments created by those maps remain so clueless as to what is going on.

Colonial powers were well aware of the need for a new kind of map following World War II, and sought to leverage the moment to their advantage. To be fair, most European nations were having their own problems in the late 1940s. The only one of the allies that had made it through the war without significant damage was the United States. Foreseeing the need for a post-colonial world order – a new breed of map - the Allied nations sent delegates to a meeting at a hotel in Bretton Woods, New Hampshire, in 1944 to figure out a new global monetary system.[211] The US was in a position to leverage its authority as Europe's military savior and the only surviving industrial economy to promote its own fiscal agenda: free markets and monetary leadership. Everyone else's currencies would be pegged to the dollar, and the world would enjoy open markets, which, as the economy poised to grow the most, benefited the U.S. The meeting established the International Monetary Fund, set up the World Bank, and laid the foundations for an international trade pact that was finally implemented fifty years later by George Herbert Bush and Bill Clinton as the World Trade Organization.[212]

[211] McChesney and Herman, 1997, 28.
[212] Korten, 1995, 135.

Through the World Bank and the International Monetary Fund, lender nations would be in a position to assist developing nations with huge injections of cash. By accepting the loans, however, borrower nations would be obligated to open themselves to rules of free trade as established by the international lending community at Bretton Woods. This made them vulnerable to a new style of the same old colonialism. In other words, while the traditional maps may have been redrawn to make former colonies look like independent nations, new maps of a world divided between “first” and “third” world nations reasserted old power dynamics in a new, more abstracted way.

Practically speaking, taking a loan meant opening one's ports to foreign ships, and one's markets to foreign goods. It meant allowing foreign corporations to purchase land within a country, and to compete freely with any domestic company. Nations would not be allowed to impose restrictions on what sorts of goods could be imported, or which resources could be extracted. In short, taking a loan from the IMF meant losing all forms of “protectionism.” The boundaries represented on first-order maps no longer represented anything real. Asserting those lines was derided as economic “protectionism” or worse, a violation of the lender’s treaty. And while protectionism has been cast, in free-market terms, as a fear-based reaction to the healthy and necessary functioning of the market, there are instances when nations might simply be attempting to protect their real territories and people from the tyranny of the balance sheet. For, even if every currency in the world was in some way pegged to U.S. money, not every gain and loss proved to be measurable in dollars and cents.

For one, the economic globalization negotiated in Bretton Woods has given wealthy industrial nations the ability to pass environmental liabilities on to poorer nations. As documented in several of David Korten's books on corporate power, wealthy nations actually take credit for this exploitation of poorer ones on the grounds that they're bringing them prosperity.[213]

Japan, for example, financed and constructed a copper smelting plant in the Philippines to produce cathodes. The Philippine Associated Smelting and Refining Corporation was built on 400 acres of land sold to the company by the government at giveaway prices. PASAR is now a prosperous multinational, and in dollar terms the local economy is bigger than it was before. This same case study is regularly cited as a global free trade success story: Japan now has a ready supply of copper without any of the environmental damage associated with its production, and the Gross Domestic Product of the Philippines has been increased.[214]

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[213] Korten, 1995, 39.
[214] Ibid.

But the Philippinos actually living in the area are sick and jobless. Plant emissions, including boron, arsenic, and heavy metals, have polluted local water, poisoned fish, and sickened residents. The contamination of the land has made it impossible for them to return to subsistence farming, and their government is busy repaying Japan and the IMF for the loans that built and subsidized the plant.

Because the gross domestic product (GDP) of an exploited area invariably goes up, case studies like this are used as evidence of how IMF practices and free trade provide necessary assistance to developing nations. Using these metrics, the more pollution a project can generate, the more environmental remediation and medical costs will be rung up, increasing the GDP even further. In purely corporatist terms — which are the only ones most of us physically removed from the effects of our actions have to go on — pollution is good. The maps produced by the IMF show nations and regions in terms of their GDP, representing the benefits of their strategies.[215]

These new value metrics of the IMF became a new map of territories, clearly abstracted from the practical concerns of the land itself (in this case, pollution) and understood only in relation to the value that could be extracted. Furthermore, as participants in the corporate economy, experiencing these places through mass media or, at best, United Nations and IMF reports, our understanding of the territories is necessarily redefined to reflect the concerns of the map and the nations drawing it, rather than the territory itself. Yet another step removed from a person who "went out with a retina or a measuring stick and made representations which were then put upon paper" the value of the land is based on numbers entered into a spreadsheet.[216]

By lending money to developing nations, wealthier nations can force them into agreements that "grow" their economies while sapping them of their ability to take care of themselves. In order to repay ever-increasing debts, poorer nations must dedicate increasingly larger tracts of land for export crops. They grow food that their own citizens quite literally cannot afford. Since their acceptance of loans means allowing corporations from other nations to purchase land, debtor nations lose their best farmland to wealthier foreign farm conglomerates, anyway. Locals who used to farm for subsistence, now must farm that same land for day wages, if it is farmable at all.

Through the use of loans with binding free-market provisions, powerful nations and the corporations they support have restored the grip that chartered monopolies once had over these same regions. Their policies are analogs of those of their predecessors; the same exploitation of land from a distance, only removed another degree.

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215 See the interactive map at http://www.imf.org/external/datamapper/index.php for an example of how this looks today. The entire world is represented in colors showing GDP. A slide bar at the bottom lets the user select the year he wants to "see."

216 Bateson, 1972, 322.

Consider the strategy of any typical early-chartered corporation. In 1602, the Dutch Crown sanctioned the United East India Company to conquer territory and exploit resources in the Pacific. The company's scheme was to acquire lands in Indonesia by lending money to cultivators and then dispossessing them when they failed to make payments. This was made easier by trade policies that guaranteed the farmers' failure. The Company got the Dutch to prohibit cultivation of the most profitable export crops — like cloves — on land not already under Dutch ownership. Loans failed, and more collateral in the form of land passed into Company hands. Indonesians lost access to the most fertile land, and were ultimately forced to buy their rice from United East India at the artificially inflated, monopoly-supported prices. The local economy was devastated as more land and labor were surrendered to the corporation.[217]

As if borrowing from the operating manual for the United East India Company, modern corporations systematically leverage the power they've been granted through free trade agreements. Where old school colonialism was enforced with gunships, the new school uses bank loans, currency, and membership in the international community. This is not to say that modern corporations and chartered monopolies are the same, but rather, similar behaviors can be credited to the levels-upon-levels of abstraction of the territory. The World Bank and the IMF impose policy prescriptions on the nations to whom they lend money, all geared toward opening their markets to the interests of foreign corporations. When they fail to make their mortgage payments, these nations are subjected to "structural adjustments" that increase the resources they must commit toward repayment of the debt. As a result, debt payments made to the World Bank calculated as a percent of total government budgets have doubled each decade in Latin America and Africa.[218] More loans lead to more collateralization, which in turn leads to more losses — and the territory is once again remapped to reflect these new power structures that reveal and support corporate interests.

Eventually (reminiscent of a restaurant having borrowed money from a loan shark and becoming little more than a front for money laundering by the mob) all productive assets and resources end up owned by foreign corporations and devoted to export production in order to repay the loans. Public services and utilities are taken over by foreign corporations and run for a profit. The World Bank serves as the loan shark, financing corporate missions at the expense of developing nations, while the IMF plays the menacing debt collector — backed by First World armies and their intelligence agencies. On the map, this is all charted as economic growth and national prosperity. For those whose only relationship to the territory is that map, the map is the reality.

[217] Korten, 1995, 30.
[218] Ibid., 64.

One step further abstracted from the land and resource management techniques of their predecessors, modern corporations exploit a sloped monetary policy to lend scarce currency to nations who pin their hopes for advancement on participation in the global economy. Only too late do they realize that this participation is limited to providing labor, resources, and land to some of the very same corporations from whom they were liberated half a century before. These loans turn out to be *anti*-developmental, increasing dependence on imported technology, driving people off their lands, polluting them, and making subsistence farming impossible. And adding insult to injury, today's corporations retell these stories on their websites and in quarterly reports as evidence of the economic opportunities they offer the rest of the world. But just because a GDP map indicates that things are doing better, does not mean that they really are.

The World Trade Organization, finally established in 1995, is testimony to just how universally-accepted these practices have become in the developed world — and just how dependent we are on them for our lopsided prosperity. This wasn't a right wing idea or a left wing one, but a corporatist mentality that patiently waited for acceptance. Widespread protests by disparate groups of environmentalists, labor activists, and others who understood one or more of these points were ridiculed by most American, British, and German media as unfocused, untidy, and uninformed people, afraid of the globalized future.[219]

What these protestors understood, however, is that WTO policies aren’t moving us forward toward a better globalized future, but are returning us to a colonial mentality; the WTO plays the role of the monarchy, writing policies as favorable to today's multinationals as their forerunners' charters were to the corporations in which they invested, revealing the WTO as biased toward the banks and conglomerates who benefit from its policies. The protests (both ideological and physical) against the WTO were in the service to the *territory* in an attempt to bring awareness back to it, rather than supporting policies that upheld an ever-more biased and abstracted economic *map* of somewhere “over there.” In the spirit of early double-entry bookkeeping, which debited one account and credited another — prioritizing only the financial — the continued abstraction of the economic map by the WTO refocuses our attentions on economic metrics rather than physical ramifications such as pollution labor unrest.

A more contemporary variation on this theme, and consistent with a free market that acts in service to lender nations, is the approach to the intellectual property of developed nations as arbitrated through the proposed Anti-Counterfeiting Trade Agreement (ACTA).[220] The ACTA, which is still under negotiation, would prevent countries from creating and selling

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[219] Especially after a false report in the New York *Times* claimed protestors at the 1999 Seattle WTO meeting threw Molotov cocktails. (Christian, 2000) Even though the *Times* corrected the claim two days later, the global media never dismissed the narrative of violent and disorganized protestors.
[220] WikiLeaks, 2008.

counterfeit goods, but also, and perhaps more importantly, generic medicines, cloning technology, computers, and media content. The ACTA would function as an international legal framework that would be ostensibly voluntary; however, it would stand to reason that developing countries, borrowing from lending nations could be forced to participate as a term of their loan. Developing countries, already decades behind in technological, medical, and agricultural development would be unable to produce generic medicine or participate in circulation of information technology, evermore widening the gap between developing and developed countries. As Mirko Schäfer explains:

> Organizations concerned with issues of privacy and citizens' rights object to the measures that are proposed to enforce copyright laws, and criticize that the companies and lobbyists pushing the trade agreement are not publicly known, and that the entire process is rather undemocratically executed.[221]

Defenders of these supposedly free market provisions — including editors of financial publications from *The Economist* to the *Wall Street Journal* — deride any critique of these development strategies as jingoistic, ill-informed, and protectionist. They like to cite David Ricardo's 1817 theory of Comparative Advantage, still taught in most first level economics courses.[222] The theory of comparative advantage shows how trade can benefit all parties as long as they produce goods with different relative costs. It's easy to see that if country A makes shoes faster, and country B makes hats faster, then everyone in country A should make shoes, and everyone in country B should make hats. But what if country A makes both shoes *and* hats faster than country B? The people in country B should still go ahead and produce whichever item they are relatively better at, and country A should make the other item.

So even if the UK can make cars and dresses less expensively than Italy can make either one, it's still more efficient for Italy to make whichever one of these that Britain produces less efficiently. Let's say it's dresses. When the two nations trade their stuff, both do better. For every man-hour that the UK spends making cars, it earns more value to trade for Italy's dresses than if the UK made dresses for itself. In economic terms, the "opportunity cost" for the UK to not make all those valuable cars is too great. It's better to have everyone in the UK doing the thing they do best, and then trade with other countries that are doing what they do best.

Corporations use the theory of comparative advantage to justify the way they do foreign trade and, moreover, to explain why building cars and trucks over in Mexico or Brazil

[221] Schäfer, 2011. 170.
[222] Henderson, 2008.

doesn't really take away jobs from people in Detroit or Birmingham. The domestic workers simply need to be “retrained” to do what Westerners do best (whatever that is) and then everything will be okay. A closer look at Ricardo's theory, however, reveals that it depends on a set of preconditions. The equations only work out if you've got full employment in both nations. It's not more economically efficient to do international trade if it ends up decreasing employment in the more efficiently operating industrial economy. Furthermore, Ricardo himself argued that his theory only works if the trade between the two nations is balanced — something the United States has not enjoyed with, say, China for over a decade.[223]

In today's corporatized global marketplace, Ricardo's work is all but obsolete, and the examples he used to prove his point have little or nothing to do with the way Comparative Advantage is universally applied. Ricardo showed how the climate in Portugal made it relatively more efficient for the Portuguese to make wine than for the English to do it.[224] The Portuguese vintner enjoyed soil more conducive to growing grapes, and was much less likely to lose his crop to bad weather. It made sense, under these circumstances, for the British farmer to convert his fields to pasture for sheep. He could export wool to Portugal in return for the wine — and both could fully employ their workers in these pursuits. Even if the Portuguese farmer could have raised sheep more efficiently than the Brit, he's better off doing the thing that he's *relatively* better at. More total wine and sheep are produced, lowering everyone's costs. Trade is good, especially if it allows nations to specialize in what they do best, or what their natural endowment allows.

However, the comparative advantage argument no longer holds when we are talking about a car manufactured in ten countries, each with its own exchange rates. Comparative advantage applies to balanced national economies trading with one another and assumes immobile capital. With regards to an economy that favors mobile capital, Herman Daly argued, “International trade (governed by comparative advantage) becomes, with the introduction of free capital mobility, interregional trade (governed by Absolute advantage),” clearly echoing the economic structure of colonialism based on a centralized currency and control. [225] Trade agreements like NAFTA and GATT are more about creating “integrated economies,” whose national boundaries no longer pose any obstacles to the corporations who transcend them. The United States is not trading with China at all. Wal-Mart is leveraging what *used* to be comparative advantage by sourcing products in China and selling them in the US — where nothing but credit is produced in return. And what is a Mercedes manufactured by BeijingBenz-DaimlerChrysler Automotive Ltd., anyway? Who exactly is trading to whom? Furthermore, Ha-Joon Chang criticizes the comparative advantage model insofar as it favors those who are more technologically efficient to *stay* technologically ahead; as the model

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[223] Krugman, 1996.
[224] Ricardo, 1821, 144.
[225] Daly, 1999.

states, a developing country that is more efficient agriculturally should continue to trade with a developed country that is more efficient technologically, thereby widening the developmental gap.[226]

The tasks sent overseas are simply the ones whose greater costs — including environmental damage and health risks — can be externalized to the natives of the country where they are being performed. Labor is treated as a commodity. Clearly the terrain of China or the Philippines is not more suited to environmental damage, nor are the people there, all things being equal, more prone to getting cancer. This is precisely why comparative advantage is a falsely applied model — externalizing costs is not about giving people the jobs that they do best, or using land in a manner consistent with natural climate and topology. It's more a matter of giving the lowest-paying and most dangerous jobs to people who are not represented on an abstracted map of “over there.” Unfortunately, international trade offers a means for businesses to circumvent democratic oversight, regulation, and labor laws. In the process, corporations externalize the longer-term costs of their operations to nations who have no choice but to absorb them. The credit column of the corporate balance sheet remains intact, a legacy of the colonial model.

Those on the other side of the trade are debtor nations, whose loans have been restructured by an IMF with misapplied international trade theories in mind. A free trade landscape sloped to the interests of corporate colonialism leads to what progressive economists call a “race to the bottom.” Nations compete to offer the best prices and the fewest obstacles for corporations to come set up shop, which can often mean preventing unions from forming, lowering environmental standards, or even subsidizing the construction of factories.

This downward leveling supports the West's consumption via credit while inhibiting local production of goods by developing nations for their own use, a strong legacy of the corporate monopoly, and the environment created by its maps. The cost of basic staples like food and clothing go up, as local consumers are now forced to compete against those in much wealthier nations for the same products. The net result of this race to the bottom is that the disparity of wealth and standards of living between the rich and poor nations gets worse, not better.

But in any mediated environment, what goes around tends eventually to come around as well. The phrase “race to the bottom” was first used by Supreme Court Justice Louis Brandeis in 1933 to describe the way *American* states were attempting to attract corporate business against their own best interests. Indeed, the mapping biases used to exploit and understand the international terrain became the default ways of understanding business and territories. The business environment created by these maps influenced the way Americans looked at their own country as well.

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[226] Chang, 2002, 52.

Just like developing nations undercutting each other's labor and environmental interests to win factory contracts, US states were busy rewriting their charters and laws to the benefit of companies who incorporated there. Delaware eliminated most corporate tax, while New Jersey limited its citizens' ability to challenge corporate behavior. Therefore we see how the map's abstraction of the territory "over there" became so naturalized that the abstraction could and would also be applied "over here," making the very territory on which we live an abstracted map still biased in favor of corporate interests. Corporations specifically in the United States, England, and most other market-driven Western nations now operate at home with the very same colonial mentality they applied overseas (if we can even refer to today's corporations as having "home" nations anymore) with domestic localities doing all they can to attract their business, either too confused, desperate or corrupt to act in their own best interests.

In the 1970s, for example, Moore County North Carolina began working hard to attract businesses from the Northeast, with promises of corporate tax breaks, lax environmental standards, and a compliant, union-free workforce.[227] The county finally won the privilege of hosting a Proctor Silex plant by floating a $5.5 million bond to finance water and sewer services for the facility - even though many residents in the region were themselves living without running water or basic services. Predictably, in 1990 the company moved to Mexico, which was offering more competitive terms. Moore County was left with toxic waste, 800 unemployed workers, and tremendous public debt for having subsidized the company's plant.[228]We must remember that in addition to granting their chartered holders the right to extract resources from marked regions, colonial maps also bounded what the colonies could buy and from whom. The more corporations could control the laws and tax policies of the regions ceded to them, the more they could externalize the costs of selling just as they did the costs of manufacture. Today's corporate-favoring legal framework permits domestic companies to behave in an analogous fashion.

Wal-Mart may be the easiest and most obvious target for us in this regard, but that's for a very real reason; its practice of colonizing new regions for stores amounts to a scorched earth policy that leaves financial and social ruin in its wake. Wal-Mart monopolizes new territory by pricing items below cost and rendering local merchants incapable of competing. Once the competition goes out of business and the community is dependent on Wal-Mart, the corporation raises prices to more profitable levels. Free and fair competition, as defined by the market, favors the company with more money to burn.

Although Wal-Mart enters new regions promising gainful employment and an expanded local tax base, the opposite usually occurs. A Congressional Research Service report

[227] Korten, 1995, 132.
[228] Foust and Mallory, 1993.

found that for every two jobs created by a Wal-Mart store, the local community ended up losing three. Furthermore, the jobs created were at lower wages (an average of under $250 a week), fewer hours, and reduced benefits. A majority of Wal-Mart employees with children live below the poverty line, qualifying for public welfare benefits such as free lunch at school. Seventy percent of Wal-Mart employees leave within the first year of employment, and do so — according to a survey that Wal-Mart itself conducted — because of inadequate pay and lack of recognition for their work. Other studies have shown that, as a result of the increase in social services spent on the families of Wal-Mart employees, the net effect of a new store is to place a greater financial burden on the taxpaying community.

Wal-Mart's activities do not appear to be the result of conscious choices by a mean-spirited board of human directors who have any real relationship to the communities in which they operate. Rather, Wal-Mart's relationship to the world seems to be directed by the sort of charter written 400 years ago for trade monopolies, and the environment created by a series of increasingly abstracted maps for representing that world. The company's practices - abroad and at home - erode regional stability and self-sufficiency in order to conduct the long-distance trade at which Wal-Mart excels, and which is encouraged by a media environment as biased toward colonial activity as that created by the modern financial map. Wal-Mart turns its home territories into colonies, robbing them of their ability to generate value for themselves and creating greater dependence on the colonial empire.

Wal-Mart's relationship to place has become so abstracted that the company views even its own stores through the monarch's maps and conquistador's eyeglass. Like temporary forts built solely for purposes of territorial conquest, any Wal-Mart store can be abandoned at any time. For example, it is deemed efficient by Wal-Mart to open two stores very close to one another if this quickly and most completely puts local merchants out of business. Once a monopoly over the region has been established, Wal-Mart can close the less profitable of the two stores. Residents will then pick up the externalized costs of fuel to travel to the further one. As of 2000, by utilizing this strategy, Wal-Mart had already left behind 25 million square feet of space.[229] In one Kentucky town, the abandoned Wal-Mart was eventually torn down at taxpayers' expense. After peaking at more than two new stores per day in 2005, Wal-Mart still planned to open 212 stores in the U.S. in 2009, despite the credit crisis.[230]

Wal-Mart's behavior is not terribly mysterious. What's more puzzling is the widespread acceptance and patronage of this company and its peers by people who actually live in the wake of their damaging effects. While regions with very strong advocates for the environment, labor, local commerce, or health may have been successful in limiting the spread of the "big box" chains to their neighborhoods, the vast majority of American and, now,

[229] WalMart Watch, 2008.
[230] D'Innocenzio, 2008.

European counties, have succumbed to or even welcomed their own colonization by international branded retail stores. As our analysis now strongly indicates, this readiness to accept limitations and restrictions inconsistent with needs "on the ground" can be attributed to a group's readiness to accept the abstracted reality of a map.

While it is easy to see why a corporation or government might be led to accept the terms of a map written to favor its interests, the willingness of the real people to accept these maps – especially when it hurts them – is, at least on the surface, much more mysterious. Why should people abandon their connection to real places and surrender their home field advantage in the territories where they live, only to accept the exploitational terms of abstracted maps drawn by entities foreign to their communities? Because, as we will see ahead, people had already stopped thinking of their neighborhoods as real places, and accepted an altogether new set of maps defined by the banking industry: the real estate map.

2.5 Training Grounds: Mapping Suburban Utopia

The American suburbs, in many ways, looks and feels more like a map than a reality. It was developed quite rapidly, and accepted quite readily as the embodiment of a new, realizable utopia. As we will see, however, for this to happen required that a population accept the terms and goals of the maps they were shown.

We have already established how such acceptance can make a population more vulnerable to control from afar. Making matters even more complex for America's early suburbanites, however, is the fact that the maps they were being shown and sold weren't the only ones in play. The suburban utopia to which people aspired was just an acceptable overlay for the railroad, automotive and resulting real estate maps actually reconfiguring the landscape. In a McLuhanesque sense the railroad and automobile altered the landscape as media. As they did, the economic opportunities for corporations and investors changed, giving them yet more opportunities to redraw the maps. Once regular citizens accepted the terms of these new maps, they considered themselves in the game, so to speak, and began behaving a bit like corporations, themselves.

The application of the map to the now abstracted territory "over here" is a result of internalizing of the global corporate economic structure — as something that "goes without saying." In Barthes' terms, this internalization is a mythologizing of corporatism. The "natural" process of locally incorporating this invented economic structure comes about because domestic policies were being designed by the same people who were addressing these larger international issues, thereby employing similar strategies; clearly, the foundational macroeconomic biases formed the base for the structural biases of national and local banks and economies.

Furthermore, the high-level abstraction from human needs and social reality of the map-territory relationship allows for no biases other than those on which the maps were drawn i.e. a corporate/legal/fiscal playing field. Even the local physical world had to be refashioned to reflect those biases. As we discussed in Chapter 1 and will look at much more closely in Chapter 4, the less local and immediate, indeed, the more abstracted our experience of the world and each other, the more likely we are to adopt individualistic behaviors that erode community, encouraging a microcosmic, even personal version of corporatism. As we become more dependent on central authorities for the things we used to get from one another — including the ability to exchange value or create meaning — we are more vulnerable to the carefully constructed mythologies of corporatism, and more likely to mistake them as natural phenomena rather than inventions.

Barthes offers us some insight into this naturalization of the invention: "Myth does not deny things, on the contrary, its function is to talk about them; simply, it purifies them, it makes them innocent, it gives them a natural and eternal justification, it gives them a clarity which is not that of an explanation but that of statement of fact…"[231] As we will see, the invention of "suburbia" — more specifically the invention of the *suburban ideal* — mirrors the invention of global corporatism, similarly mythologizing itself, making itself a self-evident, justified, imperative, and factual ideal, that was then catalyzed by more local corporate interests. This myth of suburbia then became the justification for accepting maps that favored the railroad and automotive industries who were actually benefiting from this reconfiguration, as well as from the public's increasing willingness to see what was once a public sphere as private space.

Before the 20th century, suburbs were anything but a desirable place to live.[232] The only people who lived on a city's outskirts were those who couldn't afford to live in town. In pre-industrial cities, many of the outer dwellers were employed carrying urbanites' garbage and sewage beyond city limits. After transporting their last wagon of waste safely to the fields, it only made sense that they should sleep there instead of traveling back to town. In the 1700s, the suburbs of Paris were home to those too poor to pay the taxes collected at the city gates. In the same period, Londoners spent over a century trying to halt the rise of "base tenements" outside the city — an effort complicated by the demand for unclean businesses like soap-making and tanning which were conducted there. In America, the suburbs were considered so inferior that the word "suburb" was used as a pejorative. Emerson wrote of "suburbs and the outskirts of things," while Nathaniel Parker Willis complained that compared with England, America had "sunk from the stranger to the suburban or provincial." [233] Philadelphia's first

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[231] Barthes, 1972, 143.
[232] Johnson, 2006.
[233] Jackson, 1985, 16.

suburb was created to house businesses condemned from the city proper, such as brothels and slaughterhouses.

The other chief inhabitants of the suburbs were slaves and former slaves. In the 1800s, they lived in alleys in and around their masters' city homes. But the squalor disturbed the wealthy, who then established the "living out" system.[234] Slaves moved to "suburb sheds" beyond city limits so that the wealthy could rehabilitate the alleys behind their homes for their own use. This strategy made sense in walking cities, since everyone had to get everywhere else by passing through areas in the open air. The rich didn't want to walk through anything particularly unpleasant or unsettling on their way to work or the market.

By the late 1800s this all began to change. The Industrial Revolution enabled the segregation of commercial areas from wealthy residential areas. Thanks to steam ferries, cable cars, and the first commuter railroads, people who could afford to began to put considerable distance between their work and home. Cities began to turn inside out as suburban despair and center affluence was replaced by center despair and suburban affluence.[235] Where once an executive had a stake in the conditions surrounding the factory he commanded and the homes in which his workers lived — if for no other reason than their proximity to his own home — now he could hop on a streetcar and leave the filth and noise behind him at the end of the day. This distance promoted a new attitude toward labor, one shared by the wealthy industrialists who sought to bust unions, bilk workers, and increase profits. Labor unrest only exacerbated this urge to retreat to a home that was both a refuge and fortress.

Progressive-minded journalists wrote well-meaning accounts of how the masses were "sinking into degradation and misery," unwittingly fueling the flight of the wealthy to the safe haven of more distant dwellings.[236] In February of 1894, Godey's Lady's Book justified this retreat, arguing that "society is not friendly," and that every man required a home to serve as "a little bulwark against the outside world, in which those matters personal to himself should be carried on privately."[237] The pursuit of happiness thus moved from the public realm — a cooperative urban landscape — to the private realm. People sought to become spectators to society, shaking their heads in disbelief as they read the evening paper, rather than true participants. They disconnected from public space and purchased their own private spaces instead. Their abstention from public life made them all the more ravenous for sensationalist depictions of what they had left behind: Strangers became criminals, political activity became sinister conspiracy, and cities became pits of depravity.

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[234] Ibid., 18.
[235] Ibid., 25.
[236] Ewen, 1996, 49.
[237] Ibid., 52.

To serve this new market, savvy real estate developers invested in property that could provide the wealthy with guaranteed distance from the urban poor.[238] Developers gauged in which direction railways or other commuter services might be implemented, purchased cheap land, and then waited — or lobbied — for transport to be provided.

The first suburbs, like Brooklyn, gave wealthier workers the opportunity to live with the pleasantries of small-town life on tree-lined streets with the amenities and employment opportunities of the city. Before long, these first suburbs were themselves clanging with streetcars. Grand Army Plaza — now a major interchange, but originally a public park — was surrounded by a bluff of land to keep out the noise from streetcars and the surrounding buildings.[239] The very same bluff, today, serves to keep the clamor of cars within Grand Army Plaza from disturbing residents of the buildings around it. The transportation industry that first enabled people to escape the noise of the city eventually enabled the smoked, clatter, and frenzy of urban life to follow them out to Brooklyn.

Although steam railroads were originally intended for long-distance travel, by the end of the 19th century the railroad industry had completed its transcontinental lines and was looking for new sources of revenue. By building stations in rural areas close to cities, they created lines for new populations of suburbanites. They kept fares high (the annual rate for a Westchester commuter in 1853 was forty-five dollars) which kept these new suburbs limited to the desirable people who could afford it. This was fine with the land developers, who sought to maintain the investment integrity of the lands they were selling, which depended entirely on the social class of residents. The Long Island Rail Road, which was originally intended as the beginning of a much longer link from New York to Boston, turned out to have more value as a commuter line to suburban Newtown, Maspeth, and Flushing, in what was even then called “unabashedly the instrument of real-estate speculators.”[240]

By this time, suburban development was less a matter of finding new places where workers could be housed comfortably than stoking demand for new and more fashionable places for the wealthy to live. One advertisement for the Boston and Lowell Railroad proclaimed: “Somerville, Medford, and Woburn present many delightful and healthy locations for residence, not only for the gentleman of leisure, but the man of business in the city.”[241] Suburban developers reciprocated by including railroad timetables in their listings, and reminding potential homeowners that every lot was “within a few minutes walk of the station.”[242]

But the development of each new, healthy suburb wreaked havoc on the ones closer to the city. Early suburbs became little more than the places through which newer, wealthier

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[238] Jackson ,1985, 22.
[239] Naparstek, 2009.
[240] Jackson ,1985, 37.
[241] Binford 1976, 124.
[242] Ibid., 125.

suburbanites commuted to get to and from work. The worse those places looked, the more justified any suburbanite felt for traveling all the way past them to get to the safety and peace of home. Home took on a whole new meaning. Until this point, the word “home” had never really referred to the unattached dwelling we think of today when we hear it. Home was the town or city a person came from – not the structure in which he lived. A household, noted the French historian Philippe Aries, was a production unit supporting apprentices, journeyman, and retainers as well as spouses and children.[243] “Much of life was inescapably public; privacy hardly existed at all.”[244]

As the household business gave way to the corporation and the factory, and as the streets where children played became the streets where they were run over by streetcars, the family home became a refuge from the perceived ills of a society beyond anyone’s control. The more families who left the city to build houses, the more cities became characterized by those left behind i.e. the poor. The increasingly desperate flight from cities was reframed for suburban exiles as the attainment of the American Dream. While Godey’s *Lady’s Book* and the “domestic science” texts of Harriet Beecher Stowe and Catharine Beecher created the mythology of woman as queen of the house and competent homemaker, other writings depicted an equally compelling role for men to fill, utterly dependent on the attainment of a private home. Walt Whitman wrote: “A man is not a whole or complete man unless he owns a house and the ground it stands on.”[245] *The American Builder* magazine amplified this view into a sales pitch in 1869: “It is strange how contentedly men can go on year after year, living like Arabs a tent life, paying exorbitant rents, with no care or concern for a primary house.”[246] Baptist minister Russel Conwell’s infamous lecture “Acres of Diamonds,” reportedly delivered over 5000 times between 1900 and 1925, equated home ownership with righteous living:

> Introduce me to the people who own their own homes around this great city, those beautiful homes with gardens and flowers, those magnificent homes so lovely in their art, and I will introduce you to the very best people in character as well as in enterprise in our city…A man is not really a true man until he owns his own home, and they that own their own homes are economical and careful, by owning the home.[247]

From the perspective of *Communist Manifesto* co-author Friedrich Engels, however, this indebtedness was just the yoke that capitalists needed to keep labor in line. Home ownership,

[243] Aries ,1965, 8.
[244] Jackson ,1985, 47.
[245] Ibid. p. 50
[246] Ibid.
[247] Ibid.

and the mortgage it required, would be "chaining the worker by his property to the factory in which he works."[248] This possibility for social programming was not lost on real estate speculators or the many businesses looking to the suburbs for a way to create a highly compliant middle class society. As the president of Provident Institution for Savings in Boston explained:

> Give him hope, give him the chance of providing for his family, of laying up a store for his old age, of commanding some cheap comfort or luxury, upon which he sets his heart; and he will voluntarily and cheerfully submit to privations and hardship.[249]

So the suburban home was as much a *symbol* of luxury as it was a real luxury. It was less important for this new life to provide actual satisfaction as for it to produce a class of people who *behaved* as if they were satisfied. So much the better if they believed that true satisfaction was just one more paycheck, and one more purchase, away. Our social programmers were learning how to keep us on the edge of a true climax of consumer satisfaction. For us to remain goal-oriented, the suburban ideal had to remain unattainable – always one step away.

Only the very wealthiest Americans owned the kinds of estates on which the suburbs were pretending to be modeled. The "great country estate" was actually a Renaissance ideal, proclaiming and maintaining a person's political and social position.[250] The Renaissance's new focus on individuality meant that an accomplished gentleman required a place set off and apart from everyone else. A room within one's city home was no longer enough. Moreover, country estates served as an early form of branding and publicity. A newly wealthy family could display its land acquisitions by creating a country estate of size and grandeur corresponding to its holdings. Much as contemporary real estate tycoon (at least he plays the part on TV) Donald Trump tags his buildings with ostentatious gold letters spelling his name, the new elite built country estates to trumpet their investments in order to gain political and financial leverage. Again, it had less to do with land as a place than property as a commodity. And even then, it was less about the land's value as a real asset than as a *sign* of a family's healthy balance sheet — an advertisement for assets held somewhere else.

Whether or not America's new homeowners had a conscious grasp of the history they were imitating, their prefigured ideals came straight from the storybooks. As far back as 1839, the *Encyclopedia of Architecture* explained that the inspiration for the proper American house with a spacious manicured lawn was the Renaissance Italian villa. Yards were not really for play or recreation as much as for identifying the separateness and privacy of each home

[248] Merrifield, 2002, 45.
[249] Jackson, 1985, 51.
[250] Malay, 2008.

from the world around it. By the 1880s, these practices were codified in property deeds, which included mandates for “setback” (the amount of distance between a house and the street) and sometimes even landscaping.

The overt call to Renaissance values reached a peak at the beginning of the 20th century, as the first totally planned suburban communities such as Llewellyn Park, New Jersey and Riverside, Illinois, offered their nouveau riche residents the opportunity to live in houses that emulated the country estates of British gentlemen and chateaus of French aristocrats.[251] This imagery did more than sell houses; it promoted a lifestyle of consumption. Each home was to be its own fiefdom. Self-sufficiency was part of the myth of the self-made man in his private estate, so community property, carpools, or sharing of almost any kind became anathema to the suburban aesthetic. The sole exception to this rule was country clubs, whose steep dues and competitive, fraternity-like bidding process maintained a sense of exclusivity to what was, at its core, a sharing of expense by men very much poorer than the nobles they were imitating. But they did the best they could. To complement their conspicuously consumptive country homes, men formed conspicuously consumptive country clubs, where they played conspicuously consumptive games of golf.[252] How better to demonstrate one’s control over vast property than to waste it?

Of course, the entire lifestyle was based on a charade and exploitation. Just like the Renaissance retreats on which they were modeled, suburban homes depended on the labor of unacknowledged legions of workers. (In Boston’s Brookline, for example, ten percent of the taxpayers controlled 70 percent of the assessed property. The other 90 percent of the taxpayers were people who served them as landscapers, domestic servants, construction workers, painters and groomers.[253] These were the suburbs real denizens. Soon, however, they too were to be included in at least some version of the suburban home. The best suburbs won their own suburbs, with subdivisions between subdivisions, each containing people of a different social status. Unlike the city, where people of different classes lived side-by-side, the suburbs not only put distance between individuals but between *sorts* of individuals. The better-insulated neighborhoods were from each other the more carefully real estate values could be controlled.

Elite suburbs now sought to distinguish themselves financially from the cities around which they had developed. Where early suburbs often welcomed annexation by cities, now suburbanites were determined to maintain control over their uniquely privatized neighborhoods. What better tool than incorporation? Incorporating suburban towns, like Boston’s Brookline or Chicago’s Oak Park, allowed for easier discrimination against minorities, and a sense of true, legally ordained distance from the multi-ethnic confusion and

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[251] Jackson 1985, 88.
[252] Ibid., 97.
[253] Ibid., 100.

moral compromise of the city. They were also relieved of the tax burden of social services for the poor. This made them even more desirable.

By the 20th century, the kind of money that could be made developing a single successful suburb was well known to both railroad barons and real estate speculators. The economist Richard Hurd showed them how the value of land would go up as a function of its convenient commutation distance to a central business district.[254]

McLuhan marveled at how this mythology of the railway "…radically altered the personal outlooks and patterns of social interdependence…. bred and nurtured the American Dream… created totally new urban, social and family worlds."[255] Capitalizing on this trend, transit tycoons shifted their emphasis from providing good transportation for people to manipulating the value of undeveloped farmland. They built rail lines to the subdivisions they owned, while passing over those of their competitors. They never even intended for their rail services to be profitable; tracks were a loss leader for the real estate sales they enabled. Neighborhoods and commuter lines were not natural phenomena that sprung up around the needs and activities of people. They were master planned developments aimed at delivering land speculation profit.

In the case of railway development, rather than defining the territory based on the needs of the people, corporate interests once again defined territory through their abstract maps of railroad development, which served as the basis for the resultant accounting ledgers. The invention and biases of the railroad are further elucidated through a media ecological lens, specifically through the work of Marshall McLuhan. He proposed,

> The technology of the railway created the myth of a green pasture world of innocence. It satisfied man's desire to withdraw from society, symbolized by the city, to a rural setting where he could recover his animal and natural self. It was the pastorial ideal, a Jeffersonian world, an agrarian democracy which was intended to serve as a guide to social policy.[256]

Rhetorically consistent with Barthes' critique of mythology, using words like "innocence" and "natural," the myth of suburbia was powerfully seductive in its idealism. In his critique of the design of the railroad McLuhan points out that the railroad was responsible for "…creating a new political centralism and a new kind of urban shape and size. It is to the railroad that the American city owes its abstract grid layout, and the nonorganic separation of production,

[254] Ibid., 120.
[255] McLuhan, 1994, 72.
[256] Ibid., 72.

consumption, and residence."[257] In anticipation of the next commuter development, McLuhan explained that: "It is the motorcar that scrambled the abstract shape of the industrial town, mixing up its separated functions to a degree that has frustrated and baffled both planner and citizen."[258]

As McLuhan pointed out, the automobile served to accelerate the conversion of place to property as it promoted the "nonorganic separation of production, consumption, and residence." Henry Ford, for all his faults, saw owning the automobile as an inalienable right. He believed that cars should be cheap enough for any worker on his assembly line to own. What he and his counterparts at General Motors required, however, was a compelling reason for owning one. The mythologized suburbs gave them one.

The problem was that, unlike railways, cars required public space to operate. Who would build, and pay for, all the roads? Although it might have seemed logical for drivers to pay the tolls and taxes required to maintain automobile thoroughfares, this would have discouraged people from buying cars in the first place. Instead, the automobile companies, as well as tire manufacturers, oil companies, and, of course, land developers, pressured the government to pick up the tab. While GM's role in dismantling the city streetcar has been overstated, the company did identify the cities where trolley systems were vulnerable, and then create competitive lines that put them out of business.[259] Once this was done, GM would convert the new system into a bus line — serviced by GM's buses. Then GM would divest itself of the company. This practice spurred the transition from city streets that served pedestrians, merchants, and kids along with trolleys, to roads that served the automobile.

By the end of World War II, most people finally had enough money to consider buying an automobile. But car production had been increasing twenty times faster than highway construction. In order to get more asphalt for its cars, the auto industry needed to persuade the government to develop land and roads at a pace that matched the output of its car factories.

Mirroring the techniques of the railroad barons of the century before, GM's lobbying group crafted legislation that made highways federally funded and controlled. Their justification was that highways were a national defense issue – required to move troops around the country in case of an attack. Conveniently, this made the secretary of defense, Charles Wilson, responsible for highway acts. Wilson was a major GM shareholder, and former president of the company. (When asked at his confirmation hearing about a potential conflict of interest, he famously answered: "I thought that what was good for our country was good for General Motors, and vice versa.") Thanks to GM's policy influence, highways would

[257] Ibid., 104.
[258] Ibid.
[259] For a detailed chronicle of this process, see Black, 2007.

become a national priority, controlled far away from where they were actually built.

Municipal governments had no say in the design of the highways that passed through them. Federal road engineers were not particularly concerned with anything but the efficiency of long-distance travel, and didn't bother to consider the effects of their constructions on the people who lived around them. Huge swaths of territory were considered only for their value as rights-of-way, not as places in themselves. McLuhan understood these effects as aspects of a new media environment: "The road became a substitute for the country by the time people began to talk about 'taking a spin in the country.' With superhighways the road became a wall between man and the country. Then came the stage of the highway as city, a city stretching continuously across the continent, dissolving all earlier cities into the sprawling aggregates that desolate their populations today." [260] Neighborhoods were uprooted, divided, and demolished. The courts quickly and decisively neutralized local governments that attempted to resist.

The resulting highways displaced hundreds of thousands of people and further drove down property values in the cities. According to Senator Gaylord Nelson, 75% of federal transportation spending has gone toward highways, while 1% has been spent on mass transit.[261] Urban planning masters such as Robert Moses developed highways that divided neighborhoods and perpetuated class and race divisions. In just one of many celebrated examples, Moses built highway overpasses with only nine feet of clearance, which prevent buses from getting through. As Langdon Winner pointed out, this made the purchase of an expensive car a prerequisite for residence, and a sufficient obstacle to the lower classes.[262] Winner's account probably placed too much credit for racial segregation at Moses's feet.[263] As Joerges points out, these politics have created their own artifacts. Much more significantly, the Parkway scheme through which these roads were built was itself a rather clever redirection of public parks funds toward the needs of the automobile. Lacking roads funding to develop new routes to the suburbs, New York State legislature declared long strips of land "State Parks," (so-called "linear State parks") and then used State Park funds to build roads with little value other than to make the fledgling suburbs more accessible. Parks regulations required that these roadways be restricted to non-commercial traffic, which kept them bus-free. Clearly, this was not considered an impediment to the use of public money for the development of transitways that would exclude a majority of the public. So public funds would be used to render public space more accommodating to the most private of vehicles, and less suitable for habitation by the public at large.

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[260] McLuhan, 1994, 94.
[261] Judd and Swanstorm, 1994, 155.
[262] Winner, 1986, 2.
[263] Joerges, 1999. As cited in Schäfer, 2011, p.56, p. 183..

Meanwhile, public streetcars and other mass transit would remain classified as "private investments" ineligible for subsidies and dependent solely on their own operating profits. They couldn't keep up. Americans witnessed a cascade of streetcar company bankruptcies and came to believe that mass transit was on the way out. This pressured people to buy cars and learn how to use them before it was too late, which only accelerated mass transit's downward spiral. In most suburbs to this day, getting to work - or anywhere, for that matter – means owning and operating a car.

The suburb became dependent on the automobile, and dedicated increasing amounts of space to parking spots, garages, and intersections. Towns once planned to accommodate walks to the train station were now expanded horizontally across rail lines. Houses were built farther apart and front porches gave way to garages and back decks. Suburbs extended as far from the city as their developers could win asphalt roads from the government. The daily commute grew longer and less social; where workers and their bosses might have once traveled the same train but gotten off at different stops, now everyone traveled in separate vehicles. Suburban town centers, such as they were, deteriorated as foot traffic declined. This devastated local businesses, while making chance encounters with neighbors less likely. Lifestyles were developed around the needs of a corporate product, rather than the other way around.

Scores of other corporations learned to support and exploit the suburban propensity for ownership and self-sufficiency. In 1935, General Electric sponsored architectural competitions for model homes that used as many GE appliances as possible (one architect incorporated 76 of them).[264] Over the next two decades, women's magazines such as *Ladies' Home Journal* glamorized the latest household products as well as the push-button control over life they offered. Life in the suburbs became about buying things, installing appliances, and making improvements.

The very premise for the suburbs was to turn more of the real world into a market opportunity, so it shouldn't be surprising that it provided such a terrific canvas for successive layers of marketeering. Just moving to the suburbs made people more dependent on products, and less able to share. The automobile suburbs were even more highly stratified and homogeneous than their predecessors. The only way to distinguish oneself, entertain oneself, or take care of oneself was by buying oneself a factory-built product.

Today, most of us look back on the triumph of the car and the automotive suburbs as the natural march of progress. A new technology can naturally render older ones obsolete. As people make money, they might naturally seek greener pastures and more land for themselves. As a country and the cities within it grow up, they naturally convert more land into residential areas. But none of these seemingly natural phenomena were natural at all. In

[264] Jackson, 1985, 187.

much the same way as trade laws were written by the very monarchs who benefited from them, corporations wrote business plans aimed at attacking the viability of mass transit; they leveraged their political influence to enact policies that undermined municipalities' ability to control their own land use; and, perhaps most significant, they promoted a myth that success in America should be equated with self-sufficiency, privacy, and property.

Though the focus on suburban life might seem simple and "natural," that is the very danger of accepting mythology as the new ground. As Barthes tells us:

> In passing from history to nature, myth acts economically: it abolishes the complexity of human acts, it gives them the simplicity of essences, it does away with all dialectics, with any going back beyond what is immediately visible, it organizes a world which is without contradictions because it is without depth, a world wide open and wallowing in the evident, it establishes a blissful clarity: things appear to mean something by themselves.[265]

This simplification of the mythology of the idealized suburban life removes the complexities of race relations or of manufacturers needing consumers. The perpetuation of that mythology acts as a structural intervention that strategically undermines a "dialectic" that includes mass transit. And finally, the eventual acceptance of the mythology makes it seem as though "things appear to mean something by themselves" which is rhetorically equivalent to Korzybski's abstraction and as we will see, Baudrillard's simulacra. We see that the clock "dissociated time from human events" and that the printing press created a dispersed reading public more "atomistic and individualistic than a hearing one" it is the same act of abstraction through which the map functions to distance us from the territory which we inhabit.[266] But now the referents of human experience are also disappearing, of which Baudrillard — through his observations of contemporary society — is most critical:

> Because in the end, throughout its history it was capital that first fed on the destructuration of every referential, of every human objective, that shattered every ideal distinction between true and false, good and evil, in order to establish a radical law of equivalence and exchange, the iron law of its power.[267]

[265] Barthes, 1972, 143
[266] Eisenstein, 1983, 94.
[267] Baudrillard, 1983, 22.

Perhaps no other shift better epitomizes our disconnection from the real, and our change from human actors to agents of corporatism. It's more than a little reminiscent of the shift away from feudalism and the emergence of a real estate market during the Renaissance. Neither had anything to do with people's real need for land, and everything to do with excess capital's need for a place to grow. In both periods, people who actually used and lived off the land were displaced by speculators who merely owned it, and then residents whose use for it was ornamental or self-promotional, at best.

Similar to how Renaissance corporations mapped the uncharted regions of an expanding globe, reducing a world of people, cultures, and ecologies down to one of slaves, commodities, and economies, so too did the speculators of American suburbia wherein "consumption" rather than necessarily "labor" became the new extracted value of the human. In both cases, if it couldn't be represented on the map-now-balance-sheet, then it didn't exist as part of the territory. Just as those early members of the bourgeoisie helped redefine public land as private property, speculators of 19th- and 20th-century America created what we now call the suburbs out of land that had no previous market value. The agenda of the real estate speculators drove both land-use policy and the psychology of home ownership. While some people may have had a natural desire to leave the city and live a pastoral life, the overall shift in land use that created the suburbs was almost entirely directed by the needs of capital, not people.

It was only a matter of time before the people living in the suburbs began to experience their homes as mere property, too.

2.6 The Homeownership Myth: The Medium is The Mortgage

It all started innocently enough. America was still in the midst of the Great Depression, and the expansion of home ownership appeared to solve a number of the nation's problems. The new suburbs boosted the real estate market, created construction jobs, and stimulated the consumption of manufactured goods. The new suburban lifestyle, meanwhile, quelled labor unrest and made more people feel like they were on a path toward attaining the American Dream. Even displaced blacks were being shunted into new housing projects. What's not to like?

All the research indicated that everyone would be happier in the new scheme. The social theorists on whom the U.S. government relied — whose work was funded mainly by the corporations benefiting from their findings — cited home ownership as the surest path to becoming part of the consumer class. Homeowners had a stake in the nation, as well as a new kind of obligation: a loan to pay back. This meant they worked harder — both to make money to pay down their mortgages, and to acquire more stuff for their homes. And, assuming the economy worked the way it's supposed to, this would engender a more compliant and eager workforce, momentarily satisfied with what it had and consistently desirous of more. It sounded good on paper, anyway.

Herbert Hoover convened the President's National Conference on Home Building and Home Ownership to help him figure out how to get people into their own new suburban houses. Their main recommendation: long-term, amortized mortgages. If people could pay back the cost of a house over 15 or 30 years, they would be empowered to live beyond their present means, and committed to earning steadily well into the future. The Federal Home Loan Bank Act of 1932 created a credit reserve for banks to pump more funds into the housing market. But the banks were still too traumatized by repeated "runs" on their liquidity. The mortgage terms they came up with were so restrictively risk-averse that only three out of the 41,000 applications they received ended up being approved.[268]

After a few fits and starts, Franklin D. Roosevelt (FDR) managed to do a bit better. He began with a characteristically federal effort called the Resettlement Administration, which simply relocated poor people to cheap land, then knocked down slums and put parks in their place. They built three towns this way, from scratch, but they went way over budget and the whole project was scrapped for lack of additional funds.

His penchant for federally funded projects notwithstanding, FDR realized that an effort of this magnitude required the massive, decentralized power of the free market. Instead of simply paying for towns to be built, the federal government would create agencies, laws and codes that favored construction and home buying by millions. As a result, the needs of the market came to define the fabric of suburban reality, at the expense of all other priorities. It was built into the rules defining building, zoning, ownership, segregation, and class mobility. Eventually, the market and the landscape would actually change places. Instead of exploiting the market to build the suburbs, the suburbs would be exploited to build new markets. This was not about constructing a nation; it was about repairing an economy.

To begin with, FDR's Home Owners Loan Corporation (HOLC) changed America's relationship to mortgages. Prior to the HOLC, a mortgage was a stigma. More like turning over one's "property cards" in a game of Monopoly, a mortgage had always been something a person took out after owning a property and then going into debt. It was a bank's way of helping customers get through bad times. Although home loans became more popular during the speculative bubble of the late 20s, by the Depression many of those were going into default. The HOLC helped people refinance their loans without going into foreclosure, and offered special low-interest loans of its own to help people buy back houses they had already lost.

More significant, the HOLC figured out how real-estate markets worked, and systemized an appraisal methodology that would help banks, lenders, and home owners

[268] Jackson, 1985, 192.

guarantee the investment value of their properties. People were not about to take out mortgages to buy homes in neighborhoods that might go down in value. Banks were not inclined to lend the money, either. The long-term financial commitment of a 30-year mortgage meant ensuring that the main characteristics of a neighborhood remained stable over time.

Instead of measuring this stability in terms of civic participation, church membership, community reinvestment or local volunteerism, the HOLC evaluated neighborhoods through more familiar statistics: age, jobs, income, housing materials, and, most of all, race. The new, mathematically justified system for classifying neighborhoods became known as "red lining."[269] The scheme used colors, letters, and numbers to code the desirability and investment value of different neighborhoods. Green was the best — a homogeneous, perpetually high-demand area, occupied by white businessmen and professionals, with no Jewish infiltration. Blue was next, for desirable areas that had already reached their peak. Yellow was for neighborhoods in decline and red was for those already fallen. "Full decline" meant that black people already lived there.[270]

These maps were no longer limited to descriptions of the present or records of the past, but explicitly sought to express the future. These were predictive maps, drawn not just on geographical axes but also on a *temporal* one. The acceptance of such maps and their replacement of reality becomes internalized not just as the way things are but the way they will be.

Returning to Barthes' difference between the signifier (map) which expresses the signified (territory) and how they become a sign (a map that denotes territory), we see in this case that this is a culturally biased map placed on top of the *already abstracted* demography of the territory. But now the secondary map becomes capable of describing additional dimensions of experience – it can describe a future that has not even happened yet. And again we are reminded of Bateson's admonition: "Always the process of representation will filter it out so that the mental world is only maps of maps of maps, ad infinitum…"[271]

The methodology assumed that all neighborhoods would decline as structures aged and progressively poorer people moved in. Appraisers learned to see any mixing of races as a sign of instability and impending price drops.[272] This logic trickled down to home owners who were tied to big mortgages and had more of a stake in the value of their property than the quality of their lives or, least of all, the eradication of their prejudices. Besides, recognizing the precursors to a neighborhood's infiltration by blacks or Jews meant getting out in time to win a good price for one's home and pay back the mortgage. Getting out too late could mean owing

[269] Harriss, 1951, 2.
[270] Jackson 1985, 197.
[271] Bateson, 1972, 322.
[272] McMichael, 1931.

more on a house than it was currently worth. Thanks to the way the federal government promoted home ownership, white and black suburbanites learned to become more racist as a means of financial survival.

It wasn't enough just to turn races against one another for the sake of a housing market tilted toward real estate speculators. The very design of the neighborhood had to incorporate this bias toward segregation and isolation for the sake of price stability. These practices were fully institutionalized by 1934, when the Federal Housing Administration (FHA)was set up, ostensibly to jumpstart the construction industry and put people back to work. The sole strategy of the FHA, however, was to insure long-term mortgages: a bank would still make the loan, but the FHA would back it up if the borrower defaulted — much as the Fed is now insuring the "liquidity" of failing predatory mortgage lenders. It worked as planned. Over the next decade, housing starts went up more than sixfold. Loans were so plentiful that it became cheaper to own than to rent.[273]

But the biases of the new system were very specifically aimed against shared property, renovation of existing homes, or any racial interaction. Separated single-family structures got better mortgage terms than multifamily dwellings. It cost more to borrow money for home repairs than for the purchase of a new home. Worst of all, the FHA rules heavily favored the strict segregation of neighborhoods, going so far as to recommend that deeds include clauses legally preventing black occupancy.[274]

These rules dictated the physical characteristics of the real world. In one startling example, white families settling at Eight Mile Road outside Detroit in 1940 ended up surrounding a black neighborhood. Neither blacks nor whites could be approved for mortgages until a developer built a concrete wall between the areas. After that, the whites were able to get mortgages. This FHA-mandated discrimination was rejected by the Supreme Court in 1948, but the publicity around the ruling only made builders more aware of such clauses, increasing their overall popularity. Once the private sector came in to take over the government's role of guaranteeing loans, they used the same race-based and divisive techniques, which had already been institutionalized for them. In this, we see how the needs and biases of the mortgage truly functioned as a further abstraction (almost ideological in scope) beyond the actual activities of the territory, resulting in a change of the physical characteristics of the real world to suit the map's biases — at least as best as they were able.[275]

From the available evidence, it appears that all FDR hoped to do was create jobs and new public housing by demonstrating "to private industry the feasibility of large-scale community planning efforts."[276] But the marriage of these private and public housing efforts

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[273] Jackson, 1985, 204.
[274] Ibid., 213.
[275] Ibid., 208.
[276] Ibid., 221.

ended up producing projects that reflected the worst of each. The Public Works Administration and the U.S. Housing Authority lent money to private corporations for slum clearance, while giving local municipal governments authority over whether and where to build public housing. No one wanted a housing project near his own community, so the corporations and municipalities used the financing to tear down any slums near expensive suburbs, and rebuild them as projects back in the city. Urban decay got worse, and the suburbs got even more segregated. If money had been put toward rehabilitating existing slums instead of tearing them down and building new ones, it might have created fewer construction jobs and lower profit; but it would have also prevented this very rapid redrawing of the residential map for the benefit of white suburban property values and the developers who exploited them. Instead, the attention to zoning and its implications for a family's net worth simply heightened American's sense that a house wasn't simply a place to live, but an asset to protect by any means necessary.

Finally, the FHA was expanded to include a Veterans Administration to take on the problem of how to compensate World War II veterans and integrate them back into America's economy and society. If Europe after WWI was any example, widespread resentment of veterans could lead them to turn to unions or, worse, communism. As Jack Hardy, the national commander of the American Veterans of World War II, warned: "It is likely that a desperation born of unmerited privation, inexcusable in this country, may create an acute and dangerous rift between veterans and the political management that makes such conditions possible."[277]

The resulting GI Bill used everything that had been learned so far about the suburbs to plan communities that could safely domesticate both GI Joe and Rosie the Riveter, as quickly as possible. Developers built hundreds of thousands of small single-family houses, for which the government issued mortgages at whatever prices builders demanded. Housing starts boomed from 114,000 in 1944 to 937,000 in 1946 to a high of 1,692,000 in 1950. The sheer volume and scale of these projects and the speculative wealth they created led to the dominance of bigger players who gobbled up independent builders. By 1949, only 10 percent of firms were constructing 70 percent of new homes. Central funding by the government had corporatized the building industry. [278]

Island Trees, Long Island — as Levitt and Sons homebuilders' most famous development "Levittown" was first called — brought industrial age management and scale to home construction. Where houses were once built individually by skilled carpenters, the Levitt's twenty-seven step system used separate crews for each job, assembling pre-made

[277] Kelly, 1995, 2.
[278] Jackson, 1985, 232.

components with power tools. Only 20 percent to 40 percent of construction tasks required skilled labor.[279]

Essentially a federally chartered corporation, Levitt and Sons enjoyed exclusive rights and discount rates on land secured by the government. And just like authorized monopolies of the colonial era, the Levitts arrived on a site and then learned to make everything they needed. The company refused to buy nails, concrete, or even appliances from regional vendors, purchasing all their materials from their own subsidiaries with low-wage laborers. They even grew their own lumber.[280]

As a return on its investment, the federal government got to dictate the basic template for all the houses. The FHA used this opportunity to design houses and communities that reinforced the nuclear family-while discouraging congregation of larger groups. The recommended house plans were for four and five room cape cottages. The houses were uniform — intentionally interchangeable. The five models offered at Levittown varied only in color and exterior window arrangement. Variations less expensive to deliver could have been offered, such as rotating the position of the house on its axis, or changing colors and textures in the interior. But this would have defeated the underlying agenda of uniformity; the homogeneity of the houses was supposed to engender a culture of conformity.[281]

Ironically, as a wholly invented space within the suburban landscape this conformity was a physical manifestation of "a simulacrum, that is to say never exchanged for the real, but exchanged for itself, in an uninterrupted circuit without reference or circumference."[282] The design was based on the priorities of the FHA, not any actual suburban reality, creating a controllable simulation of something that didn't actually exist; indeed, Baudrillard calls the simulation of something that never really existed the "hyperreal."[283] As Baudrillard suggested:

> It is no longer a question of imitation, nor duplication, nor even parody. It is a question of substituting the signs of the real for the real, that is to say of an operation of deterring every real process via its operational double, a programmatic, metastable, perfectly descriptive machine that offers all the signs of the real and short-circuits all its vicissitudes.[284]

Levittown was not a constructed imitation of anything — it was a simulation without a physical referent. In the case of Levittown, the mortgage maps that tracked high and low risk

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[279] Ibid.
[280] Ibid., 233.
[281] Ibid., 234.
[282] Baudrillard, 1983, 6.
[283] Ibid., 28.
[284] Ibid., 2.

properties due to socio-economic demographics successfully redescribed the territory from foundation to addition.[285]

Advertisers readily joined in the establishment of a four-room cape house as the new symbol of the American Dream. Ads for everything from automobiles to radios featured young families standing in front of nearly identical cape houses. A print spread for the Lee Rubber and Tire Company in 1943 showed a small family in front of a cape house, with a church and factory hovering above and the words "*These Are Fundamental.*" A lifestyle in which conformity meant happiness had been defined and celebrated as payback for the sacrifices of war.

Conformity shouldn't be confused with solidarity. The houses and families within these subdivisions were equal, but separate. The architecture promoted nuclear family values and gender-based roles for parents. As delivered, there was no room for relatives or even large parties — just the essential activities of a small family, once again promoting the corporatist ideals of individualism and disassociation. The cape houses had kitchens in the back, from which moms were to watch kids play in the backyard. In the front yard of each house were a lawn, landscaping, and four fruit trees to be tended by dad. As William Levitt himself promised his government patrons: "No man who owns his own house and lot can be a Communist. He has too much to do."[286] He meant this quite literally.

The homes also begged for owners to expand them. The footprint of each house was a scant 750 square feet, barely enough space for one bedroom much less the two or three required by a single family. But the houses were set on a minimum of six thousand square feet of land – two thousand more than zoning rules required for this size home. People were supposed to add on. Attics were also designed to accommodate the addition of dormers to create two additional bedrooms. The culture of do-it-yourself magazines and how-to books was born, as the men of these new suburbs expanded their houses — often buying materials and tools from the Levitts.

The design of the Levittown house intentionally demanded its owner's time while fueling his pride in ownership. Not that he would have had much to do in Levittown, otherwise. At the request of the FHA, all recreation spaces in town were for the exclusive use of nuclear families, while traditional male meeting places — bars, firehouses, gas stations — were conspicuously absent.

Levittown and other FHA-sponsored, master-planned, corporate-built communities provided "entry-level" homes for hundreds of thousands of Americans, mitigated civil unrest,

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[285] Today, Disney communities, such as Celebration, Florida, and the corporate cities in China and India offer even more deliberately concocted versions of urban planning. See Black, 2002, for more on this cinematic "reality effect," and Ross, 2000, for more on Celebration and its embedded economic values. In our study, Birkdale Village – an effort to reclaim the community atmosphere lost to efforts such as Levittown will take the simulation one step further.
[286] Kelly, 1993, 164.

and housed World War II veterans who certainly deserved a fair shake. But the plan came steeply sloped toward promoting individual home ownership over all other social priorities.

By making a house available to every white lower- to middle-class American, the FHA and its chartered corporations made home ownership a basic right — the first rung on the ladder to success. However, the mortgage truly acted as an abstraction of ownership, in that one of the major biases of these constructed communities was that the land-as property-through mortgage was interchangeable. A private house went from being a status symbol to a middle-class prerequisite. Now, instead of buying a house to show that one had arrived in life, a successful man needed to buy a *bigger* house to make a more relative point. Home buying and selling, or "trading up," became the way to earn status. And because doing well meant moving up and out, any gains in status were at the expense of community.

Although it launched an era of home ownership as private enterprise, Levittown was itself made possible by a massive government subsidy. Even though a lion's share of the money ultimately ended up going to the Levitt brothers, without those subsidies the vast majority of residents never would have become homeowners on their own. Not that its current residents would approve of any such government dole out today. The middle-class white inhabitants of Levittown are among the first to put out yellow ribbons in times of war, and remain staunch supporters of conservative economic policies. Virtually unaware that their own homeownership was made possible by a huge government intervention, they do not seek welfare for themselves or support it for anyone else.

Having paved over the country with an American dream represented by the single-family house and a single-family life, one of the most centralized government efforts in American history succeeded in creating a population utterly convinced of the primacy of home ownership and the deep connection between the value of their houses and that of their life's work. For all their supposed concern for the beauty and quality of their houses, 1960s suburbanites treated them more as assets than as homesteads — always ready to sell out and move up to the next level.

This was not a mere unintended consequence of government-backed housing mortgages, or some free expression of human nature for a private dwelling in which to hole up with one's family. The combination of government power and corporate monopoly ingrained an ideal not just in the minds of people, but in the very landscape in which they lived their lives. This, in turn, made a constructed mythology seem like a preexisting condition of our world — or, at the very least, a fundamental premise of a free civilization. Going into debt, distancing ourselves from our neighbors, and striving for conformity became equated with freedom.

Like any myth, this ideal was created independently of any experiential evidence beyond our own enduring dreams. This is what made it so easy to use a second time in completely different circumstances.

2.7 Twice Removed: Real Estate, Investment, Mortgages, Derivatives

"Let me first talk about how to make sure America is secure from a group of killers. People who hate — you know what they hate? They hate the idea that somebody can go buy a home. They hate freedom, that's what they hate."

-- George W. Bush, Remarks on Home Ownership to the Department of Housing and Urban Development, June 18, 2002.

The ideal of home ownership in America was put forth as an expression of an individual's freedom. As we have already seen, however, the privatization of the public sphere and its adaptation to the needs of the railroad, automotive, and real estate industries required people to adopt and adapt to a successively alienating set of maps. As if demonstrating Barthes' framework of the signified and signifiers reaching a new dimensional plane with the symbol, these maps built on one another, adding new axes until they were capable of measuring along a temporal plane.

The subsequent exploitation of homeowners, mortgage holders, and even those who guaranteed those mortgages, depended on the environments created by these temporal maps. Derivative mapping requires people to engage with the world through derivative instruments. It may sound like advanced calculus, but it's really quite simple: once the world was understood less as places or even property than a set of bounded timelines, the only way to relate to the land was through temporal instruments. People and institutions no longer owned land, or competed over deeds; rather, they took out mortgages, and competed over derivatives of those mortgages.

This abstraction was dependent on really just one thing: convincing people that the temporal reality of the mortgage maps was true, and that certain real estate values could go up forever. Further to that cause, as even George Bush's quote above implies, those who question this infinite price escalation are considered to be questioning the foundations of freedom itself. As the preface to this thesis suggests, those of us who called attention to the faulty logic of the mortgage and derivatives industries were ridiculed as conspiracy theorists. Didn't we understand that real estate always goes up? Hadn't we seen the map? Didn't we understand that the longer you wait to buy a house, the further out of reach that house was going to get?

The question of whether to become a home owner gave way to the much more presumptive “how are we going to get you *in*?” While government promised to encourage home ownership as a way of improving participation by poor people in the economy, banks came up with increasingly clever mortgage products that postponed the real cost of buying a house well into the future. Unlike the postwar housing boom, the great push for home ownership in America and Britain since the early 90s had nothing to do with creating a more compliant working class occupied with the tasks of taking care of a house and incapable of questioning their plight or even gathering to discuss it. This had already been accomplished. And segregation had been so complete that those still incapable of participating in the dream of home ownership could only imagine how much better it must have been than life in the projects.

The recent real-estate investment craze — much like the property craze back in the Renaissance — was more about finding investment vehicles for excess capital *over time*. It wasn't the prospective homeowners with so much money to burn; it was banks and speculators. Regressive tax policies and new, cheap sources of labor in Asia had put even more wealth than usual in the hands of corporations and the very rich, and they needed new asset classes for all of it. Between the dot-com bust and the Enron scandal, the stock market was no longer a great place to stage a pyramid scheme. But the real-estate market, with its seemingly secure foundation in physical places, was still ripe for an extended boom and bust cycle. In other words, the abstraction process that had become naturalized through land-becoming-real-estate-becoming-mortgages had set the stage for the next level in order to promote the interests of those with capital, who needed to get richer without creating any actual value.

Investment banks knew better than to invest in land. The last thing they wanted to be involved in was the buying and selling of real property — especially since its value had already been inflated by decades of mythmaking. No, the land would be at the very bottom of the pyramid. Instead, they invested in mortgages *other* people took out to buy land. As Alan Greenspan eventually explained it to *Newsweek* magazine:

> This particular problem was an accident waiting to happen. The euphoria that existed in the expansion of the housing-market bubble induced investors around the world who’d had a huge buildup in liquidity — largely because of the lower real long-term interest rates that occurred as a consequence of the end of the cold war — to invest in something with a higher rate of return. And, lo and behold, the sub-prime mortgage market provided it.[287]

[287] Meacham, 2007.

However, as we will see later in this section, the premise was unsustainable precisely because Greenspan mistook the map for the territory. As he eventually admitted, in a stark realization of our basic premise: "I found a flaw in the models that I perceived as the critical functioning structure that defines how the world works."[288]

Had people, investment firms, and corporations accepted these premises as mere models, much of the collateral damage might have been avoided. But the models of the Fed and other banks and agencies were instead related to as *maps* – depictions of reality as it is and will be. These were not treated working models or hypotheses, but as a new landscape of interaction and transaction. And since the investment economy was already abstracted from reality, the new derivatives-based mortgage market had no obligation to take any reality on the ground into account.

This abstracted map did not actually describe territory or even its relative value over time. As we have shown at subsequent levels from the Renaissance forward, abstraction occurs each time the ledger or spreadsheet is mistaken for the actual activities and experiences of the people on the land — and as was the case in 2008, this successive abstraction eventually proves unsustainable. Greenspan suggested that it was the "euphoria" of the timeline that misrepresented how much the market could sustain, which really just reflects the biases of the map maker:

> The whole intellectual edifice...collapsed in the summer of last year because the data inputted into the risk management models generally covered only the past two decades, a period of euphoria. Had instead the models been fitted more appropriately to historic periods of stress, capital requirements would have been much higher and the financial world would be in far better shape today, in my judgment.[289]

The housing bubble had little to do with buying pressure, and everything to do with an excess of capital looking for people who might borrow it. In Greenspan's words: "The big demand was not so much on the part of the borrowers as it was on the part of the suppliers who were giving loans which really most people couldn't afford."[290] Mortgages were less about getting people into property than getting them into debt. Someone had to absorb the surplus supply of credit – money over time.

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[288] As quoted in Patry, 2009, 101.
[289] Ibid., 100.
[290] Ibid.

To generate more demand for loans, mortgage sellers would have to offer products to people who had never considered home buying before. This meant higher risk consumers. Since they had lower credit ratings (FICO scores), they would have to pay higher rates of interest. More profit for the lender. Because these borrowers were generally less educated and less experienced with complex banking products, they were also less likely to fully grasp the implications of adjustable rates — often buried deep in mortgage documents only presented at closing, when there's no time to read through them. Other high-risk mortgage candidates included homeowners who could be induced to "move up" to bigger properties, and "flippers" — who bought houses with almost no money down hoping to resell them at a profit before the first payments came due.

Banks found willing customers in the U.K. as well, where a "spend now, think later" psychology had already permeated the culture, and the average person had 2.8 credit cards. Unlike the Continent, where going into debt was still frowned upon and real-estate markets were tightly regulated, England had witnessed a real-estate boom even bigger than the one in the US. Those without real estate wanted to be among the homeowners, who had passively watched the value of their properties triple in less than a decade. Bankers blame Britain's obsession with home ownership on an "island mentality" in which land is seen as a more precious asset than elsewhere. But even then, it was less about borrowing enough money to own a piece of the island than to have a piece of it to sell. By the late 1990s, Citigroup and Capital One had come to their rescue, introducing a wide assortment of suspect lending products to Britain as the country's regulators sat idly by. Within a few years, Britons were spending more than they earned, achieving an average household debt-to-income ratio of 1.62 — even greater than that of Americans' 1.42. As of this writing 6% of British homeowners have been using their credit cards to pay their mortgages.[291] As anyone who has ever used one credit card to pay off another surely knows, such a situation doesn't last for long.

Banks sought to mitigate their own risk in two ways. The first was to change what happened if a customer defaulted on his loan. Between 1997 and 2005, banks and credit agencies spent over $100 million lobbying to change bankruptcy laws in the United States.[292] The main purpose of the 2005 bankruptcy bill they fought for was to make it harder for private citizens to win the same bankruptcy protections that corporations enjoyed. And declaring bankruptcy no longer absolved a person of his debts; he would still be responsible for them under Chapter 13, along with additional penalties, forever. This made even the riskiest of loans a surer bet.

Banks also lobbied lawmakers to overturn rules that prevented them from engaging in both investment and commercial banking services. With the suspension of the 1933 Glass-

[291] Werdigier, 2008.
[292] Eagn, 2005.

Steagall Act (and the associated Bank Holding Company Act), banks won the ability to make loans and then underwrite their sale to other people and institutions.

In the old days, a bank made its money on the mortgage payments: it would write a loan to a customer, and the customer would pay it back. In the new scheme, a typical loan would be written by a mortgage lender – like Countrywide or New Century. A bank would then agree to provide the actual money for the loan, in return for the underwriting contract – the business of packaging the mortgage company's loans and selling them to others. Using software to remap the bonds, these big bundles of loans would include both "subprime" mortgages and regular ones, minimizing the appearance of risk. The bank had much less of a stake in whether a loan was ever really going to be paid back. Its profits depended completely on the spread between the cost of writing the loan and the earnings from selling it.

And to whom were these bundles of unrecognizably mashed-up mortgages ultimately sold? Quite often, to the public or their trusted financial agents. People's pension funds, municipalities, and money market accounts were made up largely of these "mortgage-backed securities." Many of the more responsible institutional buyers had strict portfolio constraints that should have prevented the acquisition of these high risk assets. But credit rating agencies including Moody's and Standard & Poor's gave mortgage-backed securities AAA status and delayed lowering their ratings long after they knew them to be composed of lower quality loans. Goldman Sachs and other investment banks understood the ensuing problem so well that they began betting against the very mortgage-backed securities they were underwriting![293]

People were taking out mortgages they couldn't afford because the loans were camouflaged to look as if borrowers had a reasonable chance of paying them back. Banks then changed the bankruptcy laws so that people could not get out of their obligations once the rates changed. Lastly, they sold people back their own mortgages, shifting back to the public any of the risk through consumers' money market accounts and pension plans.

It wouldn't have worked if buyers hadn't themselves been disconnected from these homes as places to live, and already seeing them as investments to be sold. "Flip this house" became a renovation philosophy, with each improvement to a kitchen or a bathroom measured less in the utility it offered than its effect on resale value or capital-improvement-tax exemptions. "I really wanted white appliances," a home owner in Montclair, New Jersey told me in an interview during the housing boom "but if we sell I know the stainless steel will get us a better price." Was she planning to sell? No. But, as she liked to put it: "You never know." Now that the market has crashed, she's stuck polishing the thumbprints off stainless steel appliances she doesn't like.

[293] Augen, 2011, 30.

She's in a better position than many of her neighbors. Although her house isn't worth what it was last year, she didn't borrow money based on its falsely inflated market value. Engaged in a new form of serfdom — only bound now to banks and mortgage lenders instead of lords — her more highly leveraged neighbors pore over the business section of the newspaper each day looking for some sign that the government will soon step in to "freeze" their mortgage rates where they are before a scheduled adjustment hits. Of course, freezing a mortgage rate may help an individual stay in his house, but it won't help the pension fund or municipal project depending on that interest to stay solvent. Selling their homes now won't even help. 27% of the Americans who bought homes before 2010 owe more on their mortgages than the homes are worth.[294] Of those who purchased their homes in 2006, a full 45% now have "negative equity."[295]

The government's cure for what is being called a "liquidity crisis" is to add liquidity to the system. Through lower interest rates or direct bailouts, as well as "quantitative easing," the Fed gives more money to the lending institutions, or lends it at zero interest, recreating the problem that got us here in the first place: a supply-side glut of money. This may calm Wall Street (long enough for institutional investors to sell their assets, anyway) but it has no positive effect on Main Street, where homes are still going into foreclosure at record numbers. When federal guarantees of the banking industry were first put in effect after the Great Depression, they were coupled with tough regulations on banks preventing them from making risky investments with government-backed credit. As the banking system was deregulated and privatized, financial institutions were freed to engage in increasingly leveraged schemes - but the government did not take back its promise to back them up with what could only be considered the people's money.

That's the downside of having turned homes into assets, subject to the ebb and flow of a speculative marketplace. In step-by-step abstraction, place became property, property became a mortgage, and mortgages became derivative investments. Government entrusted corporations to build a new social order right into the architecture of our homes and the master plans of our suburbs. The resulting neighborhoods promoted pride in the family unit and the property it owned over any civic virtue or lived experience. The more abstract our relationship to home and hearth, the more dependent we became on metrics such as real-estate appraisals to gauge our happiness and social station. The appraisal map became the territory. How else to know you're in a good neighborhood, or that you've "made it?" It wasn't enough for a house to provide shelter and comfort in the real world; it also had to be a good growth investment in a manufactured one. It wasn't enough for a neighborhood to provide

[294] Olick, 2011.
[295] Palmeri, 2008.

good schools, water, parks, and neighbors; it also had to be a racially stable "blue" zone, with very little income variation and, ideally, some good press.

Many people behaved like corporations themselves, extracting the asset value of their homes and moving on with their families, going into more debt and assuming they would have the chance to do it again. As long as prices went up, it seemed as if everyone was simply doing better. The speculative marketplace into which people had entered was part of an economy much bigger than all of the home owners put together: the highly leveraged, barely regulated world of investment banks. The enthusiasm with which people embraced their skyrocketing home values was more than matched by the greed of lending institutions flush with cash to capitalize everyone's suspect mortgages.

Although lawmakers and the Fed had sufficient warning about widespread unscrupulous lending practices and the impending disaster in the housing market, they did nothing to avert it. Why? Mr. Greenspan and the federal government put a higher priority on promoting "financial innovation" and the "ownership society."[296] Besides, Greenspan says he believed that any problems would remain "local" and not systemic, which is why he felt no qualms about encouraging what he called "innovative" lending products even after homeowners had begun to default, and the ratings on mortgage-backed securities had begun to fall.

While the value of housing doesn't usually collapse across an entire country at once, when these cycles do end, failures feed one another. Once the cost of borrowing changes, property owners begin to default and all the best laid plans for neighborhood-as-investment dissolve: houses empty of their occupants and are often taken over by vagrants. Declining tax bases lead to cuts in police and other social services that would normally address these problems. Crime and truancy increase, and property values continue their downward spiral. Homes, now worth less, become increasingly difficult to refinance at better terms. This, in turn, leads to more foreclosures, and so on.

Government, somewhat sensibly, tries to stay out of the way while the market corrects itself. Even sympathetic congressional leaders understand that to bail out consumers who bought houses more expensive than they could afford is to reward careless speculation. But when the financial institutions backing these faulty mortgage products begin to fail, government is there with a check. The federal government exchanges real money in the form of Treasury Notes for bad money in the form of mortgage-backed securities. The highest paid brokers at Bear Stearns keep their jobs, even if the logo on their letterhead changes to JP Morgan, and their bonuses are reduced for a few years while the dust settles.

The fiction is that the money just "vanished." Financial newspapers and cable -TV business channels say that the value of holdings has been "erased" by market downturns, but

[296] Andrews, 2007.

it hasn't been erased at all. It's on the negative side of one balance sheet, and the positive side of someone else's. While Goldman Sachs was underwriting mortgage-backed securities of dubious value, it was simultaneously *selling them short*![297] (The firm bought "puts" on mortgage bonds, which go up in value as the bonds fail.) The trader John Paulson earned himself $4 billion and his funds another $15 billion in one year by betting against the housing market.[298] For help predicting the extent of the downturn, Paulson hired none other than Alan Greenspan as an advisor to his hedge fund. The Fed chairman who encouraged the housing bubble even after it began to crash is now cashing in on the very devastation his policies created. The money did not disappear at all. It merely changed hands. The land was just a medium for the redistribution of wealth.

2.8 Back to the Land, If You Can Still Find It

And so we have completed our six-hundred-year journey, and arrive back at the Wealth Expo described at the beginning of this chapter. We have traced our collective journey into madness, and revealed it to be sequential process where place became territory, territory became property, property became a mortgage, and mortgages became derivative investments, (and subsequently credit default swaps) wherein value is extracted at every level, first from place and eventually over time.

Our growing realization of the artificiality and futility of these mapping systems leads people into related but seemingly opposite reactions. Those who feel they have recognized the game early enough seek to become players themselves. They attend the Wealth Expo, take a real estate agent course, or learn to trade derivatives on the home computer. They hope to get in on the action, and "get a piece of the pie." Others, recognizing the futility of all such endeavors, seek instead to rebuild the reality that was left behind. Unfortunately, they do so on top of the maps they have ceased to realize exist, and thus conform to the very same rules and biases they think they are transcending. In both cases, people are building on top of abstractions instead of getting closer to the ground.

The Wealth Expo is more transparent in this regard. It takes that last level of abstraction – the foreclosure industry - and builds on it one more time, as the attendees pay for a new list of people just like themselves, of whose circumstances they can take advantage, in what can only be understood as a *simulation* of successful real estate corporatism. For as Baudrillard defines it: "To simulate is to feign to have what one doesn't have."[299] Promoting individualist corporatist approaches to economic advancement, the highly disassociated and decontextualized packaging of the experience is so abstracted it is only recognizable as a game show to the very people on whom it preys. They believe they are playing the game. But even at

[297] Ash, 2007.
[298] Zuckerman, 2008.
[299] Baudrillard, 1983, 3.

this farthest level of abstraction we've seen yet, value is still being extracted, upholding the corporatist economic model. As if passed over by the headlines, the Wealth Expo I attended occurred in late 2008, well *after* the real-estate bubble popped. These are the very victims of the predatory lending practices and frenzied "flipping" that undermined whatever legitimacy there might have been to this sector of the economy in the first place. They don't realize that they're simply being trained to serve as the dupes in yet another Ponzi scheme.

"I'm looking for partners," explains Merrill. "We are looking for joint ventures." It's not just talk. Merrill may be making a few hundred thousand dollars selling his DVD package today, but that's not the entirety of his or any of the other instructors' business plans. No, the real economic activity is occurring in a large, windowless room in the middle of the convention floor. Finding it feels like coming upon the sports betting area in a Las Vegas casino: Céline Dion is nowhere to be heard, and the garish spectacle has given way to racetrack seriousness. Men and women of all shapes and sizes, colors and clothing styles, sit staring at newsprint pamphlets and listening to an announcer calling off numbers as if he were leading a Bingo game.

Turns out this is a real-estate auction, where numbered parcels of land, foreclosed homes, and mystery properties with undisclosed problems or unknown liens are announced and then bid upon by the new crop of amateur speculators. People who have lost their houses are bidding on foreclosed properties as a way of generating the wealth they need to one day own a house, again. This is what those courses are teaching them how to do. Understood in the context of the simulation they support, the seminars themselves are just rallies — motivational meetings to give this crowd the faith they need to take additional leaps into debt. By indoctrinating these masses into the wealth-building mythology of Trump, the Wealth Expo pumps just a little more air into the still-deflating real estate bubble, giving the "real estate" speculators on stage one more audience of patsies on whom to prey.

It would be easier to dismiss this carnival of land selling and re-selling if it were just an isolated, bizarre corner of our corporatized society — some amusing, if pitiable, subculture covered in a lifestyle magazine. But it's just an extension of the central and accepted operating premise of land valuation today. For in addition to sales pitches from George Foreman, self-help guru Tony Robbins, and The Secret teachers, the Wealth Expo is offering a keynote address by former Federal Reserve chairman Alan Greenspan.

Greenspan is only too happy to confer legitimacy upon the Learning Annex event, as well as the real-estate speculation it has been invented to invigorate. He is careful to distance himself just a bit from the proceedings; he appears by satellite instead of live, and makes sure he isn't photographed actually interacting with the convention's many victims. A soap opera star on stage interviews the economist on screen:

> "With the ups and downs of the real estate market — do you still think Real Estate is one of the best investments for investors nowadays?"
> "Over the long run, unquestionably. We are going through a testing period."
> "Other than telling everyone to get your book, *The Age of Turbulence*, what would you give New Yorkers as advice for investing in this coming year?"
> "Well, I think investing in my book is not a bad idea to begin with." The crowd laughs.
> "I think that sums it up! You're such a great mind. A great and powerful world leader. One of the most powerful world leaders. Amazing! It's like having the answers to the test!"

It's hard to know whether Greenspan is simply hawking his book or attempting to salvage a housing market that went bad under his watch. After all, it was Greenspan who refused to reign in the predatory lending industry, under the rationale that exercising any regulatory pressure would put the Fed in the improper role of protecting people rather than the economy. Or maybe he really is a true believer, and sees his audience less as dupes than a necessary species of bottom feeders in the overall economic eco-system. At the very least, that's what he's pretending to believe.

What Greenspan certainly does understand — however inscrutable his feelings about it — is that this Wealth Expo isn't just a microcosm of the housing market; it *is* the housing market. Our relationship to the land on which we build our homes and grow our food has become abstracted to little more than a premise for the exchange or collateralization of credit. The land is no longer a place, but a placeholder on a balance sheet. And the more disconnected from the reality of its actual use, health, and inhabitants we get, the easier it is for us to exploit it for short term gain, whatever the long-term environmental or collateral damage. Just as it's easier for Greenspan to make his own sales pitch to the impoverished via space satellite, it's easier for us to destroy our world from a distance.

The Wealth Expo represents just the latest stage in abstraction, biased toward individualistic, dissociated and decontextualized corporatist priorities and operating to uphold the mythologies of the corporate economy for its audience. It is a representation without any substantive referent — a simulacrum. Baudrillard traces the successive phases of the image-turned-simulacrum, and we can see how these phases might be applied to the *procession* from place to property to mortgage to derivative investments. Baudrillard suggests:

> Such would be the successive phases of the image:
> it is the reflection of a profound reality;
> it masks and denatures a profound reality;
> it masks the *absence* of a profound reality;
> it has no relation to any reality whatsoever: it is its own pure simulacrum.[300]

If taken in parts, we can see that first, the map functions as a reflection of a profound reality of place. The map then becomes property which "masks and denatures" place. Property becomes mortgage, which masks the absence of place. And finally, mortgage becomes derivative investment, which has no relation to place whatsoever. The derivative operates wholly separate from land itself, "...not unreal, but a simulacrum, that is to say never exchanged for the real, but exchanged for itself, in an uninterrupted circuit without reference or circumference."[301]

Over time, many successive interventionist strategies have been employed to support the corporatist structure, and while much of the focus has been on money and value extraction, I'd like to turn our attention briefly to the resultant abstraction of our relationship to each other as a community and to the actual space around us. As we have seen with the map, along with other Renaissance inventions, and with the sister inventions of the automobile and suburbia, we became isolated from one another in constructed communities and reliant on consumption rather than production; new mythologies were created and the simulacrum became our home. The peer-to-peer, community-based economic relationships building prior to the Renaissance were thwarted early on and replaced by a construction biased in favor of corporatist priorities that still persist today. We see that in both city and suburb, whatever once contributed to community and connected people is slowly replaced by the real-estate market's simulations of what community looks like — only now biased to serve the agendas of the maps that have replaced it. The centrality of mortgages and property valuations to our now-simulated experience of home detaches us from the values that once connected us to the actual places where (and people among whom) we lived.

For the most part, we see the value of our experience through the computer window of our banking software — this era's equivalent of the double-entry ledger. When we do go outside, our ability to make more a meaningful connection to place has been lost to a simulation that is itself tilted toward the needs of the market. By tracing this history through our many lenses, media ecology included, we can bring ourselves into readiness to redress this

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[300] Baudrillard, 1983, 6.
[301] Ibid.

“naturalization” and consider alternatives to the ways we relate to our communities, both physical and ideological.

Early efforts, however, do not bode well for possibilities that suburbanites can effectively reorient to the places in which they live and create value. While there are a few hundred tiny “intentional” communities of back-to-the-land advocates dotted across America, these account for less than a few thousand people - less than the occupancy of one medium-sized shopping mall. Far greater numbers of people (and billions of dollars) are flocking instead to the planned communities of former mall developers, who are hoping to build yet one more simulation on top of the abstracted real estate landscape: a simulation that evokes a pre-suburban lifestyle before we got lost on our maps.

Such is the case at one typical community planned in this way, Birkdale Village, North Carolina. I visited Birkdale Village three times between 2007 and 2008, to study the town, the intentions of its designers, and the resulting culture of its residents. I have attempted to convey the atmosphere I encountered there, the attitudes and lingo of its denizens, as well as its relative success in reclaiming the small town reality.

By day, the illusion is almost convincing. People of all ages stroll down a cheery Main Street, window-shopping. An elderly couple slowly circles the fountain in the town square while another, decades younger, sit on a well-shaded park bench and bottle-feeds their infant. A teenager carefully parallel parks in front of a quaint clothing shop with a “sale” sign on the door, while his girlfriend bounds into the colonial-style storefront. Above one shop, a middle-aged man in a bright yellow t-shirt sits on his apartment’s terrace drinking coffee and reading that morning’s edition of the *Charlotte Observer*. A postal worker with a mailbag over her shoulder passes by on a bicycle and shouts up to him. He waves and smiles, takes another sip of “joe,” as they call it here, and goes back to his paper. It does appear to be just another Saturday morning in a typical, quaint American town – as perfect as the towns depicted in the movies TRUMAN SHOW (1998, Paramount Pictures) or PLEASANTVILLE (1998, New Line Cinema). And just as artificial.

It’s really not until the place empties out at night that Birkdale Village begins to look more like a stage set. The proportions are just too perfect. No matter where you stand, the angles between the buildings line up as if they were intentionally placed to provide you with a perfect perspective and vanishing point. Sprinklers quietly activate, spraying a thin mist onto the landscaped meridians, zone by zone. Mexican landscapers hop off trucks to manicure the shrubbery; the last of the shops turns off the lights; and the final few residents — themselves as much a part of the illusion as the dwarfs inhabiting Disneyland — return to the condos they rent over national chain tenants such as Talbots, Sunglass Hut, and the Gap.

Only then might you notice that Birkdale isn’t really a town at all, but a mall. What by day appeared to be rows of separate little buildings are really separate little storefronts along the faces of just a few really big buildings. These structures are bounded on two sides by parking lots so immense that they prompted an Urban Land Institute report on the potential environmental damage to surrounding areas by their water runoff. Almost everyone — more than 99 percent — inhabiting Birkdale by day has driven there from somewhere else. They aren't Birkdale Villagers at all, but shoppers, diners, and moviegoers.

"I certainly would never build a mall," declares J. Michael Dunning, a principal Architect at Shook Kelley, the firm charged with designing the whole place. Dunning is a tall, sandy-haired man in his mid-forties, with a muscular build, clear eyes, and an earnest face. He walks through Birkdale with the critical gaze of a designer let down by the builders, retailers, and real-estate developers who were charged with making his dream a reality. "That white band is no good," he says, referring to the thick white horizontal stripe going around all the buildings so that merchants' signs will all be at a uniform height. Of course, a real town wouldn't have a white stripe running across it. "They made these so cheap," he says, knocking on a white column with a hollow thud. "It's plaster over foam. Not like anybody uses real limestone anymore, but this isn't even the *good* plaster over foam."

Dunning had hoped for more. He intended Birkdale Village to be just that – a village, with residences, stores, sidewalks, offices, and everything else that makes up a real town. To a great extent, he succeeded: the fifty-two stores and fourteen restaurants in this outdoor complex are accessible by sidewalks, and even have parking spaces in front of them. Over the stores, 320 apartments with 40 unique floor plans house people committed to making Birkdale their way of life. One of them even posts glowing daily observations to his Coffee at Birkdale blog about the community, its members, and their cars. Of course, he's also a local real-estate agent.

Birkdale was meant to serve as an antidote to the dislocation of the regular suburbs, and an application of a theory known as New Urbanism to the real world. The approach was first pioneered by the urbanist Jane Jacobs, a vocal critic of the land-use policies of the 1950s. Jacobs believed that the common practice of separating residences from businesses dislocated people from the real, vibrant spaces of more naturally developed towns and destroyed any opportunity for community. She often held up Manhattan's Greenwich Village as an example of a thriving urban community. Its confusing streets exemplified the delightfully messy mixed use she so admired. Keeping stores and workshops adjacent to schools and homes allows for random interactions between people and keeps the sidewalks busy and safe late into the night.[302]

It's hard to plan a town from scratch according to the principles of New Urbanism. Greenwich Village happened over a couple of centuries. Birkdale Village had to happen a lot faster. Its two institutional investors and lending banks needed to recoup their $82,500,000

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[302] Jacobs, 1992.

sooner than a regular city might have generated such returns. Real towns, though they often had a master plan, were built around some actual production like farming, shipping, mining, or manufacturing. Stores, schools, and libraries emerged to serve the growing population.

In Birkdale's case, this sense of community would be promoted by conscious top-down master planning instead of any natural bottom-up evolution. Everything would be built at once, but made to look as if it came into being naturally over a long period of time. If he succeeded, Dunning's streets would imitate the usage patterns of a real town and promote the kinds of random interactions one might experience there — all while looking as unplanned as possible.

While real towns were built around industries, the only industry in Birkdale is shopping. If it was to succeed, Birkdale needed to be built all at once and then opened all at once — lest a majority of shops and apartments stood empty while others attempted to conduct business. You can't just open part of a town when that town is supposed to seem like a preexisting "destination," whose charm and attraction is based on its vibrancy and cohesiveness. The whole place needed to be activated at the same moment — every store leased, and as many apartments as possible rented *in advance*. Only then could the ribbon be cut, and Birkdale set into motion.

Dunning is the first to admit that he bent the rules of New Urbanism to fit the realities of his development situation. When I interviewed him during my trip to Birkdale, he explained:

> Strict New Urbanism is dogmatically sustainable and ecologically friendly development. But there are market forces, developer mind-sets, retail mind-sets, and economic realities that don't always merge easily with what we'd really like to happen.

While Dunning first conceived Birkdale as a real residential community with a few small shops, its financers required a level of funding that only big anchor stores could provide. The ratio was gradually tilted in favor of commercial space, making the remaining residences less a functional town than an ornamental addition. ("Look, honey," a shopper says to her husband as she notices the apartments over Victoria's Secret, "people *live* here!")

The big box stores demanded the big parking lots, visibility from the "major arteries," and the humongous signage already familiar to the automotive American consumer. Where Jacobs had always advocated building towns around the needs of people instead of the needs of cars, Birkdale was being constructed at the intersection of NC-73 and I-77, a ribbon of highway that *is* Birkdale's natural environment, forcing many concessions by this walking town to the primacy of the automobile.

For all their town's compromises, however, Birkdale's residents are dedicated to their community, and see in it the qualities they've come to identify with home: a Starbucks with friends, a well-stocked magazine rack at Barnes & Noble, and a decent dentist's office (just next to the Pier 1). Parking is easy, the sidewalks are clean, and everything looks just like it does on Gilmore Girls. Having spent most of their lives in some of the worst automobile suburbs ever built, they see Birkdale as a throwback to an earlier, more innocent time, when people talked about the weather and just hung out in each other's company. They're not stupid consumers. The residents I met are well aware of the effort being made to simulate town life. They appreciate it, and mean to play their part.

Although it was built *for* them instead of *by* them, and they rent instead of own, Birkdale's residents have taken psychological possession of their town. When North Carolina State agencies ordered Birkdale to shut its fountain off during the drought affecting the entire Southeast, residents came out and staged a demonstration. "And they didn't just say, 'Turn on the fountain'," recounts Dunning. "They said 'Turn on *our* fountain.' That's how you know it is a real community. They took ownership of the public space.'"

Of course, the "public space" to which Dunning refers is actually private space, owned by the shopping center. And the single example of community activism we can credit to its citizenry is demanding the right to waste valuable water during a drought in order to preserve Birkdale's self-image as a town living in harmony with its physical surroundings.

It's hard to blame Birkdale's residents for loving their town, however it came to be. No, it's not a real community; they don't make anything, they share no interdependencies, there are very few families, no one owns their homes, and the rate of turnover is as high as any other prefab condo village. At best, they buy stuff from the stores their friends work at – stores actually owned by corporations headquartered a thousand miles away, selling products shipped from an even greater distance. Instead of a family living over the store it owns, employees – if they're lucky enough to be able to afford it – rent space over the retailers for whom they work.

Most of the residents work elsewhere, and return to the mall in the evening for dinner out and to sleep. Coming home to Birkdale is like returning to a cruise ship or a resort hotel. Yes, they get to know their neighbors because they're eating in the same restaurants and buying stuff from the same shops. They consume together, and enjoy each other's company but have none of the other ties that build community.

As one local real estate agent confided: "When the next 'village' goes up, most of these people will check out and won't look back. They may even move on as a group." But compared with the suburban wasteland of the '50s through the '80s, this is paradise. It is an opportunity to reconnect to place, to experience the street as something in its own right rather than just a way to get somewhere else. Towns like Birkdale – and there are a few dozen now in full swing – are meant refocus people on where they're living instead of just where they are going, and create destinations off the highway where the most jaded automotive suburbanites can get a taste of what it's like to walk around outside with other people.

The Birkdale Village, as the full realization of Baudrillard's hyperreal simulacrum is the direct result of the successive abstractions we have traced from territory to map to map of a map. We end up in a worldwide Birkdale Village where, in Baudrillard's words, "reality itself is hyperrealistic…Now the whole of every day political, social, historical, economic reality is incorporated into the simulative dimension of hyperrealism…"[303] But, as Birkdale's inhabitants repeatedly argued to me in one form or another, isn't reconnecting to a simulated town better than not connecting at all? Although the New Urbanism aesthete (myself included) will deride the people of Birkdale for responding to the cues embedded in its absolutely planned and artificial recreation of small town life, where does such orthodoxy get us? Is Birkdale just a cynical application of watered-down New Urbanism to make the Gap look and feel more like a local business? Or does it help transform the otherwise alienating landscape of the suburbs into a healthier, more potentially social setting?

Perhaps it is the latter. But these master-planned faux villages would stand no chance at all of endearing themselves to people who weren't already, and by design, disconnected and alienated from the places where they live. By installing national chains and superstores as their foundational institutions, mall towns redirect our dormant instincts for civic and social connection to the brands sponsoring all this supposed renewal. It's not an American Legion, a public library, or a war memorial gracing Birkdale's most prominent locations, but an American Eagle and the fittingly named Banana Republic.

Just because a century of misguided social engineering has sterilized our urban and suburban landscapes doesn't mean that corporations offer the best hope of restoring a social fabric through painstaking simulation. To the companies paying for it, New Urbanism is the latest in a long series of efforts to take advantage of the deadened suburbs and crumbling, crime-ridden cities. With the civic sector quite literally zoned off the map, the corporate sector is free to remake the territory in its own image. The results are prettier and sometimes even more fun, but any creation of meaning and value comes from the outside in. To participate means to buy.

The campaign to spawn corporate life on an otherwise barren suburban landscape began with the theme stores and restaurants of the 1950s. Department stores in the city, were already entrancing consumers with elaborately concocted themes for each department. At Macy's, men's shoes were sold in a paneled room that looked like an English gentleman's den, staffed by men with intimidating accents. A Cinderella-themed bridal shop at Wanamaker's compelled a young woman to compensate for the less-than-storybook reality of her upcoming

[303] Baudrillard, 1983, 146

matrimony by spending money on veils and sachets. Each department was a world unto itself — an architecturally rendered dream with the singular purpose of stimulating desire and unworthiness. [304]

Stores in the suburbs had the even greater agenda of overcoming the utter utility of their surroundings. Sitting off a highway or on the main road connecting two unrelated residential areas, these freestanding buildings had to advertise their themes to people whizzing by in passenger cars. So carpet stores erected giant statues of Arabian princes, while Chinese restaurants took on the exaggerated shapes of the buildings Hollywood uses to depict the Orient.[305] Once inside, customers were treated to theme experiences that contrasted with the otherwise generic Americana to which they were accustomed. The Chinese restaurant offered a self-contained black-lacquered and paper-lanterned world that bore no more resemblance to China than the horseshoes on the wall of a steak house had to cattle ranching, but such simulacra gave weary suburbanites ways to identify their experiences and who was providing them.

This consumption was desocializing. A family might travel a whole day by car to visit just two or three of these simulated meccas, leaving at least one member dissatisfied. The only public space encountered between shopping experiences was the highway.[306]

An Austrian architect named Victor Gruen saw a better way. In the early 1950's, having foreseen the loss of cultural values Americans would suffer as a result of this decentralized shopping experience, he envisioned a way to re-create Main Street and the civility it promoted. His innovation, what we now call the shopping mall, was first introduced in 1956 to an affluent suburb of Minneapolis called Southdale. The Southdale Center brought together dozens of different retailers under one climate-controlled roof. Gruen believed that malls could be more than "selling machines," and included a post office, a library, and club meeting rooms in his original plans for Southdale.[307]

Little did he suspect that his vision would be co-opted by people he would later call "fast-buck promoters and speculators" who exploited the self-contained atmosphere of the shopping mall for its purely commercial potential.

While individual mall stores offered their own theme environments, the design of the mall as a whole proved even more compelling to early mall goers. Studies showed that shoppers went to the mall for the mall itself. They thought malls were beautiful, and wanted to behold the spectacle. Many people said they enjoyed the sense of "escape" they felt there. Stimulated by sound and light, they were distracted from their daily worries. Lonely

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[304] Leach 1994, 117.
[305] Rushkoff, 1999, 72.
[306] Ibid., 74.
[307] Ibid.

suburbanites said they felt less isolated, and the overworked experienced a pleasurable "loss of time."

Follow-up researchers, using video cameras to capture shoppers' faces discovered something even more interesting: shortly after entering a mall, a person's expression went blank. The jaw dropped, the eyes glazed over, and the shopper's path through the mall became less directed. This phenomenon, named "Gruen Transfer," was defined as the moment when a person changes from a customer with a particular product in mind to an undirected impulse buyer.[308] Clearly, the tenants at the mall preferred the latter. In spite of Gruen's original intentions, his mall gave retailers an unprecedented opportunity to use place to disorient consumers even further.

Retail architects developed a subspecialty called "atmospherics," the science of manipulating shoppers' senses to make them buy more.[309] They discovered that obscuring the time of day led customers to spend more time in the mall. Forcing people to make three turns when walking from the parking lot into the mall led them to forget in which direction they had parked the car (and you thought it was just you). Without this sense of an anchor, customers walked around more aimlessly. The floors in the corridors were made of harder materials than the floors in the stores, subtly encouraging tired shoppers inside. Studies on smell led corporations to concoct trademarked scents for each of their store brands. Muzak's research teams developed sound tracks capable of making people chew food faster, try on more clothes, or spend more money.

By the 1990s, retailers were exploiting more than just the five senses, and moving on to a higher order of behavioral manipulation. Stores for teenagers were all put in one section of the mall, so that kids could be more easily isolated from their parents and targeted without adult interference. Companies with names such as Envirosell used security camera tapes to analyze vast quantities of consumer behavior. Bigger sales counters make people feel self-conscious about purchasing only one small item; if a woman is accidentally "butt-brushed" by another shopper while stooping over to inspect an item, she won't buy the item; people tend to move to the right when entering a store rather than to the left. These studies led to theories about how to sell more stuff to more people in less time.[310]

As environmental manipulation became more overt, consumers couldn't help but notice their moods changing. An afternoon at the mall used to be an exhilarating experience. Now, thanks in large part to all the psychological manipulation going on, it was draining. The stores' aggressively dehumanizing designs became overwhelming, and the promise of the mall as a social substitute for Main Street was revealed to be a farce. As the film director George Romero satirized them in the horror flick DAWN OF THE DEAD (1978, Laurel Group), mall-goers

[308] Ibid., 76.
[309] Ibid., 80.
[310] Ibid., 90.

were zombies: dead people who mindlessly flocked to the mall each weekend as if the stores inside were capable of instilling them with life again. Only a suburban teenager with no place to go could justify an afternoon at the mall to hang out with friends — and even then, only ironically. (Smoking pot at the Space Port arcade is as much a rebellion against mall culture as it is participation in it.) Educated city dwellers and wealthy suburbanites alike found it increasingly difficult to justify a weekly trip to the mall as an enriching experience for themselves or their children.

Developers came up with a new approach to address these concerns and more: the theme mall. By representing a mall in the architectural language of authentic cultural history, the designers of shopping centers could aspire to the pretense of restoration. Dilapidated landmarks like Boston's Quincy Market and New York's South Street Seaport were revitalized as shopping centers. Instead of buying stuff at ToysRUs, parents could take their kids to Ye Olde Toye Shoppe for the same piece of Chinese plastic displayed in a quaint oak barrel instead of a plain metal shelf.[311] The Gruen Transfer needn't be divorced from an overarching theme; it worked even better when it was disguised as an all-encompassing and historically justified architecture. Patrons thought they were visiting a theme-park museum when, of course, they were really just visiting a mall.

For most visitors the connection felt real enough – at least compared with whatever else they were getting in their home neighborhoods and office parks. These projects were hailed as successes from nearly all corners. Landmarks were being restored, and the uniqueness of "place" was being celebrated. Urban-renewal advocates issued reports showing how these projects lowered crime in the streets, relieved residents of boredom, and increased tourism.

Theme malls served as a compelling enough proof-of-concept for developers to attempt the Gruen Transfer on an even greater scale: they would transform whole districts into master-planned shopping environments. Instead of requiring people to get to a mall, why not just bring the mall to them? Las Vegas served as the model for self-contained urban environments where simulations and real life become indistinguishable. To walk (or drive) the Strip at night is to pass seamlessly from one neon-lit corporation's resort to another. The cumulative effect overpowers the senses just like a mall, Gruen Transfer and all, only outside in the fresh air. But Las Vegas is an anomaly – or at least it used to be. What happens when this approach to space is applied to the real world?

A walk through the recently renovated Times Square offers the answer. I watched a family of tourists emerge from the musical *The Lion King (1997)* onto a restored 42nd Street as well lit as the most lumen-rich stretch of the Vegas strip. Neon signs at regulated heights and sizes bathe the streets, cars, and people in rich hues of red and green. The mother's jaw drops

[311] Ibid., 266.

first, but soon the whole family is in Gruen Transfer, transfixed by the video screens and fluorescent moving billboards. The youngest son breaks free of the trance long enough to drag his hapless parents into the Disney Store, located strategically next to the theater.

Times Square has been turned into a Las Vegas-style simulation of itself, only located where the real Times Square used to be. To be sure, Disney, Virgin, MTV, Condé Nast, and the dozen other major media conglomerates who paid to transform a seedy porn district into a flourishing theme park have done the city a great service. Although they received tremendous tax incentives for agreeing to take up residence in Times Square, they also accepted a great risk. Thirty years of strenuous municipal government intervention couldn't fix this neighborhood. Three years of corporate activity did.

Aesthetes continue to complain, longing for a remembered Times Square that may never have actually existed, but Baudrillard would argue, "we already live out the 'aesthetic' hallucination of reality" so this new Times Square is clearly in keeping with a larger social and cultural trends.[312] The local, living culture of New York and the unpredictability of the real world had been sacrificed to a planned environment where the designers exercise absolute control, and where the values of media conglomerates – once limited to the TV or movie screen – become those of the real world. Only the very biggest companies can afford to rent or buy space, erect the mandatory illuminated signs, and then participate in the manipulation of the throngs who pass through.

When I finally caught up with that family leaving the Disney Store, I tried to ask them questions. They ignored me, and headed straight for a cab. When I pressed them for a comment about their experience of Times Square, the father finally said: "Leave us alone. We don't live here." True enough. No one does – not even the people who do.

It's hard to complain about one's town getting cleaner, safer, or more prosperous. But the Disneyfication of Times Square systematically excludes anyone but the largest conglomerates, setting in motion a dangerously exclusive approach to land use in general. The clean is favored over the messy, the predictable over the live, and the corporate over the small. As an old waterfront section of Brooklyn called Red Hook reached advanced stages of gentrification in 2007, all of a sudden people began to question the appropriateness that strip of 13 Mexican, Honduran, and Caribbean food vendors who once added so much authentic character to the area next to the playing fields.[313] Shouldn't those concession positions be auctioned off to the highest (corporate) bidder? At the very least, they needed to be moved to make space on that spot for an Ikea – just one of the corporations that has touched down in Brooklyn's latest consumer district.

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[312] Baudrillard, 2001, 146.
[313] Nicole Anderson, 2011.

This corporatization of cities and towns reduces their natural ecologies, oversimplifies the processes by which real places develop, and tilts everyone's priorities and behaviors toward the companies responsible for their planning. The more a town or city skews itself toward wealthy consumers, the harder it is for real culture to take place. Rents go up making it impossible for young people and artists to afford to live there. Warehouse lofts are renovated into expensive co-ops. New residents and businesses lobby city government to close noisy clubs and other night spots where creative culture most often pollinates, and the result is less of the art, music, and culture that once made a place worth living in.

In an even more abstracted permutation of this theme, investors are competing for the very air above our heads - the virtual land that can be owned, and therefore act as a site for advertising. Using smart phones to deliver advertising content to consumers is the next step in GPS-enabled "augmented reality" and further abstracts our relationship to the land around us. When a user holds up his smart phone to signage in the real world, that real signage is replaced by virtual signage, thus setting yet another map on top of the map he is already using. Landmarks can also be used as anchors, for advertisers to place other bits of useful information wherever they feel its positioning will be most effective. Large companies like Google and Bing are already experimenting with this technology in their existing map applications, creating a new sense of manifest destiny as advertisers quickly stake their claims in the real world through virtual maps.[314] Standards are currently being negotiated by this new legion of map-makers. Our ability to participate in the ongoing battle over the virtual realities depicted by these virtual maps will be discussed in Chapter 5.

Our objective, of course, has not simply been to demonstrate how the simulations with which real culture is replaced are "worse" or more profane from some aesthetic or essentialist point of view. If they are specious, it is neither because there are more Starbucks in the resulting neighborhood nor because the Second Life of virtual reality is less connected to the organic processes that we may deem to be superior to those occurring on a silicon chip. The problem we are exploring is that the resulting worlds exist solely to promote behavior that improves the profits of the corporations manufacturing them, and that their fabrication by a succession of mapmakers remains an architecture utterly hidden from view.

In this chapter, we have seen how mapping replaced warring as the preferred and effective mode of territorial conquest. Unlike military conquests, which achieve acquiescence by force, maps as media create environments that challenge and eventually supplant experiential reality. As we have found, GNP for the rebuilt areas – real and virtual — does go up, and, at least under the logic of corporatism, we have no choice but to record the environment created by each new map as another success story, at least on its own terms.

[314] Havens, 2011a.

Finally, as with Birkdale Village, corporations abuse the logic of New Urbanism to develop mall towns from the bottom up. These are not genuinely diverse communities in the spirit of Jane Jacobs's West Village, but selling machines as fastidiously constructed to induce spending as the most manipulative shopping mall. Just because they don't have roofs doesn't mean these faux villages are any less self-contained than the Southdale Center. Residents exist in a perpetual Gruen Transfer, consuming as a mode of existence, and utterly incapable of distinguishing between the stores in which they live and the real world they left behind. If there were any question about Birkdale's intended effects on its residents, consider the design firm Shook Kelley's new corporate tagline: "It's all consuming."

As a result, the people inhabiting these landscapes learned to be less concerned with the peer-to-peer relationships or value exchange, and more focused on their roles as individual consumers and competitors on the wholly concocted corporatist map. In other words, the maintenance of that map both engendered and required a spectacle capable of keeping people thinking of themselves and one another in a very certain way. Chapter Three looks at the new "individual" bred for this purpose, and media environment in which this cultural engineering took place.

3. You are the One - Corporatism as Media Spectacle

In Chapter 2, we saw how the media environment of corporatism dictated the physical landscape of buildings, neighborhoods, roads, houses and schools along with the more symbolic landscape of property, mortgages, and derivatives. In Chapter 3, we turn our attention to the people living in these successively abstracted environments, the values they internalized along their way up the simulacra, and the industry that was created to orchestrate that process. We will focus primarily on the co-evolution of what we will treat as two interdependent media: the brand and the self, which together comprised the spectacle capable of fostering corporatism to this day.

In corporatism's rise to all-encompassing spectacle, the retrieved Renaissance notion of individuality ended up both servicing the overt establishment of a corporatist culture, as well as counteracting any resistance to this culture. Individuality and free will became the rallying cries for what may have appeared to be a position opposed to the conformity of industrial culture, but was actually just the enactment of personal lifestyle choices under the universal umbrella of corporatism.

As we will see, the destruction of a peer-to-peer economy and culture and their replacement with highly centralized institutions required more than the disconnection with place we analyzed in Chapter 2; it required that people disconnect from one another, and replace an identity defined by relationships and community with an identity determined by corporations and their communications specialists. In many cases, the institutions and ideologies that emerged were the natural outgrowth of corporatist biases, agendas and requirements. In other cases, people resisted these developments, and so institutions, policies, and public relations strategies were purposefully developed to elicit their consent and support.

Indeed, as members of the Frankfurt School may have been the first to fully articulate, the spectacular triumph of corporatism may have played out like a movie, but like a movie, it required more than a producer. The mass media spectacle required an audience of individuals, glued to their screens and silently engaged with the projected images instead of with one another.

In order to bridge the gap between the media environments of industry, economics, and culture, we will utilize the neo-Marxist critique of the Frankfurt School as an extension and corollary to our media ecological perspective. Both schools view the onset of electronic culture as creating fundamental shifts in society; for the media ecologists this is described as the reversal of print culture while for the Frankfurt School this is the substitution of an *appearance* of a public sphere for genuine interaction.[315] McLuhan himself credited Habermas with having partly inspired his notion of media and environments, as Habermas's assertion that the public is a product of print led directly to McLuhan's consideration of the social impact of other media inventions.[316]

By bringing these perspectives together we can most effectively analyze the mass-media spectacle as both a producer and production of the corporate environment. The relationship of the individual and self to that of corporate personhood and activity is complex, even fugue-like. Considering it directly, or attempting to behold it from within is not simply depressing and confusing, but challenging to our own notions of self and personal boundary – our proprioception. But the process through which the spectacle was erected and the individual defined and redefined can be traced and understood. Our media ecological approach helps make the underlying logic of this process more visible.

Transcending one-way cause-and-effect media determinism, the media ecological approach will allow us to analyze public relations and advertising industries not just for the environments they create, but for their own role as environments generated by the demands of industry. Through our analysis, we will gain the ability to call attention to what has become largely transparent or, at best, an accepted background.

Mass media effects are derivative not merely of the form of media (print, broadcast, etc.) but of the power gradients on which they are created. The spectacular triumph of corporatism may have been enacted through mass media, but these media were themselves byproducts of a corporate economy and landscape prefigured by policies and maps. If anything, the abstraction from the "real" depicted in chapter 2 is what made American society in particular so vulnerable to the effects of mass media. In this chapter, we will look at the ways mass media and culture explicitly aided the acceptance of corporatism as a way of life. Again, we will go back to the early Renaissance for clues into the initial strategies for seeding and spreading corporatist logic and promoting a more corporate-compliant culture, then look for similar patterns and strategies within the more contemporary spectacle of the 20th and 21st centuries.

To do so, however, we will expand our analysis of media as environments, and look at media more explicitly and directly as content and communications. We will conduct an overview of the process through which corporatism and corporations themselves were sold to people as the means through which self-hood, independence, and agency could be achieved and maintained. In doing so, we will trace the parallel invention and development of the "individual" person, the disconnected worker, and the alienated consumer. Finally, we will

[315] As a precedent, see Paul Grosswiler's discussion of Habermas as a media ecologist, in Grosswiler 2001.
[316] Grosswiler, 2001.

consider what happens when this corporatized self is pushed to extremes and he "flips" into the role of self-as-brand.

As in the preceding chapter, we will consider the rise of brand, public relations, and advertising as a progression. The invention of the individual supported the emergence of centralized commerce, nation states, and abstracted ideals; the public relations industry emerged to control the behavior of the "worker" in the Industrial Age; the advertising industry developed to guide the appetites of consumers; and, finally, the self-help movement pushed the consumer-defined identity to new extremes — a hyper-self, and a faux-ludic role of person as brand.

It is our purpose to reveal the way various corporatist assumptions become accepted and then eventually embedded so far into the culture as to become the seemingly naturalized landscape on which successive corporate-friendly assumptions are seeded. Although earliest historical examples will come from Europe, the focus of this research and line of argument will be the way the corporatist agenda dovetailed (or was made to dovetail) so neatly with the spiritual and social underpinnings of early 20th-century American culture. The premise, maintenance and perpetuation of the corporate spectacle will be revealed as dependent on the retrieved notion of a "self" and "individual" who can relate directly to brands, myths and god, and ultimately achieve self-actualization by becoming a branded corporate entity, oneself.

In section 3.1, the canonical story of the rise of the individual is abutted by Stephen Greenblatt's New Historical critique. Greenblatt's discussion of Thomas More's *Utopia* provides the image of an alternate historical possibility, one in which individualism is not accepted as an inevitable natural development. More's analysis of the *divided self* prefigures Theodor Adorno's description of how the Culture Industry forced a passive audience to project the mythology generated by the corporation back onto themselves. I will then show how the rise of the individual and the internal fracture this concept generates are then exploited by corporations and nations alike who sell identity back to the consumer in the form of branding, adding one more step of abstraction between the consumer and the producer. In Baudrillard's terms, the brand emerges as a simulacrum of the original human connection.

Section 3.2 illustrates how mass production, mass marketing and mass media coevolved, each requiring its own form of desocialization. As factories turned people into machines, disconnecting workers from the value they created, mass marketing, through the vehicle of mass media, disconnected consumers from human producers in their local economy.

Disconnected individuals become the subjects of propaganda and section 3.3 traces the invention of the Public Relations (PR) industry from the successful spin campaign for public approval of WWI. Building on the Freudian psychology of the individual, PR promised mass media control over a mass of individuals. In an effort to appear more "human," corporations coined the simulacrum of Americanism: the appearance of a bottom-up economy driven by real people. Here once more the corporation as a signifier became fused with the signified ideal of "the good life" in a new sign, the all-American corporation. The process by which the corporate image became so powerful is rendered more transparent by Adorno's analysis of fascism as the projection of individual ego onto an idealized leader, or corporation. The society of fractured individuals described in section 3.1 are easily convinced to believe the simulacrum of human connection channeled through the image of the "primal father" in the guise of the corporate icon.

The techniques of mass marketing are explored in detail in section 3.4 where we see that advertising infused culture as it became naturalized through aggressive psychological campaigns. The corporate medium created an environment in which mass media could flourish and further itself in the form of Barthesian mythologies. Advertising became invisible, indistinct from reality as people began to mistake the "image for the original" in an instance of what Walter Benjamin might describe as the "loss of aura." This deep disconnection was then recast by the advertising industry as empowerment, cultural standardization offering the illusion of difference, or what Adorno terms "pseudo-individualization." Pseudo-individuals clamored to distinguish themselves by choosing which brands they identified with most strongly. The reproduction industry became more important than the things being reproduced. In a continuation of Baudrillard's precession of simulacrum the original became the brand and the brand then became even more desirable than the original.

Viral marketing then created a new opportunity for disconnected consumers to reconnect by projecting themselves onto the corporate image. Section 3.5 reveals contemporary "social" marketing techniques as a simulacrum of real, word of mouth advertising. Product quality no longer mattered since these new techniques relied instead on Adorno's pseudo-individuality: brand loyalty as identity.

Ultimately the corporation as a medium created an environment in which the divided self sought healing in the self-help movement. As the final stage in the precession of simulacra, the self became a medium of its own. The self as medium *amplifies* corporate values, a blank slate for the projection of corporate imagery. Pushed to extremes, as for example when followers of *The Secret* internalize the language and symbols of advertising, the medium *reverses* and the self becomes a brand, an iconic simulation of the original person.

3.1 Self-Made Man

"We get what we want," says Eileen, the life coach. "So let's all think good thoughts."

"But what about the Holocaust?" asks Amy, one of her students.

"I can't really answer that," Eileen says. "But I know there were people in the Holocaust who did want to survive and they lived."

"Just like there are people with cancer who lived because they really wanted to," adds another student.

"How? By putting pictures on the wall of people who are healthy?" Amy asks.

"That's part of it." Eileen is fumbling with her papers now, trying to move to her next planned part of the meeting. "They took responsibility for their disease, and visualized a way beyond it."

"And the ones who didn't live? They didn't want to survive badly enough?"

"Look, it's not all those other people you should be worrying about right now. You're here to make your life better. Start with yourself. The rest will follow. We attract what we are. The self is the source."

-- THE SECRET™ Meetup group and life coach training session, Ann Arbor Michigan, June 2008.

THE SECRET (1996) is a bestselling DVD, a self-help system, an approach to business, and a spiritual program. It has been practiced and praised by Oprah Winfrey on her television program; it has been featured on the cover of Time magazine; and it is an accepted, quite mainstream American approach to commerce and acquisition as path to enlightenment. Its basic premise, drawn from "secret" mythology as diverse as the Genesis to the I Ching, is that the individual is the source of all experience — not just the way people experience the world, but the real events that befall a person and others.[317] Thanks to a combination of the Tao and quantum physics, the self is the source.

It represents the final culmination — or, at very least, the most extreme permutation — of process that has taken several hundred years of concerted effort to actualize. Indeed, the self-absorption and self-interest dominating cultural values today is not mere happenstance, but the result of a century of public-relations campaigns, advertising, and social engineering waged against collectivism, altruism, and even the notion of government itself. Just as we were disconnected from place and reconnected instead to a map biased toward corporate interests, we have been disconnected from one another and led to behave instead as individuals and through corporatist ideals.

In this chapter, I want to show how the rise of the self went hand in hand with the rise of the chartered corporation and the central authorities it anchored. To do so, I will look at the invention of the brand as a new medium, the environment it creates which in turn reinforces the self, and then the self as a medium of its own that retrieves certain values while repressing others, before "flipping" into its own hyper-real form.

[317] Byrne, 2006.

After all, only a world steeped in this false notion of a wholly sovereign individual could have generated the bourgeois merchant class of self-made men threatening the static power of the aristocracy. Likewise, the subsequent elevation of chartered corporations was dependent on highly individualized laborers and, eventually, customers who competed with one another for wages and riches. The more disconnected people became from one another, the more easily they could be manipulated. Unions of workers and functioning communities of citizens threaten the power of corporations, while individuals out for their own interests behave more like corporations themselves. The social concerns that make collective human behavior multifaceted and complex get smoothed out as people take actions directed by the much simpler calculus of the market. This makes people entirely more predictable, better targets for advertising, increasingly more isolated from one another, as well as more dependent on central authorities to create both value and meaning.

It's not as if a king conspired with the head of a chartered corporation to concoct the notion of individuality. (It wasn't until the heyday of public relations in the 1920s that anyone consciously and cynically tried to promote individual freedom as a means of social control.) But the elevation of individual personhood to a literary and social ideal took place as part of the same wave of rationalism that brought us chartered corporations, colonialism, and the Industrial Age. It was eventually exploited by what Adorno would call the "culture industry," which created the backdrop onto which people would project their constructed identities, using the available mythologies provided to them by their corporate sponsors.[318] But it all depended on the foundations of personhood and abstracted agency developed along with the corporate charter and centralized control. This was a new framework for how society could work and grow, funded and promoted by those who were growing rich and powerful by using it. We have to understand at least the very basics of how this notion, individuality, was invented in order to deconstruct and evaluate its application today.

The canonical story of the rise of the individual is well established. Although the ancient Greeks had a strong concept of the individual in relationship to the state, the family, and the gods, it wasn't until the Renaissance that the notion of a full-fledged person with a truly free and effective will was born. Nearly every major Renaissance innovation in some way celebrated or further refined these new notions of self, perspective, experience, and agency. And, at least in retrospect, many of these self-affirming beliefs and practices foreshadowed a bit of the self-obsession of our own era. In those first visions of the self-sufficient Renaissance Man, we get an inkling of the self-as-source logic of *The Secret*. It just took five hundred years to flip to that extreme.

Even today, the Renaissance is recalled in popular culture chiefly as the era of humanism, perspective painting, and rational scientific inquiry. These ideas were inspired by

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[318] Adorno and Horkheimer, 2007.

a renewed sense of the importance of an individual *self* perceiving and acting on the world. *Humanism*, a term first coined in 1808 to identify this Renaissance trend, refers not to some sort of humanitarian impulse, but to the solipsism and self-absorption characterizing the era's religion, art, and science.[319] Humanism's founding father, the 14th -century Italian poet and scholar Francesco Petrarch, believed that only by looking within could a person guarantee his own salvation.[320] Instead of depending on the decree of an external authority, a human being could enter into a deeply personal relationship with the rest of the chain of being — God included. Grace was no longer bestowed by God, but achieved by the individual. Man had his own, self-directed and divine function in the cosmos.

Da Vinci's classic Renaissance drawing, Vitruvian Man (a man standing in two overlapping positions, creating both a square and a circle), remains perhaps the quintessential image for this humanism. Based on the specifications set forth by the ancient Roman architect Vitruvius, da Vinci's image depicts an idealized human form, perfectly proportioned to the elemental shapes of geometry. Although the portrait doesn't actually succeed in its quest (the human shape does not so readily conform to easy ratios) it does convey a new mechanistic, science-based understanding of the world, as well as man's divine place within it. The function of an individual human being was seen as analogous to the working of the universe: man was a complete and autonomous being — no more a creation than a creator. [321]

Man's new abilities to co-create the universe rivaled those touted in *The Secret*. In his influential *Oration on the Dignity of Man* (1486), Giovanni Pico della Mirandola hypothesized that after God made all the creatures, he realized he wanted to make just one more being — one capable of actually appreciating all of God's many creations.[322] But God had used up all the links in the great Chain of Being, from worms all the way up to angels. With no place of his own, man would instead learn from and imitate all the existing creatures. As long as man uses his intellect and contemplates his existence through philosophy, he will ascend the chain of being toward the angels. Pico's belief system prefigured New Age concepts in *The Secret*, in its assertion that human thought could change reality. Indeed, by exercising his free will, man could change himself and his very place in the cosmos. Man's capacity for self-transformation through thought is the only constant in the universe.

This idea inspired many poets and artists to think about how man might break free of the chain of being altogether.[323] Christopher Marlowe's infamous sorcerer-scientist Doctor Faustus explicitly rejects the dependent, medieval way of thinking about scholarship. In his opening soliloquy, he lists all the academic disciplines, rejecting them all for the limits they place on his quest for true knowledge. Instead of studying traditional authorities, Faustus

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[319] Rahner, 1975.
[320] Enenkel, 1998.
[321] McEwen, 2003, 157.
[322] Mirandola, 1998.
[323] Greenblatt, 1980.

pursued individual inquiry, observation, and experimentation. In the course of the play, he is damned for his great insult to the Chain of Being — leading us to wonder whether the playwright was cheering the modern spirit of individuality or warning us of where it might lead. At the very least, the play introduces what theater historians generally consider to be the first true individual character with a complete and independent will. Faustus's ambitions as an individual trump all other story elements. He is the first character utterly in charge of his destiny, and capable of transforming himself and his world.[324]

Perspective painting was as much a celebration of the individual as it was of the geometry enabling the "separation of planes" and "vanishing points." The object of perspective painting was to imitate the orientation that a single human observer would have on the scene being depicted.[325] Perspective painting meant that one's perspective mattered. Sometimes, of course, it mattered too much. Real science waned in the early Renaissance as philosophers became increasingly convinced of their own ability to change matter and reality through their will or vision. Humanism held that nature was no longer an authority, but a result of various animistic forces — of which human agency might be among the most important. But the primacy of the individual and observation paved the way for the rationality and enlightenment that would eventually follow the Renaissance.[326]

Rene Descartes' famous proclamation "*cogito ergo sum*" (I think, therefore I am) extended the supremely first-person focus of the Renaissance. For Descartes, man was a transcendental figure, existing in and of himself. Building on the logic of Petrarch, Descartes concluded that man could only know the world around him by using perception and deduction. But instead of resorting to animism, Descartes turned to the logic of science.

The invention of the printing press turned reading, literature, and Bible study from a group activity into an individual one. At least as much as any other social influence, this heightened sense of individuality enabled the Protestant Reformation. If each person could enjoy a personal relationship with God, there was no need for an institution to mediate. Likewise, Petrarch took from Augustine the notion that the only proper study for a human being was to study oneself — and that this was the only way to insure one's salvation.[327] The new Protestantism, beginning with Martin Luther's revolutionary 95 Theses, held that the faith of a lone individual transcended everything else. Though they were to prove themselves as violently intolerant as any previous religious institutions, Protestant churches laid the foundations for the "personal relationship" to God many Christians, particularly evangelicals, aspire to today.

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324 Hopkins, 2008, 136.
325 Dunning, 1991.
326 Baldwin, 2001.
327 Stock, 2001, 71.

Finally, the Renaissance notion of the individual with his own unique perspective eventually developed into the crowning humanist concept, the "dignity of humanity." Humans were God's highest creation, and had a special relationship with him. The study and application of morals and their application to the real world, were the highest human endeavors. The dignity of humanity, in turn, served as the foundation for the Enlightenment ideal (retrieved from Ancient Greece) of democratic self-government.[328] The citizens of an enlightened society do not need a monarch or other father figure doing their thinking for them. A person's conscience was a better arbiter of good and evil, right and wrong, than any external authority. Human beings began their elevation from peasants to subjects to citizens, as their individual perspectives and choices were deemed increasingly relevant.

As compellingly logical and broadly supported as this history of the self might seem to us today, it attempts to draw a very straight line through historical and cultural phenomena that might be better understood as more complex, interrelated environments. Historians such as Stephen Greenblatt argue that this Renaissance individualism was a faulty construction from the beginning. In the 1980's, Greenblatt emerged as a radical and extremely influential new voice in literary and historical studies with this insights into what he often calls "cultural poetics," what is widely known as the critical school of New Historicism. A mixture of Foucauldian (power, epistemological forms) and Marxist (materialism/economics) theory, New Historicism treats a text — specifically literature and philosophy — not so much as a unique, timeless work of art, but as a site of historical intersections. A work of literature provides a key insight into the political, economic, sociological, and ideological aspects of an era, and thus can be interpreted as a historical document, and even a snapshot of greater cultural trends. Thus we get works like *Renaissance Self-Fashioning,*[329] in which Greenblatt analyzes major Renaissance authors in light of their personal histories and how their histories and experiences formed how and what they wrote.

New Historicism does not necessarily claim to provide a totalizing system of cultural analysis, rather it allows for contradictions and multiple interpretations, particularly with something like capitalism, which is understood as something that both encourages industrial-task specialization and therefore individuality[330] while at the same time a homogenizing force eradicating uniqueness.[331] Furthermore, New Historicism is a synchronic understanding of history, isolating and analyzing specific times and history with little regard to broader historical developments. So Greenblatt speaks directly to identity formation in the perspective

[328] Even John Adams wrote in his diary, "Self-government, implied here, is part of man's higher nature since destructive passions are 'unworthy' of him. This, I argue, suggests that man has a certain dignity, or distinctiveness and worth, found in self-government and generosity." (Garbooshian, 2006, 473)
[329] Greenblatt, 1980.
[330] Jameson, 1991.
[331] Lyotard, 1984.

of a cultural phenomenon, in this case early capitalism. Greenblatt himself forged this school of thought through his studies of the Renaissance in particular.

As it is our purpose to treat the "self" less as the realization of a modern ideal than the projection of corporatist marketplace, Greenblatt and the New Historicists open the door to an alternative, more complicated rendering of individuality – as well as a new approach to understanding capitalism's role in the individual's creation.[332] New Historicism challenges traditional ideas about the Renaissance as a locus of the emergence of the "individual." Rather, they say that what came to be considered "Individualism" is not about the rise of the free and liberated individual but rather with the political and religious forces of the time constructing the fictitious idea of an essentialist "self."[333] They consider the Renaissance "individual" symptomatic of a new sense of subjectivity based on ownership and agency of one's thoughts, speech, and actions. This notion of individuality emerged partly out of the rise of private property, and hence capitalism. Greenblatt uses Thomas More's *Utopia (1516)* to tie this emergent (and false) identity directly to capitalism. (*Utopia* is a book about an island where private property does not exist, and all religions are tolerated. It was a major influence on Marx and the communist worldview.)

Greenblatt argues that *Utopia* marks an early effort to distinguish between the public and private self. Private property is the basis for a capitalist system; one takes ownership of land and things; objects become property. The notion of ownership is predicated upon a sense of owning a private *self* that is able to own objects that others do not, as opposed to a public self who shares ownership of places and things. *Utopia* is organized through patriarchal families and monogamy and marriages are law, suggesting the rise of the now-traditional — and market-friendly — nuclear family. The home, however, is not private; meals are taken in the public hall, and the family is not allowed to conceive of itself as a private entity. No names are given in *Utopia* either, which Greenblatt argues, "eliminates the dense network of corporate bodies that once differentiated man" — as with the rise of surnames for purposes of taxation — and, more importantly, to restrict the sense of "personal inwardness" that might lead to social differences.[334] "Utopia cancels such an identity by eliminating, among other things, most of the highly particularized corporate categories in which a man could locate himself and by means of which he could say, 'I am *this* and not *that*.'"[335] This urge for self-cancellation in Utopia indicates the emergence of a divided self arising during the Renaissance, one stressed by public performance and private wishes, work time vs. private time, the self-fashioned public facade vs. the "true" interior self. For More, this dual self is the root of much suffering. The destruction of the unique individual — of what we might call the

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332 Veenstra, 1995.
333 Greenblatt, 1980.
334 Ibid., 44.
335 Ibid., 42.

ego — in order to bring about a more communal and homogenized equilibrium, is a positive goal in the work. So by 1516, we already have evidence of profound discontent with the emerging Renaissance notion of self-fashioning, and a contemporary writer who recognizes the false underpinnings of his era's forced invention of divided self, as well as its contribution to the capitalist façade. This perspective prefigures the Frankfurt School, and even Lyotard and other postmodernists' deconstruction of personal uniqueness, particularly when supported by the spectacle.

In a foreshadowing of the projected identities criticized by later Frankfurt School thinkers, the Enlightenment values of individuality and agency — however noble in vision — also came along with new allegiances to larger, depersonalized, and abstract institutions. The clean, universal truths associated with Renaissance-inspired ideals kept people's eyes and attention upward, and off one another. This is how Enlightenment enthusiasts could simultaneously own slaves, how ardent supporters of democracy could ignore the rights of women, and how the tyrannical theocracy of John Calvin could use adherence to Biblical texts as an excuse to torture people for dancing or drinking on the wrong day of the week.[336]

Of course, the reason this worked so well in the context of emergent corporatism is that corporations and the newly colonial nations they supported were also abstract entities – media, really — especially in comparison with the local institutions people had been used to dealing with before. A person with a local sensibility understood his role within the fabric of his farming community or village relationships. Now people were supplying commodities to more centralized business institutions, or even to the great shipping expeditions. Yes, their autonomy as individual businesspeople had increased, but their relationship to one another as members of a local business community diminished. Instead of seeing themselves as members of their village or ward, they were to see themselves as subjects of the national monarchies. Most local currencies were outlawed and replaced by mandatory use of the national coin — which could also be taxed more easily (see Chapter 4). Likewise, while Protestantism liberated parishioners from the control of their local priest and the hierarchy in Rome, it replaced this authority with the mass-produced text of the mechanically replicated Gutenberg Bible.[337]

At first glance, this could be interpreted as leading to simple alienation: we became nations of individual subjects, relating to distant and highly controlled entities instead of through the people who might have once represented these interests. Interpreting this same historical transition through the media theorist's perspective, however, we look for what may have been revived or amplified by the repression of human relationships? Or in ecological terms, what took the place of people's relationships to people? What form of media arose to mediate the relationships between people and distant corporations? In other words, how does

[336] Reyburn, 1914, 204.
[337] McLuhan, 1962, 146.

the created individual relate to a national identity, a king, or a large chartered corporation? He doesn't.

He relates instead to the brand created for that entity. Indeed, as a historical survey reveals, the brand was born to give corporations and nations alike the ability to relate directly to the Renaissance's new individuals. The brand functioned as a human face, employing icons, mythology, and symbols as substitutes for the features of real people. The brand replaced peer-to-peer human relationships with abstract, top-down ones. And because they were designed for and by the institutions they represented, they were also biased in their favor.

While there's some evidence of what we could call branded imagery as far back as the Bronze Age,[338] the modern idea of branding might best be credited to King Louis XIV's famed finance minister Jean-Baptiste Colbert.[339] The Dutch, English, and Portuguese had invested heavily in navies and protecting their trade routes, but the French of this era were still heavily committed to regional ground armies and inexperienced in sea battles. They lost their bounties to pirates and their land claims to colonial rivals. France just couldn't keep up with the heavy competition for resources in the New World, and began to run a trade deficit.[340] Colbert realized that France's only alternative was to rely on domestic production and sell French goods to the rest of the world. "French fashions must be France's answers to Spain's gold mines in Peru," he said.[341] In other words, the more abstracted commodity of style and brand would generate the value formerly associated only with real assets dug out of the ground. Colbert understood that the environment created by his new medium of branding could overcome the obstacles his nation faced as a colonial failure. He provides us with the prototypical example of the brand as new medium.

Colbert envisioned a France capable of competing with the rest of the world not through the acquisition of territory and resources, but through style. He needed a way to make French exports seem special for their own sake, and took it upon himself to invent what we now think of as luxury goods.[342]

Colonialism had already done half of Colbert's job for him. People throughout Europe were already accustomed to awaiting the treasures of spice and silks that merchant ships brought from faraway lands. All Colbert had to do was establish France as the tastemaker — the best place for the natural resources of other lands to be ground, wound, fabricated, or assembled into the latest and most fashionable products imaginable. "With our

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338 Bevan, 2010, 45.
339 Stuart Ewen first called my attention to Colbert, and has been largely responsible for renewed interest in the French finance minister. My research comes principally from Cole, 1939.
340 Greaves, 1997, 613.
341 Thomas, 2007.
342 Cole, 1939, Vol. I, 260.

taste," Colbert explained, "let us make war on Europe, and through fashion conquer the world."[343]

Colbert set in place strict and well-publicized manufacturing rules on French goods. Merchants who violated the rules of manufacturing, brewing, or bottling were pilloried. He used trade surpluses to support the development of high quality national industries, which in turn led to more trade surpluses. Tax-financed roads, rails, utilities, professional schools, and corporate subsidies still characterize French industry today, and account for the nation's oft-noted resistance to global free markets. It's not anti-Americanism or even an anti-Anglican sentiment at its core, but a commitment to a more managed market that can maintain a trade surplus through the quality of goods rather than the quantity of resources. But it was no less corporatist in its design: instead of striking a deal with chartered colonial corporations, the French monarchy struck a deal with domestic mercantile capitalism. Instead of sailing merchant ships under a French flag, the country exported the perfumes of Paris in decorated bottles under the French brand. A stamp of approval from the appropriate French ministry or the Court of King Louis XIV meant that a jar of caviar, a bolt of silk, or a case of wine bore the official mark of French luxury.

As Colbert biographer Charles Woolsey Cole explains:

> It is not by chance alone that tapestries are still made at the Gobelins on looms dating from the seventeenth century, nor that French cookery is still esteemed the best. In catering to the wants and needs of a luxury-loving monarch who gloried in display, Colbert was happy (if the expense was not too great), for on the one hand he could please the king, like a good courtier, and on the other he could encourage French industries.[344]

That's why Colbertism, as it came to be known, may finally have had less to do with making than marketing. The important thing was for people in France and around the world to treat France's exports *as if* they were the highest quality available. And as Colbert readily admitted, this had less to do with any intrinsically superior attribute than fashion. It was about style, not substance. Public flogging of errant perfumers was meant to publicize the French commitment to quality more than enforce it. Always ready for a cross-promotional opportunity, Colbert tried to get the king to live at the Louvre, but Louis preferred Versailles so Colbert was forced to improvise. The clever minister turned the palace into a showcase for French wine, Champagne, cuisine, furniture, mirrors, and, most of all, fashion.[345] After all,

[343] Ewen, 1999, 30.
[344] Cole, 1939, Vol. II, 303-4.
[345] Ibid., Vol. I, 292.

visiting dignitaries were trendsetters in their own countries, and represented a terrific avenue for word-of-mouth marketing across Europe. Keeping his monarch in a removed and controlled setting allowed Colbert to craft a narrative for the French people, as well: Versailles housed a benevolent leader, who served the people's interests by subsidizing and branding the nation's vast corporate sector. Even through the bloody revolutions to follow, the French people maintained a belief in the power of the state to control unregulated markets and guarantee some level of fairness.

Throughout the four centuries since Colbert's invention of French luxury, branding can be understood as having achieved roughly the same things, in roughly the same ways: it has created a mythology that elevates either a central government, a centralized corporation, or some combination of the two. And under the guise of promoting the station, style, or stature of individuals, it actually makes them more dependent on abstract ideas and institutions, more accessible to centralized image-making and storytelling than they were before. Branding defined and redefined individuals as subjects, citizens, workers, consumers, and eventually shareholders and branded selves, always counting on the power of image and myth to stir people's hearts more effectively than other people ever could.

3.2 Mass Productions

The Industrial Age forced colonial powers to engage in similarly nationalist forms of public relations, branding everything from wars to slave labor as in the cloak of "progress." All along the way, branding disconnected people from the real and human consequences of their actions, while replacing this sense of connection to others – far and near – with the sense of national and, most of all, individual identity.

Wars were never intrinsically popular. The British East India Company's activities were no exception. As we have already chronicled, the Company extended its reach and power into India and China by promoting opium use and then violently overthrowing addicted leaders. The great Opium Wars were fought and won, forcing China to accept British import of the debilitating drug, and helping England maintain a favorable balance of trade.[346] Elsewhere on the continent, in spite of violent protests, Indian rug weavers were mandated by law to use British mechanical looms, devaluing personal skill and creating dependence on the corporations supplying the machines.[347]

Back at home, however, Britain re-branded its exploitative trading practices to an admiring public. In 1851, the British business élite held the Great Exhibition of the Works of Industry of All Nations in a futuristic, million-square-foot metal and glass pavilion called the Crystal Palace. 14,000 exhibitors conducted elaborate demonstrations of the products and

[346] Korten, 1995, 61.
[347] Dutt, 1906, 339.

promise of the Industrial Revolution.[348] Steam hammers, hydraulic presses, barometers, and diving suits were on display, highlighting the vast yield and majestic power of the new mechanical age.[349]

The Great Exhibition's primary intent was to distract the domestic public from the dark underbelly of international industrial modernity.[350] Through this spectacle, Queen Victoria and the corporations she sponsored disconnected these technologies from the human toll they inflicted on their operators. As if in a shopping mall, people gawked, their jaws dropping, at the steam pipes and gears, utterly unaware of the faces and hands the machines burned and mauled. People saw products and production, but never the producers themselves. If anything, industrial modernity was simpler and cleaner than manual labor. As much a welcome step back as a daring leap forward.

The Great Exhibition appears designed to convey precisely this sensibility. The real extent to which it succeeded, of course, can only be measured subjectively. As Stuart Hall[351] would remind us, the role of social positioning in the interpretation or reception of these spectacles cannot be underestimated. The impact of the Great Exhibition was possibly as much an aspect of the active interpretation of its audience as the intentions of its creators. These were the families of veterans who had fought wars in these colonies, as well as subjects of the realm that had conquered them. They were more than likely friendly to the hegemonic impulse. Further, the intentionality I am ascribing to the perpetrators of these spectacles may be as much the expression of preconceived and internalized notions of British imperialism as public relations. Luckily, by transcending simple cause-and-effect, a media ecological approach takes these multiple trajectories into account. The results can be understood most easily and applicably as the media environment formed in the wake of early corporate colonialism.

Organizers of the Great Exhibition, for example, promoted and organized the event as a celebration of faux-medieval design and dedicated the central hall to an exhibit on Gothic Revival architecture. This was part of a larger effort to disguise the industrialization of Victorian England as a throwback to feudal tradition. The era of the high-tech factory would be re-branded as the romantic revival of medieval monarchy. The Great Exhibition mythologized both free trade and the Industrial Age as a return to the best of pre-Renaissance Europe, when it was actually the extension of its very opposite.[352]

Most significantly, the exhibitions at the Crystal Palace launched a full century of public relations strategies concocted to disconnect people from one another and to require them to interact with each other *through things* instead. Industrialization meant that labor

[348] Auerbach, 1999, 210.
[349] Ibid., 124.
[350] Ibid., 119.
[351] Hall, 1980.
[352] Ibid., 162.

could now be exploited indirectly, through technology, and from a great distance away. Free-market capitalism meant that class divisions could be enforced through the impersonal movement of the markets instead of by direct repression. The supply-side glut of mass-produced material goods required a new individualism capable of inspiring consumers to purchase as many commodities as they were offered, and experience their social reality through them. And the myth of the meritocracy — that we are all free to compete with one another as individuals for the great prizes our market has to offer — kept people from conferring with each other on just how satisfied they were with the system in which they were living.

In short, mass production led to mass marketing which in turn required a mass media capable of delivering all that marketing across great nations and beyond. At each step of the way, human relationships were further mediated through capital, products, or myths. Collectivist impulses were shunned in favor of strident individualism and personal achievement. Dreams of achieving status through social participation were replaced by dreams of purchasing status through private acquisition. For corporate industrialism to work as an economic model, people would have to be sold on individuality and personal freedoms as the paramount human goals — even if this actually meant a more isolated and alienated existence.

In America, where Adam Smith's dream of an economy dominated by local, independently run farms and businesses had already been realized to some extent, the transition to an industrial economy would prove a tougher sell. There was no great Gothic era to look back on, no great colonial empire to salute. Life in 1800s America was far from perfect, but the scale of business enterprises and proximity to farms and small factories made for a high level of local awareness and social cohesion.[353] On his tour of America, the French historian Alexis de Tocqueville marveled most of all at institutions like the public library and the New England town meeting.[354] Imposing industrialization on America would have to involve the diminution of these social institutions and a heightening of self.

In the kinds of towns de Tocqueville visited, human relationships dominated the local economy. As de Tocqueville's accounts inform us, if a person needed oats, he would go buy them from the general store — just one step removed from the mill — or maybe even from the miller himself. If the oats were bad, he would know where to find the man responsible. He knew his face and his wife's. His kids might have gone to school with the miller's kids. If his oats were bad, he'd lose more than a customer, for the consumer lived and worked in the same town as the miller. The consumer might fix wagon wheels, or even, say, work as the local chemist, mixing the miller's wife's medication. If the chemist ate bad oats, he wouldn't be

[353] Putnam, 2000, 368.
[354] Adams, 2010. 43.

doing his own job as well, either. The miller might end up with a dangerously assembled wheel or, worse, an incorrectly dosed prescription. If the miller supplied a bad product, he had more at stake than the customer's business. People were more than just one another's customers; they were interdependent members of a community.[355]

The Industrial Age brought factories capable of making oats faster and cheaper than the local miller could have ever imagined. (And where industry couldn't succeed in creating economies of scale, lobbyists were sure to tilt the playing field in their favor.) So now, instead of buying oats from a human being one knew, he was to get them from a big factory several hundred or several thousand miles away. It would come in an impersonal big brown box. There was no miller to be seen.

The brand was developed to substitute for the relationship consumers used to have with the miller. Instead of seeing his face over an open barrel at the mill or the general store, you'd see the face of a Quaker on a box of factory-made oats. Quaker Oats (founded in 1901 and now a unit of the megacorporation PepsiCo) combined the three biggest local Midwestern mills into a single company, and sought to change the way America bought its oats by replacing the human being you knew with a brand.[356] For this to work, consumers would have to learn to feel as good or better about the picture of the Quaker as they once did about the real person supplying their oats before. The image of a Quaker is a good start; who doesn't feel good about Quakers? In their philosophy and practice, they are dedicated to exactly the kind of town meetings and local sharing that a national oats company would seek to replace.

As we saw in Chapter 2, the map disconnected people from the ground on which they walked, worked, lived and loved, mediating them instead to a simulation concocted to favor corporate over human interests. Likewise, the brand would help disconnect people from one another, instead mediating a new relationship with distant, abstract and centralized corporations.

For corporate brands to surpass their corporeal counterparts, they would need to be invested with mythology more compelling than the weight of any genuine social reality. And these mythologies — these brand stories — would need to communicate themselves instantly. The customer had to know who Uncle Ben and Aunt Jemima were just by looking at them once on a store shelf, forcing early marketers to use an overtly stereotypical and highly limited range of images. Mass media would come to the rescue, giving corporations a way to communicate the qualities they wanted associated with their brands across an entire continent, overnight. Less than providing entertainers with a new platform to reach the world with their music and comedy, these new media were addressing the need of mass producers to mass market their goods more effectively to the masses.

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355 De Tocqueville, 2004, 76.
356 Korten, 1995, 208.

But at each stage along the way, as we are about to see, the industrialization of the economy required a corresponding *de-socialization* of the people within it. Industrial Age factories reduced the laborers within them to cogs in a machine. From the time clock to the assembly line, the pace of work was dictated by mechanical engines to which the human workers conformed. Rewards were likewise shifted from personal satisfaction, the joy of teamwork, or a sense of accomplishment to the much more symbolic compensation of cash. Instead of using skill to make things they could be proud of, people performed repetitive, meaningless tasks for cash. Their sense of genuine achievement and connection had to be replaced with loyalty to an abstracted corporate parent. Meanwhile, worker-to-worker solidarity (the dreaded unionization) was repressed and derided at every turn. Each worker was to be in this alone, in competition with his fellows, and loyal only to the company. As Derrida illustrates in *Specters of Marx,* the process itself discourages agency:

> Try putting 13 little pins in 13 little holes 60 times an hour, eight hours a day. Spot-weld 67 steel plates an hour, then find yourself one day facing a new assembly-line needing 110 an hour. Fit 100 coils to 100 cars every hour; tighten seven bolts three times a minute. Do your work in noise 'at the safety limit,' in a fine mist of oil, solvent and metal dust. Negotiate for the right to take a piss — or relieve yourself furtively behind a big press so that you don't break the rhythm and lose your bonus. Speed up to gain the time to blow your nose or get a bit of grit out of your eye. Bolt your sandwich sitting in a pool of grease because the canteen is 10 minutes away and you've only got 40 for your lunch-break. As you cross the factory threshold, lose the freedom of opinion, the freedom of speech, the right to meet and associate supposedly guaranteed under the constitution. Obey without arguing, suffer punishment without the right of appeal, get the worst job if the manager doesn't like your face. Try being an assembly-line worker.[357]

While mass production disconnected the worker from the value he created, mass marketing desocialized consumers from their once-human producers. Brands had to alienate people from one another in order to replace the human bonds that once characterized commerce with artificial corporate ones. National brand relationships replaced local social relationships. Instead of supplying a neighbor with a particular good, the best one could hope for in an industrial economy was finding a friend loyal to the same brand. When you say Bud you

[357] Derrida, 1994, 52.

haven't merely, as the brand's famous commercial sings, "said it all" — you've said all that can be said. Just as mass production dehumanized workers, mass marketing alienated consumers from one another, replacing the urge to connect with an urge to compare or contrast through consumption.

Finally, mass media's function as brand communicator depended on an isolated target. While the cost of technology initially kept an entire family gathered around its single radio or television set in the evening, the bias of the medium was always toward isolation. It's not a coincidence that televisions spread into every room of the house, so that each family member would eventually watch his own program or niche-marketed channel in his own room. How better to direct targeted marketing directly to its target market? The isolated audience member provides a better psychological target, as well.[358] This is the thesis of Naomi Klein's *No Logo*, as well as my own analysis of Gap and Diesel advertisements in *Coercion*.[359] The premise of the jeans commercial is that the purchase of the particular brand of blue jeans will earn the consumer new friends and lovers. This presumes a viewer who does not already socialize, does not have friends, and believes that new purchases might actually change the situation. More important, the products better not perform as advertised, delivering friends and satisfaction, or they are likely to reduce the customer's ongoing compliance as an audience member, customer, and worker.

3.3 From Subjects to Workers

The premise for an industrial society rested in the ability of corporations to secure cheap and willing labor. Today, this might mean outsourcing. But originally it meant creating a compliant workforce at home, however coercively it had to be done. In order to be controlled, the teeming masses would be broken down into a mass of teeming individuals. The more that people related to the stories told to them through centralized mass media instead of looking around at their peers, the better this worked.

The process I am working to break down and expose here is the one through which the media created both the illusion of the individual as well as the corresponding illusion of the masses. As we will now see by tracing the development of the public relations industry, the PR media environment speaks to each person as an individual, yet depicts the rest of humanity as the masses from which the individual needs to be protected or at the very least individuated. This obviated the possibility for anything approaching human relationships or community, which have no connection to this environment. The scale on which activity was occurring simply didn't recognize that level of interaction and consciousness.

[358] Klein, 2001, 288.
[359] Rushkoff, 1999, 189.

After the Civil War and the ascendance of the railroad corporations, America changed scale. Local merchants and farmers were consolidated into larger industries. Small businessmen were overwhelmed by big companies and the "robber barons" who owned them. Free enterprise had always meant the right of individuals to pursue their private economic activities in a highly local, human-scaled marketplace. Now it was growing out of control, favoring the interests of a tiny elite of corporate chiefs over everyone and everything else.[360] The middle class got squeezed as corporations gave away their jobs to low-wage, unskilled immigrant workers flowing in from Europe. Resentment against immigrants swelled (as it has against so-called "illegals" today), and America began its social disintegration into competing interest groups based on race, ethnicity, and wealth. By the 1870s, middle-class Americans were spending most of their money just to cover up their actual poverty. Those who managed to keep their jobs worked, according to at least one contemporary account, with an "angry sense of the limited opportunities for a career at their command."[361]

For their part, laborers found themselves much too easily buried in mining accidents, crushed in machinery, or diseased from unsanitary living conditions. With single conglomerates owning entire industries — Rockefeller owned 90% of the American petroleum industry — workers had almost no negotiating power.[362] Sometimes, government tried to come to their rescue. Every few decades, a progressive such as Teddy Roosevelt would rise to voice the complaints of labor and society against the rising power of corporatism. Roosevelt's contemporaries saw the "masses sinking into degradation and misery," and called out the corporatist bias for "profits over patriotism."[363] Roosevelt may have been the first one to put the opposition between government and corporate interests so bluntly — and this division proved to be the frontline in the battle for America's public sentiment. Encouraging the press to expose corporate corruption and injustice, Roosevelt coined the term Muckraker in 1906, for journalists who did just that, after a character in John Bunyan's *Pilgrim's Progress*.[364] Roosevelt called for "relentless exposure" as long as the reporter "remembers that the attack is of use only if it is absolutely truthful."[365]

Roosevelt's muckrakers had the opposite of the intended effect. Stories about the angry mob scared the middle class off the streets and into their suburban fortresses. Newspapers and magazines became the only way to find out what was actually happening back in the city. As publishers consolidated, local papers became parts of national chains.[366] Large corporations were now mediating reality from a centralized and national perspective, often oblivious to what was actually going on right outside people's front doors — or simply

[360] Ewen, 1996, 41.
[361] Steward, 1873, 414.
[362] Williams, 1961, 327.
[363] Ewen, 1996, 48.
[364] Hawley, 2008, 165.
[365] Roosevelt, 1913, 246-247.
[366] Ewen, 1996, 178.

biased against reporting the plights of real people. It was more effective and sensationalist to call them a mob. Well-meaning progressives read these news reports of angry mobs and found themselves more concerned about calming society and preventing unrest than actually addressing the core problems of industrialization. The reading class believed themselves to be capable of a reflection and self-control that the masses they read about lacked. Gustave Le Bon's tremendously popular book *The Crowd: A Study of the Popular Mind* (1895) warned of the process through which "the opinion of the masses become preponderant." He cautioned against the unpredictable "crowd instinct," and believed that "the divine right of the masses is about to replace the divine right of kings."[367] His audience understood that this meant they'd be suffering under tyranny in either case.

Of course, in the new environment of a national media, there was no such thing as the "masses." As the French social psychologist Gabriel Tarde explained in a series of books extremely influential with early public relations specialists, Le Bon's "crowd" was really an abstract entity held together by the press.[368] There were no mobs in the streets — there was no herd, only a herd psychology capable of being influenced on an individual basis through the media. As evidenced by their output, early public relations professionals understood what this meant to their craft: they should speak through media, to individuals, as if they were speaking to the masses. By standardizing the public conversation, a national media could address every individual in his home exactly the same way, creating a "virtual" mob with no actual power to do anything.[369] The reading public would passively consume their information, in utter isolation, and do it all at once; A mass of individuals.

Combining this insight with the power of fact-based muckraking, corporate publicists invented the new craft of public relations. They would present "facts" to promote corporate interests to individuals through the national media — and thus direct the group mind, or "public opinion." Ivy Lee was among the very first of these PR men, hired by Rockefeller to do damage control after the Ludlow Massacre in 1914, when five striking miners and their wives and children — a total of twenty people — were slaughtered on behalf of the Colorado Fuel and Iron Company.[370] Ivy placed editorials in Colorado newspapers, using fabricated "facts" about how the dangerous "agitators" lost their lives.[371] Utterly disconnected from real events and absorbed instead in the news stories as individual readers, private citizens had no means to check the claims in these reports. Rockefeller's sponsored reality became reality as far as most of America was concerned.

The more corporatized the media became, the easier this reality was to create. A national media industry was structurally biased toward the interests of corporate monopolies.

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[367] Le Bon, 2007, 15.
[368] Tarde, 1969, 52.
[369] Le Bon, 2007. Also see: Tarde, 1903.
[370] Ewen, 1996, 78.
[371] Ibid.

When AT&T sought to win public support for a national phone monopoly, it created an information department to disseminate facts supporting its case.[372] The company's argument was that a total, universal system would be cleaner and more efficient than a bunch of local ones. Its job was to break people's local affiliations and get them to relate instead as individuals to one big company. The reality was that regional phone services worked very well, and cross-compatibility for long distance service was not a problem. AT&T's national media campaign was, predictably, about the superiority of a company that was "national in character." It became an argument for modern cosmopolitanism over backwards provincialism.

The readers of national papers likely saw themselves as modern cosmopolitans, and read AT&T's arguments with an open mind. AT&T wasn't content with just placing ads in papers. The company used its advertising dollars to push newspaper chains into printing its public-relations releases as articles and editorials. The company presented itself through the national media as embodying a new version of the progressive impulse. According to AT&T's president Theodore Vail, the "private rights" of corporations are dependent on "public acquiescence." The public had to be "educated" toward a greater understanding of these rights. Where that failed, AT&T went in, Wal-Mart style, and undercut regional phone rates until the local companies went out of business. The information department also monitored everything from proposed legislation and dangerous newspaper editors to radical professors and their students' papers.[373] Finally, for those who remained unresponsive to fact-based arguments, AT&T communicated directly to the heart. The public-relations department came up with the idea of using a woman's voice to represent the whole company. All operators and recordings would be female, making a single, embracing mother out of the whole corporation: Ma Bell.

Facts may have worked well enough alone, but combined with emotional appeals, they were even more powerful. The fledgling public-relations industry was learning that emotional appeals needn't be reserved for crowds — particularly now that there was no such thing. It was government PR specialists who first proved themselves willing to venture into the emotional space of the *individual*.

In 1916 Woodrow Wilson ran for reelection on a peace platform — "he kept us out of the war."[374] A year later, he was trying to get new immigrants to support a war back in Europe. He hired George Creel and his assistant Edward Bernays to form a publicity committee to persuade the country "to make the world safe for democracy."[375] The U.S. Committee on Public Information, or CPI, claimed it did not resort to censorship, but used the Espionage Act

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[372] Ibid., 89.
[373] Ewen, 1996, 192.
[374] Creel, 1947, 157.
[375] Ewen, 1996, 103.

of 1917 and Sedition Act of 1918 to silence newspapers critical of war policy, and even put journalists in jail with no option for bail. This gave it the freedom to make highly emotional, uncontested appeals to the public, such as a poster of the Statue of Liberty crumbling under German fire, with New York City burning in the background.[376] What seems like de rigueur political advertising to us today was decried by a minority of progressives who might have agreed with Wilson's policy positions, but saw in the "war technique" an undoing of rational society.[377]

Once the war was over, corporate PR departments seized on the new techniques. In the words of the business theorist and statistician Roger Babson in 1921: "The war taught us the power of propaganda. Now when we have anything to sell the American people, we know how to sell it."[378] Ivy Lee, the mastermind behind AT&T's campaign for monopoly, explained that public relations was now "the art of steering heads inside…the secret art of all the other arts, the secret religion of all religions…the secret [by which a] civilization might be preserved…[and] a successful and permanent business built."[379]

The principle backing all this up was a new, *individualistic* theory of psychology. While Le Bon had proposed that people faced with great existential quandaries will turn to the "herd" for support, Sigmund Freud argued quite the opposite.[380] What drives the crowd is not some collective mentality, but the unconscious impulses of *individuals*. Not only is each of us an individual, there is an individual within each one of us that we can't even know! Most important to the would-be controllers of public opinion and consumer behavior, this subconscious individual within the individual could be instructed directly, even secretly, to take actions on our behalf. The distinction between the thoughtful middle class and the irrational working masses vanished. All people were capable of being controlled the same way, since each person had the same basic unconscious being within him.

Walter Lippmann, one of Woodrow Wilson's PR men and the first to write about the science of propaganda, realized that the application of Freudianism to public relations would mean disconnecting people from the real fabric of their lives.[381] Lippman's rather oversimplified concept of Freud's technique was based largely on its setting: the psychotherapist would have his patient lie on the couch and look at the ceiling. Removed from the real world of the office and with the actual human therapist out of sight, the patient was believed to be more likely to regress and transfer parental authority onto the disassociated voice of the doctor. To Lippmann this meant "access to the real environment must be limited,

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376 Beard and Beard, 1930, 640.
377 Ewen, 1996, 125.
378 Ibid., 131.
379 Ibid., 144.
380 Ibid., 138.
381 Lippman, 1922.

before anyone can create a pseudo-environment that he thinks is wise or desirable."[382] Lippmann saw members of his profession as an intellectual elite, capable of making decisions for a public that would benefit from his better judgment. He simply needed to get them to project themselves into the images he created — to identify with them as strongly as a patient identified with a therapist. This kind of communication could only work on an individual. And while Lippmann's individual might not have been as absolutely atomized and gullible as the one within Le Bon's mob, he must still be programmed in an isolated frame of mind before he can safely be released into the mass of fellow consumers and voters.

For a time, public-relations professionals seemed willing to work for government and business interchangeably. American business interests were generally interpreted to be one and the same as American interests, anyway. They both sought to serve the greater national good by swaying the opinions of all the individuals within it. And psychology was the new science of the individual. In New York City, The New School's Professor Harry Overstreet taught a class called "Influencing Human Behavior," in which he demonstrated to the rising ranks of PR specialists that: "The secret of all true persuasion is to induce the person to persuade himself.... Getting people to feel themselves in situations is therefore the surest road to persuasiveness."[383] William P. Banning, the director of PR for AT&T, shared his admiration for Freud with his shareholders:

> The job of the Publicity Directors... is to make people understand and love the company. Not merely be consciously dependent upon it — not merely regard it as a necessity — not merely take it for granted, but to love it — to hold real affection for it — make it an honored personal member of their business force, an admired member of the family.[384]

As commercial radio spread from Pittsburgh to the rest of America, families had all the more reason to stay in at night to keep their appointment with Amos 'n' Andy, and absorb its sponsored programming. Two main networks owned all of radio, and based their business models on advertising.[385] It's not surprising that the medium was biased toward corporate interests — the bigger and more consolidated, the better. Simultaneous with newly centralized top-down electronic media came equally high-tech methods of measuring its results on the public. In 1923, a group of academic psychologists formed the Psychological Corporation to apply their behavioral research to American business interests. Like the newly minted

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382 Ibid., 43.
383 Ewen, 1996, 175.
384 Ibid., 194.
385 Barnouw, 1966, 65.

pollsters George Gallup and Elmo Roper, they used "electronic tabulating machines" to record and analyze the purchasing behavior of individuals.[386] For the first time, public-relations firms could gauge the effectiveness of campaigns and retune them toward the single target consumer.

Without any competition, corporatism spread as a national ideology and operating system. Between 1919 and 1930, 8000 separate businesses in mining and manufacturing disappeared by acquisition.[387] Companies went public, and the public bought shares. By 1929, of the 97 largest corporations in America, only four were operating companies. The rest were some version of a holding company. Government and corporations were on the same side. Calvin Coolidge was convinced that a corporate-driven "universal abundance" was on its way, which makes it fitting that his Secretary of Commerce, Herbert Hoover, succeeded him as president.[388]

The stock market crash divided the interests of corporations and government, much as Teddy Roosevelt had foreseen. When his cousin Franklin Roosevelt institutionalized social welfare as part of the New Deal (government spending on public works), big business saw only debilitating subordination to federal authority. FDR used public relations, but saw his own manipulation of public consciousness as different from the cynical sort offered by Lippmann and Bernays, who believed that an informed elite needed to direct the sentiments of the ignorant masses to support the free market. Roosevelt held that the free market should always be adjusted and regulated by government to meet the social needs of society.[389] In his annual message to Congress in 1935, FDR argued that "Americans must forswear the conception of the acquisition of wealth which, through excessive profits, creates undue private power over private affairs and, to our misfortune, over public affairs as well."[390] His Works Progress Administration, ostensibly a massive employment relief program, also funded films, plays, and art projects dedicated to driving home this new message to a disheartened public. Murals depicted people working together to build bridges and grow food, while movies celebrated the communities and cooperatives that defined New Deal America.

Corporations fought back. Lippmann protégé Edward Bernays, once an operative for Woodrow Wilson, turned against government and, along with other corporate public relations men, sought to discredit FDR's collectivism by showing how it threatened the personal freedom of individuals. The National Food and Grocery committee and California Chain Store Association created the "Foundation for Consumer Education" to persuade people of the advantages of corporate supermarkets over local grocery stores.[391] A&P hired Carl Byoir, who

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[386] Ewen, 1996, 185.
[387] Soule, 1947, 141.
[388] Ewen, 1996, 224.
[389] Ibid., 434.
[390] F. D. Roosevelt, 2000, 49.
[391] Ewen, 1996, 293.

represented Adolf Hitler's Third Reich in the United States, to create the illusion of a public outcry against federal taxes on chain stores.[392] The American Association of Advertising Agencies campaigned to defend their industry against what muckrakers were hoping to destroy i.e. "public confidence" in advertising.[393] The image industry was in peril as its targets — the American public — attempted to return to reality.

Thanks to the New Deal, personal wealth and employment were up, but the corporate share of wealth was down. Bernays understood that the cause for which he was fighting was bigger than any single company, and argued for businesses to "consolidate their position."[394] Robert Lund, president of Listerine, took over the National Association of Manufacturers (formed in 1895 to reposition worker pensions in the public consciousness as corrupt "handouts"), and enlisted his peers to join in a campaign to cooperate in the advancement of free enterprise. An internal NAM memo reveals their strategy:

> Right now Joe Doakes — the average man — is a highly confused individual...We must talk earnestly about our hopes, achievements, and problems with the man in the street — in everyday language he will understand.[395]

Fortune magazine suggested that big business refer to itself as a "public utility," central to the very foundations of American life. Corporations adopted New Deal language and ideology as their own. GM launched its famous "Parade of Progress," a 20,000-mile tour of the US, in which America's economic and social future was depicted as absolutely dependent on the unimpeded development of automobile technology and free enterprise. Dupont, GE, Goodyear, IBM, and Westinghouse all followed suit with their own touring exhibitions. In all these cases, the primacy of the individual was pitted against the dulling effect of collectivism. In a 1936 pamphlet, NAM explained that Americans faced a choice between a kind of government in which:

> The citizen is supreme and the government obeys his will, [or] the state is supreme and controls the citizen. The first is individualistic, the second is collectivistic. In the first, man creates machinery to look after him as a separate individual

392 Ross, 1959, 118.
393 Ewen, 1996, 113.
394 Ibid., 294.
395 Ibid., 305.

entity…in the second, man is but a small cog in the machinery; his desires and will are sacrificed to the state.[396]

The strategy culminated with America's own version of The Great Exhibition, the 1939 New York World's Fair. While the fair was originally supposed to include representatives of the cooperative manufacturing and farming movement as well as consumer advocates, these groups didn't have enough money to buy exhibition space. When space was finally offered to them at a reduced rate, they realized that the limited participation they were allowed would only lend support to the corporate rhetoric they violently opposed.[397] Still, World's Fair organizers used the names of their organizations in their publicity. The corporations represented at the fair used it as an opportunity to battle New Deal collectivist propaganda, and they did so by creating highly personal, individualistic exhibits. Westinghouse's promotional film "The Middleton Family" represented America's plight through the experience of one family. While the daughter was seduced by a "radical thinking" boyfriend, corporations offered the family a life in abundance. The film depicts a consumer paradise — not a worker reality — in which machines did all the work and the family could enjoy a world filled with entertainment. GM's Futurama exhibit, designed by Norman Bel Geddes, conveyed people through scenes of an automotive utopia characterized by "accident-free" highways and idealized suburbs.[398]

By the time World War II was breaking out in Europe, American businessmen had a hard time deciding which side to support. For the most part, it didn't matter: nations at war were good customers, no matter their political ideology. IBM sold punch-card tabulators to the Nazis, while GE partnered with Krupp, a German munitions firm. GM and Ford, which already controlled 70 percent of the German automobile market, quickly retooled their factories to supply the Nazis with war vehicles. Putting profits over patriotism, GM resisted requests from FDR to step up military production and preparedness in their plants at home.[399]

American corporatists also saw in fascism a counterbalance to FDR's strong-handed tactics and aggressive social welfare programs.[400] Henry Ford and other corporate chiefs preferred the top-down, "scientific management" of labor echoed by at least some of the fascist policies of Benito Mussolini. Henry Luce, co-founder of *Time* magazine, became something of a spokesperson for fascism. He put Mussolini on the cover of *Time* five times, and traveled the country arguing that corporations, not government, were really in charge of

[396] Ibid.
[397] Ibid., 325.
[398] Ibid., 328.
[399] Dobbs, 1998.
[400] Alpers, 2002.

America. Luce convinced many businesspeople that fascism might be corporatism's best hope for organizing and influencing the American public.[401]

The full-fledged war effort against the Nazis, however, made the overt support of fascism impossible for any corporation based in an allied nation to maintain. The war even united FDR with industry temporarily – particularly with companies holding military contracts. Many companies had to backtrack or cover up their fascist affiliations. By the war's end, fascism had revealed itself as ruthlessly dehumanizing and so American industry had to take a different tack. Ford retracted his many publications blaming the "global Jew" for the world's problems, including the anti-Semitic hoax *The Protocols of the Elders of Zion*, especially after his work was revealed to have provided the basis for some of Hitler's beliefs. Standard Oil of New Jersey (SONJ, an ancestor of Exxon-Mobil), created a public-relations department to deflect mainstream media attention over the company's having supplied synthetic fuel to the Nazis (through I. G. Farben) even after the war had begun.[402]At the same time, corporations that had not directly assisted the Germans or publicly supported their ideology were growing increasingly anxious about how to control a public that had witnessed or even fought in World War II, and come to equate corporate power with fascism. Were Americans capable of the kinds of worker revolts that took place in the Soviet Union? What to do with all the returning veterans? Whose side would they be on?

SONJ convened a series of meetings for the corporate elite to determine what to do next. Earl Newsom, the PR man who had helped Henry Ford restore his reputation after his publication of the *Protocols*, had told corporate chiefs gathered at the Westchester Country Club in 1943 that their only choice was to make corporations more human. The Psychological Corporation insisted that corporate America enact "a transfer in emphasis from free enterprise to the freedom of all individuals under free enterprise. From capitalism to the much broader concept: Americanism."[403]

Through Americanism, post-war corporations would enact a new kind of social control to accomplish what fascism failed to do for them. It would be characterized by voluntary participation, the absence of any visible oppression, and the appearance of a bottom-up economy driven by real people – all the while preventing any civic sensibility from polluting the free market. This final turn for corporatist public relations – the strategy still in practice today – was to reject both the heartless science of fascism and the equally dark gears of communism by humanizing the corporation. People working in concert, whether in an American work camp or a Soviet factory, were part of the awful totalitarian machine. American free enterprise, on the other hand, offered loyal citizens the opportunity to live "the

[401] Gross, 1980, 19.
[402] Sutton, 1976, 104-17.
[403] Ewen, 1996, 360.

good life."[404] Soldiers in particular, who had just risked their lives conquering fascism, did not want to return to a country where their identities were defined through their relationships to the companies for whom they worked. Rather than see themselves as workers, Americans would learn to see themselves as consumers.

In this sense, corporations made themselves over as the best friends people could ever have: they were empowering people, through their consumption, to become more *themselves*. At its core, the new tactic would be to promote the idea that corporatism restored people's individuality, while collectivism and community forced only stultifying conformity. Corporatism would help you be more *you*.

This heightened sense of individuals in direct relationship to their corporate saviors of course mirrored the individual relationships their early Protestant predecessors enjoyed with the Creator. And more relationships meant more consumption. For the real problem facing American industry was how good it had gotten at making stuff. Thanks to Ford and his assembly line, production in America had overtaken consumption. Production-based capitalism had always striven to meet the needs of real people. In a virtuous circle of consumption and production, factories made the goods their workers actually used. Now that more products were being produced than people actually needed, manufacturers and their marketers needed to create desire in people whose basic needs were already being met. Many companies learned how to do this in a purely mechanistic fashion. Car companies developed schemes for "planned obsolescence," through which car parts were manufactured to fail a few years after the car was purchased. By the late 1970s, that technique became too obvious — especially in light of the fact that it wasn't practiced by Japan and Germany, whose cars tended to last much longer than American models. So automobile manufacturers instead developed time lines through which new features could be rolled out on successive years of a particular model. First the regular model, then a sports coupe, then a bigger engine, then a convertible, and so on, pushing owners toward frequent trade-ins. Even today, Apple uses a version of this strategy on its phones and MP3 players; early models must be good, while leaving room for their successors to be even better — or at least smaller. One hair-products company (whose celebrity CEO-stylist could influence beauty trends by coiffing the characters in major motion pictures) makes its own videos that play in salons, encouraging customers to ask for particular hairstyles. What customers may not realize, however, is that the company developed haircutting and texturizing techniques that intentionally damage the hair through excessive heat, stretching, and abrasion.[405] Once a customer committed to the hairstyle, her hair would be burned in such a way that it required ample application of one of the company's

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404 See academic articles from the period for a more immediate and arguably candid appraisal of what was going on, such as Ward, 1935.

405 The company remains unnamed to prevent legal action. I worked at the company as a video editor in the late 1980's, and so I learned about the policy and technique firsthand.

products in order to remain shiny and manageable. The very same effect could have been achieved without damaging the hair in this way, but then no need would have been created for the product.

This stimulation of consumption was always understood as a public good. Marketers were simply extending the deliberate post-war psychological campaign to create desire for products in individuals, all under the rationale that it could stave off civil unrest. By appealing to people as individual consumers and stoking their urge to acquire goods, corporations and their advertisers believed they could meet the high level of factory production while simultaneously addressing problems raised by the war. A full 49 percent of American vets were experiencing mental breakdowns after leaving combat.[406] Freud's disciples, many of them European exiles, were convinced that the stress of combat was not solely responsible for their symptoms, but that it had triggered old childhood memories of repressed violence. Furthermore, according to Freud's daughter Anna, the depravity of the Nazis not only revealed the irrationality of groups who surrender judgment to their leader; it revealed the dark, libidinal forces within each one of us. The unleashing of our innermost, repressed "primal fears" had led to the barbarism of Nazi Germany.[407]

Although America had won the war, corporate leaders in particular now worried that democracy could easily be overwhelmed by the same irrational emotionality that had driven the Nazis and communists to power. What kind of culture might best integrate veterans into society and prevent the civil unrest of which they and everyone else were surely capable? President Truman was so concerned about such a possibility that he signed the National Mental Health Act in 1946 to address the "invisible threat to society" posed by returning vets.[408] Psychologists, guidance centers, and marriage counselors were set up across the country to help individuals adapt to the world around them. Nowhere was it suggested that the world around them might be changed, instead. The best, or at least the highest paid psychoanalysts were hired by corporations to mold a new American individual.

The "depth boys," as they were called in the industry, believed that consumerism could address all of these challenges and more. Instead of presenting Americans, en masse, with propaganda intended to get them on board the corporate bandwagon, marketers could appeal to human beings as individuals, stoke their desires, and then satisfy them, purchase by purchase.[409] Since they were only of marginal utility, new products would have to stand in for more abstract emotional needs. This way, superfluous merchandise would still have an appeal. It was far easier and more profitable to reproduce cars than psychologists, anyway. Consumption, not counseling, would appease the dangerous and unconscious drives for love,

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[406] Curtis, 2002.
[407] Ibid.
[408] Tyrrell, 2002.
[409] Pendergrast, 2000, 261.

violence, power, and sex. Psychologists put the techniques they had used in therapy at the service of marketers. Dr. Ernest Dichter took up residence in a magisterial stone house overlooking the Hudson River, and opened the Institute for Motivational Research.[410] Corporate chiefs and advertising executives would make the day trip up to Dichter's mansion to watch him conduct "group therapy" sessions with typical people, all in an effort to uncover what he called the "secret self" of the American consumer.

In just one example of the application of this methodology, for his first client, Dichter took on Betty Crocker. The flour company's new instant cake mixes were failing, but why? Dichter's free association sessions with housewives revealed that the product's image of ease and convenience made these women felt guilty — as if they weren't really providing for their families, or being adequate mothers. So Dichter suggested that Betty Crocker give housewives a greater sense of participation. By removing egg from the mix, and requiring women to break and add a real egg instead, the company could turn the procedure into an unconscious symbol of fertility and nourishment. After making this change, Betty Crocker saw its sales soar. Dichter became a sought-after consultant and millionaire.[411]

At least Betty Crocker developed a product attribute — however silly — to match the psychological need of its consumer. As television replaced radio in homes across America and Europe alike, the images created for products began to matter as much as or more than the products themselves. Mass-produced goods were interchangeable — but their brand mythologies were not. What differentiated frozen peas was whether they shipped with a green giant or a Birdseye bird on the package. A consumer chose gasoline based on whether he trusted the man who wore the star (Texaco) — or, more to the point, whether he needed to experience a relationship of trust when he was driving a car. Once a psychological need could be identified, a brand image arose to fill it. The product — the least important link in the chain of production — only came after that.

Adorno's essay on the application of Freudian theory to overt fascism, "Freudian Theory and the Pattern of Fascist Propaganda," helps elucidate the process through which this projection of values occurs. Adorno states that the masses must be held together (in the abstract sense as opposed to true community) by some common bond or interest. In the case of fascism, this bond is a synthetic creation on behalf of the fascist demagogue or party — for all intents, a brand. Adorno stresses that group psychology is not a product of animalistic "herd instinct"; rather, the mass mind is the result of collective stimulation of desires in the unconscious.[412] Freud hypothesized that there are certain "actual or vicarious gratifications," mainly libidinal, that people receive when part of a group. These gratifications are of deep-seated and psychologically primitive origin, and thus very powerful in terms of determining an

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[410] Haugtvedt, Herr and Kardes, 2008, 20.
[411] Curtis, 2002.
[412] Adorno, 1991, 135.

individual's psychology. Adorno argues that "fascism is not simply the recurrence of the archaic but its reproduction in and by civilization itself," that is, fascist demagogues arouse these primitive desires by reproducing a historical or anthropological context in which they are aroused, and the manipulation of these desires is where fascism gets its source of power.[413] The fascist demagogue must keep this libidinal energy within the unconscious in order to divert it for political means, so this energy must be molded into obedience by a strict authoritarian presence.

Since the goals of fascist thinking are based on irrational authoritarian aims, these aims must at least seem rational to the follower. The irrational is made rational through the channeling of the unconscious libidinal energy described above directly into the leader, who embodies the "primal father." The leader becomes the focus of the group ego and is given power by the group through this erotic conviction via the process of *identification*.[414] Identification is a primitive form of narcissism, and instrumental in the developmental process. One identifies with another person or thing through assimilating (devouring) that other's identity with one's own *self* (this is, for example, why babies put things in their mouths). It's a process less about distinguishing between things than it is about projecting the self *onto* things.

In the case of fascism, the projection of the ego onto leader is based in *idealization*, or seeing the leader as an unattained ego ideal of our own, thus satisfying our own narcissistic ideals. Adorno states: "By making the leader his ideal he loves himself, as it were, but gets rid of the stains of frustration and discontent which mar his picture of his own empirical self."[415] So the leader becomes an enlargement of the self, and later a replacement for the self. The process of *personalization* further refines the identification. Personalization comprises tactics like name dropping or aligning the leader with famous men and the group with great civilizations (in the Nazi's case, with Rome) in order to reproduce a historical context and sense of destiny for the new party brand. As applied by members of the mid-20th century American public relations industry, who were well versed in Freud and more than aware of his relevance to fascist control, this personalization was applied to the corporations through which people worked, consumed, and created identity.

Group formation, then, can be understood as collective identification through idealization of the demagogue or, just as effectively, the corporation. This is not a real group, then, but rather a plurality of individuals relating to the central figure. Adorno quotes Freud's definition of a group: "A number of individuals who have substituted one and the same object for their ego ideal and have consequently identified themselves with one another in their ego." In order for this narcissistic identification to take full form, the leader himself has to appear as

413 Ibid., 137.
414 Ibid., 139.
415 Ibid., 140.

absolutely narcissistic. He must appear hard and unloving himself, so that he may be loved by the masses. Seemingly contradictorily, however Adorno says “one of the basic devices of personalized fascist propaganda is the concept of the 'great little man,'” a person who suggests both omnipotence *and* projects that he is just one of the folk, untainted by material or spiritual wealth.[416]Adorno states that this device, along with personalization, comprises the basic structure of fascist demagoguery.

Within group psychology, according to Freud-via-Adorno, there also arises a rigid distinction between the in-group and the out-group. The narcissism of the group leads to an inherent hatred of the other since that are not like themselves, that is, they don’t reproduce the image of the in-group. Hatred of the out-group can also be understood as a means of mass unification. Thus, groups become exclusionary and elitist, and members of a group feel better than or more pure than those excluded. In turn, the leader gains more power and speaks with greater authority not only because he is one of the group, but because he resembles the group — he radiates the image of the group and the individuals within it.

Demagogues and propaganda also work the power of appeals, phrases, and slogans. Over time, only the most effective of these appeals have survived, so those remaining are quite powerful despite their familiarity. The repetitive usage and spread of these appeals causes groups to fall in line with stereotypical thinking, resulting in mass replication and the standardization of culture. Adorno states that fascism needs only to *reproduce* existent mentality, not necessarily *change* it.[417] Thus, fascism is not purely a psychological issue, but can also be understood as a sociological phenomenon. Adorno says: “Fascism defines a psychological area which can be successfully exploited by the forces which promote it for entirely non-psychological reasons of self-interest.”[418]

For Adorno, this is all symptomatic of the modern era, where individuals are “social atoms, a function of collectivity,” thanks to technologies such as mass reproduction and broadcast media. In addition, most groups are aware of the artificiality of these pleas, and, in fact, have little to gain from following the demagogue, but nevertheless act out this identification and perform their support for the leader, who they realize is reciprocally performing his own role. Adorno states that this “supposed fictitiousness” of the whole thing is what makes groups so “merciless and unapproachable,” for if they stopped to think about what they are doing, there would be mass panic.[419]

In “Anti-Semitism and Fascist Propaganda,” Adorno takes these thoughts further. His ideas can be applied directly to the case of corporatism:

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[416] Ibid., 142 (italics mine).
[417] Ibid., 150.
[418] Ibid., 152.
[419] Ibid.

> The situation created by this exhibition may be called a ritual one. The fictitiousness of the propagandist oratory, the gap between the speaker's personality and the content and character of his utterances are ascribable to the ceremonial role assumed by and expected of him. This ceremony, however, is merely a symbolic revelation of the identity that he verbalizes, an identity the listeners feel and think, but cannot express. This is what they actually want him to do, neither being convinced nor, essentially, being whipped into a frenzy, but having their own minds expressed to them. The gratification they get out of propaganda consists most likely in the demonstration of this identity, no matter how far it actually goes, for it is a kind of institutionalized redemption of their own inarticulateness through the speaker's verbosity. This act of revelation, and the temporary abandonment of responsible, self-contained seriousness is the decisive pattern of the propagandist ritual. To be sure, we may call this act of identification a phenomenon of collective retrogression. It is not simply a reversion to older, primitive emotions but rather the reversion toward a ritualistic attitude in which the expression of emotions is sanctioned by an agency of social control.[420]

The ritual is the ultimate content of Fascism, and offers an emotional catharsis and reality that, though entirely specious, appeals so strongly to the individual's ego - specifically the creation of the individual's identity and people's innate fascination with and drive towards self-annihilation and destruction - that rational considerations are suppressed. Reality no longer matters.

To the public relations specialists exploiting Freud's insights to corporatist propaganda, all that mattered was that people consumed enough to keep up with the pace of production, and that the brands they chose at least temporarily fulfilled the longings that might otherwise make them dangerous to the status quo. Advertising, particularly on television, became the way to communicate those brand attributes. Over its first two decades, TV grew from a few programs with single sponsors (*Colgate Comedy Hour* and *Kraft Television Theater*), to full days of programming with interstitial advertisements for just about anything. Ads multiplied, taking up more time and costing more money as the years went on. In 1968, American corporations spent $2.2 billion on advertising. In 1984, they were spending $4.2 billion. By 2001, they were already spending $230 billion, $40 billion of which

[420] Adorno, 2002, 225.

was directed to children. Today, thanks to TV, print, billboards, and Internet banners, the average person sees over 3000 advertising messages a day. And deep down, all those ads are saying the same thing.

So far in this chapter, we have traced the environment of individualism created through the new medium of public relations. We began with an alternative, new historicist understanding of the invention of the individual in the Renaissance, in our effort to undermine the mythology of individual empowerment and replace it with an alternative vision of individualism as by-product of the early industrial environment. We then traced the earliest approaches to branding as practiced by Colbert, in order to show how this medium grew out of parallel corporate needs, and as a replacement of resource value.

With the brand and the individual established, they were applied in a divide-and-conquer strategy against the worker, as a means of placating and pre-occupying potentially dangerous war veterans, and as a way of directing the attention and stoking the appetites of a rising middle class. In a quasi-fascistic makeover foretold by Adorno, the public relations industry effectively turned Americans against one another, making heroes and saviors out of the very corporations disempowering them.

As a medium, the brand amplified individuality, obsolesced community, and retrieved fascism. What happens as it flips into extremes? That is what we will consider over the next half of this chapter, as we pursue the brand and the individualism it promotes through advertising, cults, neuromarketing, and reality TV – and, finally, the branded hyper-individual who emerges from this environment.

3.4 You are Nothing Without Us: The Monopolization of Aura

As American culture critic Mark Crispin Miller explains: "Advertising doesn't merely mean to suffuse the atmosphere; it means to become the atmosphere."[421] There is no way out, no alternative to the world it depicts. The cumulative effect of all this messaging has less to do with promoting any particular product than it does with promoting the underlying message of advertising itself: you, the individual consumer, matter. As burger chain McDonalds' jingle put it: "You, you're the one."

But, as Miller suggests, the environment created by the medium of advertising simultaneously disempowers the individuals it celebrates. This is an interesting bit of slight-of-hand, that has turned into something of a cat-and-mouse game between corporations and the consumers they would control. Branding and the faux individuality it requires and reinforces are constantly updated in light of new forms of resistance. The media landscape

[421] See interview with Mark Crispin Miller in Dretzin and Rushkoff, 2001.

becomes a battlefield of corporate ideologies while also becoming a wasteland for anything or anyone that formerly held what Walter Benjamin called “aura.”

The images populating American ads reinforce a national mythology of strident individualism. The Marlboro Man stares out in profile at the western frontier; he has his cigarette to keep him company. This is America’s overarching brand identity. The family settles in around its Sylvania television set, safe and entertained completely independent of the outside world. Even today, as spokesmodel for Allergan Inc., the actress Virginia Madsen equates using Botox with self-affirming feminist values: “I work out. I eat good foods. And I also get injectibles.” The “army of one” lets you “be all you can be,” while McDonalds still insists “you deserve a break today.” It’s all you, and you alone. “Just be” — as soon as you purchase some Calvin Klein “CKBe” perfume.

Even so, as the ad slogan goes: no one gets between Brooke Shield and her Calvins. There is to be no direct connection between the humans. The only way to express one’s individuality or to interact with others, if one still chooses to do that, is through corporate branded products. An ad ridicules a grandmother for daring to knit Christmas presents for her family and shows just how disappointed they will be by her pathetically homemade gifts. Is she that stupid — or just that cheap? Doesn’t she know there’s a dot-com merchant who lists the presents they already want? Ones labeled with real brand names that people know?

Cagier marketers pull from the other side of the equation, giving people the tools they need to *ask* for the presents they really want. We no longer need to get married or have babies to sign up for a gift registry; many online merchants offer customers the chance to create lists of what they want, fully accessible to other users at any time. Teenage girls on MySpace offer extra pictures and private chats to men who buy the things on their personal registries. Though it's a form of prostitution, perhaps asking for presents instead of cash takes the edge off the transaction. When people relate socially through an Amazon.com “wish list,” it’s a move in the other direction. We can get the stuff we want from people who don’t know us well enough socially to be able to make such a decision for themselves. And that’s just the way marketers should want us: dependent on brands for our self-presentation. Even though young people don’t expect to actually receive the things on their many wish lists, they use them as a way to indicate to others what they aspire to own — the brands that would define them.

The premise of one Dell computer campaign is that in order to get what you really want from a loved one, you need to enlist the “star power” of Burt Reynolds, Ice-T, or another celebrity to ask for gifts on your behalf. After picking a product and a spokesperson from the Dell website, you are supposed to let Dell spam the people in your address book, who will receive emails from the celebrity beckoning them to the site and your gift request. Not only do our gifts need to be major brands, but we’re supposed to communicate *about* our gifts through branded celebrities, as well. As Burt explains: “I can’t hear you because…you’re not famous. If you’re a nobody, get a somebody to help you get the Dell you want.”[422]

However transparently obvious or even self-parodied this marketing may seem, branding works.[423] Contact with brand or branded celebrity seems more real, more trustworthy, and less messily personal than direct contact with another human being, especially in a desocialized society. On a certain level, this is understandable or even useful. In a foreign country with questionable water sanitation, a Coke machine with sealed cans is a welcome sight. Western consumers trust that a company of Coke’s size will have sourced or cleaned its water properly at an officially sanctioned bottling plant — and there is a giant corporation with tremendous liability and assets at stake if it hasn’t. (I remember how carrying American Express Travelers Checks made my parents feel safe when we toured the Arab district of Jerusalem — as if the credit card corporation were an extension of the U.S. consulate and military.) An almost existential version of the same fear follows people home, leading them to use brand names as guideposts orienting them to the world. Kids buy National Basketball Association caps, and leave the tag hanging off the button on the top. That tag, complete with holographic NBA logo, proves the hat’s authenticity. Is it more convenient to have a little tag flapping around on your head all day? Of course not. But it proves money was spent, and creates a sense of connection with the values of the corporation that produced it. An Airwalk or Simple brand sneaker helps a kid define himself as “counter” to the mainstream values of Nike or Adidas, while shopping at Target — thanks to its ads alone — keeps the worried thirty-something closer to shabby chic than at Wal-Mart or Costco, even though they all sell the same products.

The brand transcends and in some cases replaces time and space. A Disneyland souvenir used to have some connection to a trip to Disneyland. As commercial as it may have seemed back in the 1960s, Disneyland’s “Main Street USA” was at least a part of the theme park, standing just inside the entrance. Its souvenir shops welcomed tourists as they arrived, and gave kids a final chance to bring some of Disneyland home with them when they left. Today, a Mickey Mouse doll, “ears,” or genuine animation cell is available at a Disney Store in the local mall.[424] Does a Mickey Mouse hat bought at the mall store have any less connection to Mickey or the Magic Kingdom than one bought in the shop on Disneyland’s Main Street USA? Both are manufactured in the same factory in China, under conditions no one really wants to know about. But the hat itself is no longer the souvenir of a place or a trip, but of a

[422] Topolsky, 2007.
[423] Arvidsson, 2006, 70.
[424] All of America’s Disney Stores, except for the flagship location in Manhattan, have actually been owned and operated by a different corporation, The Children’s Place, LLC, under a long-term licensing agreement. As of this writing, Disney is working to buy them back, and close a third of them so as not to dilute the Disney brand any further.

more abstract brand. It's an imitation of a souvenir — a souvenir once removed. The brand has replaced what we might call its aura.

The problem with this, as originally pointed out by Walter Benjamin in his seminal essay "The Work of Art in the Age of Technological Reproducibility," is that by removing something from its original context or setting, we kill the sense of awe that we might attach to its uniqueness.[425] Great works of art were once intrinsically a part of their settings. The stained-glass windows at Chartres are inseparable from the cathedral in which they are set, as is the ceiling of the Sistine Chapel from the basilica, or even Stonehenge from its countryside. According to Benjamin, the pilgrimage to the work of art and the specific location the encounter takes place makes for a sacred event. Once The Last Supper is brought to a generic museum or, worse, replicated thousands of times in a book, it has been removed from its context — from the material processes of its creation. It loses both its religious power as well as its connection to the creativity and labor that produced it:

> No investigation of the work of art in the age of its technological reproducibility can overlook these connections. They lead to a crucial insight: for the first time in world history, technological reproducibility emancipates the work of art from its parasitic subservience to ritual. To an ever-increasing degree, the work reproduced becomes the reproduction of a work designed for reproducibility. From a photographic plate, for example, one can make any number of prints; to ask for the "authentic" print makes no sense. But as soon as the criterion of authenticity ceases to be applied to artistic production, the whole social function of art is revolutionized. *Instead of being founded on ritual, it is based on a different practice: politics.*[426]

We are highlighting Benjamin's more negative sentiments on these developments not in order to distort his findings, but to limit them to what is occurring in the corporate sphere of influence. As Benjamin argued, the reproduced work of art is much more accessible. Thanks to photographic technology, any schoolchild can see a pretty accurate picture of The Last Supper in a book or on the Internet. No expensive airfare or museum admission needed. The reproduction not only politicizes art — it democratizes art.

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425 Benjamin, 2008, 23.

426 Ibid., 24-5 (Benjamin's italics). Of course, Benjamin later qualifies this loss of uniqueness when he discusses forms of art that themselves based on mechanical reproduction, such as movies. As a blogger and videographer, I would have to agree that these media can be utilized as primary forms of expression – but it doesn't mean that my Tweets convey the same sort of aura or promote the same sort of human connection as when I whisper in a friend's ear.

But, according to Benjamin, there's a danger when people mistake that picture for the work of art itself, because it is now being presented devoid of its "aura." Influenced by Marx and having witnessed Nazi Germany, he and other members of the Frankfurt School were concerned about disconnecting a work of art too far from the people, places, and processes surrounding them.[427] Once people are relating to mass-produced symbols and imagery as if they were real, they are much more susceptible to mistaking any spectacle for real life. The symbol can be invested with anything. Among the Frankfurt School, Benjamin was perhaps the least uniformly critical of these developments. He saw both the manipulative and emancipatory potential for these new media beyond that of traditional arts that could only be appreciated by elites. But his faith in the power of popular artists and the perceptual capability of popular audiences was contingent on both access to these media and the ability to see and think. Media can be created with the intention to distract, or to promote contemplation. While Benjamin's faith in our ability to participate actively as producers and consumers of reproduced media, he may not have been fully taking into account the environment created by large-scale corporate media as mediums.

Contemporary marketing achieves on a regular basis what Benjamin thought only capable of the Dadaists. By taking the trinkets of everyday consumption and turning them into items of "contemplative immersion," the Dadaists were able to achieve the "ruthless annihilation of the aura in every object they produced, which they branded as a reproduction through the very means of its reproduction."[428] In an intentional breach of the prevailing artistic ethos, Dadists confused their audiences by provoking a contemplative response to artworks that were mere distractions, and distracting people with works that deserved contemplation. For the Dadaist, this obvious destruction of aura prompted a necessary and desired outcome: public outrage.[429] This same process is compounded and reinforced in contemporary advertising, but in Benjamin's terms, today's target audience is far too much "shocked" and "distracted" to feel any outrage at all — it's just life as usual.

Worse, according to Adorno and Max Horkheimer, what had been experienced as culture is now free to present itself, unapologetically, as an industry:

> All mass culture under monopoly is identical, and the contours of its skeleton, the conceptual armature fabricated by monopoly, are beginning to stand out. Those in charge no longer take much trouble to conceal the structure, the power of which increases the more bluntly in its existence is admitted. Films and radio no

[427] Actually, Walter Benjamin's colleagues Theodore Adorno and Jürgen Habermas would argue this much more forcefully. Benjamin was, himself, torn on this issue.
[428] Benjamin, 2008, 39.
[429] Ibid.

longer need to present themselves as art. The truth that they are nothing but business is used as an ideology to legitimize the trash they intentionally produce. They call themselves industries, and the published figures for the directors' incomes quell any doubts about the social necessity of their finished products.[430]

And this was in 1944, an era most of us still look back at as *predating* the corporatization of all media.

The danger is not just the puerile nature of media, art, and product created under this system, but the way a commodity culture perpetuates the interests of industry above all else. As a media environment, the reproduction industry becomes more important than the things being reproduced. Movies serve Warner Bros., cars serve General Motors, and money serves the Federal Reserve. The apparent fidelity of the reproduction — the THX, Dolby Surround, or HDTV resolution — becomes more important than the allegory or narrative, if any, on offer. Disconnected from any original context, the remaining works of art or cultural products can be *re*connected to any ends the distributor chooses. Iggy Pop's songs sell Carnival Cruises, *The Simpsons* subsidizes the creation of Fox News, or, as Adorno originally complained, the language of German folk culture can be disconnected from the folk and exploited on nationalist radio to promote the Führer.

Today, the principle factor determining whether an image finds an audience is whether its sponsor can infiltrate the mainstream commercial media — a formerly public conduit controlled almost entirely by private corporations (in Western nations, mostly under the auspices of quasi-government regularity entities and lobbyists). While the images they create may be accessible to all audiences, these audiences are not accessible to all creators, or even to one another. The image itself, divorced from whoever created it or whatever it may have once meant, is now in the service of the image-maker, if even that. The image-makers, whether working at Paramount, Pixar, or Publicis, are employees fulfilling a contract to a corporation like Proctor & Gamble. And people who may have once interacted directly now do so through the language and imagery of branding. Are you a Mac person or a PC person? *Who* are you wearing? What's in your Netflix queue?

Of course this deep disconnection from the creation and distribution of products and meaning is recast by the advertising industry as a form of empowerment. Kids have certainly been "empowered" to represent themselves through highly sophisticated brand iconography. The more that companies invest in their brand meaning systems, the more value a kid will get out of wearing Levi's, watching *Adult Swim*, using a Virgin Mobile phone, or smoking Camel Lights. The brand universe becomes an alphabet through which young people can assemble

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430 Adorno and Horkheimer, 2007.

their own combinations of meaning and identity — and then walk down the street displaying a unique collection of iconography.

Adorno captures this phenomenon more precisely in his 1941 essay "On Popular Music," where his discusses with vigor the mass audience's detestable "jitterbug enthusiasm" for pop.[431] To be fair, in retrospect many of Adorno's arguments seem to smack of snobbism. He says he hates jazz, although his description and understanding of the genre make it sound more like a random, uncultured form of superficial expression. And sometimes it is hard to distinguish his personal aesthetic distastes from his greater cultural critique. But he is absolutely valuable to our understanding of industrial culture as a media environment, and its ability to generate a phantom self. For Adorno, cultural standardization as seen in music, film or brand identity carries with it the "necessary correlate" of pseudo-individualization:

> By pseudo-individualization we mean endowing cultural mass production with the halo of free choice or open market on the basis of standardization itself. Standardization of song hits keeps the customers in line by doing their listening for them, as it were. Pseudo-individualization keeps them in line by making them forget that what they listen to is already listened to for them, or pre-digested.[432]

The cultural homogeneity created by branded existence allows consumers to think they are making pure, individual choices. But in reality, control is reduced to a simple binary decision — do I like this, or not?[433] What we like, we remember — and might identify with — as what we dislike slips out of our awareness altogether. So Adorno's pseudo-individual, once choosing what cultural artifacts and brands to follow, begins to categorize them on a scale that ranges from "vague remembrance" to the "psychological transfer of recognition-authority to the object."[434] The top end of this range accounts for the sort of consumer who takes for granted the success of an album just because it was spun by a certain DJ — because it "belongs," it belongs. And not only does it belong, it assumes control, allowing the listener to draw from it a sense of identity, and also a sense of longing. This longing can only be fulfilled by ownership of the object, as well as ownership of the *identity* the object suggests. Once this ownership and identity are assumed, the pseudo-individual begins "plugging" for the object — further spreading the pseudo-individual mentality.[435]

When one's tastes are so easily dictated by the culture industry, the self is destroyed — or at best hollowed — and replaced by manipulative control mechanisms:

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[431] Adorno, 2009, 280.
[432] Ibid., 288.
[433] Ibid., 290.
[434] Ibid., 302.
[435] Ibid., 305.

> The sacrifice of individuality, which accommodates itself to the regularity of the successful, the areas of what everybody does, follows from the basic fact that in broad areas the same thing is offered to everybody by the standardized production of consumption goods. But the commercial necessity of connecting this identity leads to the manipulation of taste and the official culture's pretense of individualism which necessarily increases in proportion to the liquidation of the individual.[436]

By creating an artificial language and environment through which people project their sense of identity, corporations – through their contemporary brands - assert control over the behaviors people engage in to realize their falsely constructed selves. A coffee becomes a "Frappuccino," a registered trademark of the Starbucks corporation, and linguistic handshake through which a member of the Starbucks pseudo-community can connect with the corporation guiding him.

Now we can see the beginnings of what a pseudo-individual "flips" into as he assumes his new identity within pseudo-religions and pseudo-communities of the branded environment.

An advertising strategist and author named Douglas Atkin, developed the science of "cult branding" around this basic insight. It's Atkin's belief that there's nothing inherently wrong with corporations providing people with the systems they use to make meaning and forge identities in the modern world. While in another era a person might have used the Catholic Church's saints as the collection of symbols through which to assemble a meaning system, today a person uses an array of icons created by corporations. What's inherently worse in this? As Atkin writes;

> The evidence of my and others' research is that whether we like it or not, brands are being used as credible sources of community and meaning. And I think there's an important reason why they have been elevated to this role.[437]

According to Atkin, corporations have simply stepped in where traditional meaning-makers have failed us. If churches and civic organizations have become incapable of providing people with meaning, why shouldn't corporations provide this necessary human need? What this

[436] Adorno, 1991, 41.
[437] Atkin, 2004, 202.

analysis leaves out is that the failure of churches and civic organizations was not an entirely unaided phenomenon. Corporations, sometimes as a part of misguided government strategy, intentionally undermined the foundations of community organizations from union halls to credit unions in their effort to promote self interested consumerism. Atkin conducted dozens of focus groups with the members of real and "consumer" cults — from Scientology members to Harley-Davidson riders — and found them yearning for the same things: to belong, and to make meaning.[438] By investing a brand with the qualities that make cults so compelling, Atkin helped the corporations who hired him build deep connections with consumers. Whether a laptop or a pair of running shoes can actually come close to fulfilling either of these fundamental needs depends on just how disconnected people are from the possibility of their genuine fulfillment in the first place. The more desocialized people are, the more dependent on Atkin's external, prefab meaning systems they become.

The other main difference between brand cults and real religion, culture, or art, of course, is the intent. While religious iconography may almost inevitably become corrupted by one institution or another, its original intent is to communicate values and meaning useful to human beings or society's interests. Whether each of the Ten Commandments is valid or appropriate in hindsight is less important than the fact that they were written with the intention of making society more functional and ethical. Some human being somewhere participated mindfully in their creation. The symbols emerging from corporate advertising have no such origins. They are the product of focus groups and brainstorming sessions. They are icons and images tested to evoke a response, and nothing more. If people are using corporate iconography as their meaning systems, then their ability to interact through them will be limited to the kinds of ideas and values that push corporate products. Values that don't resonate with buying things – such as those that actually bring people into direct contact with one another – will be eschewed in favor of those that require corporate-manufactured intermediaries.

The net effect is to reduce interaction and connection under the guise of increasing autonomy. People are free to make meaning together, as long as they do it under the auspices of a corporate cult. Atkin argues that this drive toward cultish participation is already an inherent human need; in the focus groups he conducted with consumers over his decades of study, participants naturally gravitated toward cult-like language. They demonstrated a fanatical devotion to certain brands and revulsion to others. But what Atkin forgets (or ignores) is that his sample was not engaged in their real lives; they were participating in focus groups! They were each paid about hundred dollars, removed from their normal context, put into a conference room, and made to talk with fellow consumers about a particular product category. In these completely alien surroundings, conversing with total strangers, the focus

[438] Ibid., 29.

group participants gravitated toward their common brand interests. That the importance of recognizable brand iconography should be magnified is the nature of the focus group. That's why the group is called "focus."

Yet this requirement for a target devoid of context also betrays the aim of most brand communication, which is to remove or devalue all meaning systems other than the one the brand can provide. Isolate the target, then advertise to him.[439] Interviewing industry professionals for both my book *Coercion* and my documentary THE PERSUADERS (2003), I found advertising executives and creatives tended to justify their craft by casting themselves as pure "meaning makers" rather than meaning takers.[440] They expressed the sense that they are working on a blank canvas - a given circumstance of culture - rather than a landscape that their own industry has sterilized, and a consumer who has been quite deliberately individuated in very particular ways.

We can only conclude that, the possibility of innate evil aside, these people are no more the creators of the branded media environment of pseudo-selves than they are its residents and victims. The old adage for corrupt businessmen and cheating spouses, "don't shit wear you eat," cannot be followed in a world where advertising executives live in the very same world and watch the very same media as their targets. This is because the lines of communication are not between these executives and the consumer culture, but between corporations and the consumer culture. The admen are just another form of media. As human beings, they are as susceptible the messages they craft on behalf of corporations as anyone else.

Kevin Roberts, the CEO of the once colossal Saatchi & Saatchi, celebrates the fact that "the consumer is now in total control."[441] He waxes sentimental as he describes the new empowerment:

> I mean she can go home, she's going to decide when she buys, what she buys, where she buys, how she buys....Oh boy they get it you know, they're so empowered at every age. They are not cynical, they are completely empowered; they're autonomous. All the fear is gone and all the control is passed over to the consumer. It's a good thing.[442]

As Adorno warned us, however, this control is limited, though, to what can be accomplished from within the role of an individual consumer. The consumer is now free to choose between

[439] See my *Coercion* for much more on this tactic, its history, and its proponents. (Rushkoff, 1999)
[440] My TV documentary for PBS Frontline, *The Persuaders*, is available for viewing online at http://frontline.org - (Rushkoff and Goodman, 2003.)
[441] Ibid.
[442] Ibid., raw footage, cut from broadcast version.

one corporation's breakfast cereal and another's. Or, more likely, between two brands of cereal produced by the same corporation, or selling the same Big Agra company's wheat, or owned by the same shareholding consortium. As we will see increasingly in the branded environment, choice becomes redefined as decision points offered by the authors of the closed game in which the pseudo-individual operates.

This doesn't dissuade Roberts. "There are many kinds of love and love takes many shapes and forms," he explains.[443] His crowning achievement at Saatchi (announced just two weeks after he lost their very real Tylenol account of 28 years) was an abstract selling system he calls "Lovemarks." A Lovemark, as Roberts defines it, is: "A brand that has created loyalty beyond reason. A brand you recognize immediately because it has some iconic place in your heart." He doesn't mean this in the self-conscious, ironic sense of being cheekily enamored of a certain candy bar or soap. He means real *love*. "Tide is not a laundry detergent. It's an enabler. It's moved from the heart of the laundry to the heart of the family."

In developing such campaigns for their clients, Roberts and those of his ilk invest their brands with the emotionality and meaning they understand to be missing from daily life. "So we have to create for these great Lovemarks wonderful stories that connect past, present and future, that involve you, that you can participate in, that make you smile, or they make you cry, but what they do is they make you feel."[444] The inference, of course, is that nothing or no one else has that capability anymore. Each major brand — each "superbrand" in our culture lays claim to a transcendent idea capable of generating these highly charged emotions in consumers.[445] For Nike it is transcendence through sports. For Starbucks it's the notion of creating a "third place" that's neither work nor home. Apple has creativity, Benetton has claimed multiculturalism, Ben & Jerry's has hippy conservationism, and Levis owns authenticity.

But there are only so many of these big concepts to go around. As brands look to be the next big thing, they change agencies with increasing speed. The average client-agency relationship in the US was 7 years in 1985, and 5 years in 2001.[446] By 2007, only half of agency engagements lasted more than two years.[447] The loss of a major client weakens any agency, making it temporarily vulnerable to acquisition by one of a few tremendous networks of agencies: Publicis, Omnicom, WPP, and Interpublic. These aren't advertising agencies, themselves, but holding companies that have reduced the agencies they own to relatively interchangeable commodities. As a result, more than promoting any particular client, most agencies are left simply trying to differentiate themselves from the competition. First

443 Ibid.
444 Ibid.
445 Klein, 2001, 50.
446 American Association of Advertising Agencies, 2001.
447 Whittaker, 2007.

products, then brands, and now the agencies developing the myths behind those brands have become interchangeable.

The precession of the simulacra appears to spare no one. This is because the greater corporatist environment tends to commodify any form of production or value creation. Even though advertising may have been invented to camouflage the inauthenticity and sameness of corporate offerings, it amounted to a form of value, or at least a pseudo-value on the branded landscape. The ability to convey differentiation provided by those working in the advertising industry was itself a creation of value. That's why – as we'll come to see even more clearly in Chapter 4 – it was ultimately incompatible with the values of the corporatist landscape, which by its embedded structural biases serves to extract value and neutralize value creators as "externalities" rather than reward them. This leads advertising agencies into ever-more extreme contortions to prove their worth to corporations.

So agencies hire increasingly compelling-sounding psychologists, anthropologists, and sociologists, to offer themselves an "edge." These well-credentialed folks will reach to pretty much any tactic capable of persuading his client agency and, in turn, the agency's corporate client, that they can offer a competitive advantage. This means developing techniques that appear ever more clever, ever more persuasive. They portray the relationship between producer and consumer (or advertiser and audience) as a game of cat and mouse, in which an intellectually superior hunter appeals to the most primitive or unconscious instincts of the prey.

"They're like cockroaches," explained one marketing psychologist who had rented a display booth at the Advertising Research Foundation's annual convention in 2008, referring to consumers. "You come up with one kind of pitch and they evolve a new defense." This gentleman, a Phd. graduate of Stanford was selling his company's services as "life-cycle" specialists.[448] The idea is to catch consumers when they are most vulnerable to trying something new — to adopting a new myth. This tends to happen along with a major life change or loss: marriage, the birth of a baby, a life-threatening illness, the death of a parent or spouse, menopause, and so on. "Chances are, the emotional trauma won't be addressed on a personal level. Most people don't have access to counseling or support from a family member," the life cycle specialist explained. "So a new brand has an opportunity to make a connection." Like an opportunistic cult recruiter, he sizes up psychographic groups for their vulnerability to a new brand pitch, and then tells corporations where and how to focus their efforts.

Young GenXers who thought they had beaten the marketing machine are drawn back in when they become parents by hip websites capitalizing on the psychological side effects of having a baby: Are you still cool? What does it mean when you buy a Sex Pistols T-shirt for

[448] He later threatened lawsuit if his name were used in my published research.

your baby? And, more important, which stroller tells fellow "still-cool" parents you are one of them and not the "other" kind of parent?[449] In a similar way, organized religions target freshmen college students during their very first weeks away from home, hoping to draw lapsed members back with promises of moral certainty, a return to simpler times, or even safe, God-approved sex.[450]

The Fortune 500 member Acxiom, one of the world's largest market research firms, churns the data required for corporations to find each and every person at the right moment for each pitch. All the applications people fill out, the taxes they pay, the licenses they use, the credit card purchases they make, the website they visit, keystrokes they make, and even their credit reports, are purchased or traded to Acxiom, which stores and compares the data. The company then creates models — usually about seventy different ones — for each main psychographic type. According to Acxiom, I am probably a shooting star: "36 to 45, married, wakes up early and goes for runs, watches Seinfeld reruns, travels abroad, no kids yet, but undergoing fertility treatments." The specificity of detail is scary, as is the ability of the corporation's computer program to reduce human activity and aspiration to predetermined, quantifiable measurements.[451]

The data from companies like Acxiom are responsible for the offers that arrive in people's mailboxes, as well as the language that's used in them. This is the data a telemarketer's computer uses to direct him to which of a hundred different possible scripts to use when speaking to each of us. The company doesn't really know anything about any consumer, in particular. They don't really care or need to know for Acxiom's selling systems to function. All they need to do is look at one consumer's behaviors and then compare them with everyone else's. If Acxiom determines that people who travel between six and eight miles to work in the morning will be more likely to vote Republican if they own a cat, and Democratic if they own a dog, then this is all that matters. (Both political parties currently purchase this data when determining whom to pitch and which pitch to use.)[452]

It's a way to treat people as a mob, individually. The programs give corporations direct access to what we may think of as people's humanity, emotions, and agency but, in this context, are really just buttons. Addressed in this one-to-one fashion, people respond mechanically.[453] The computer program adjusts and improves learning to predict the human's next evasive maneuver and then presenting him with a product, a brand, or even a candidate that embodies his resistance.

Another company featured at the Advertising Research Foundation conference, NeuroFocus, offers advertisers a look at individual consumer brains responding in real time to

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[449] These and many more examples are on view daily at Babble.com, a baby knowledgebase Web site.
[450] Einstein, 2008, 115.
[451] Rushkoff and Goodman, 2003.
[452] Ibid.
[453] Fogg, 2003.

packaging and pitches. To accomplish this task, the company slides a test subject into a hospital's MRI machine and then watches neurons firing in the person's brain. "We measure attention, second by second; how emotionally engaged you are with what you're watching, whether it's a commercial, a movie, or a TV show; and memory retention," explained A. K. Pradeep, the company's chief executive.[454]

NeuroFocus makes recommendations to its clients based on how consumers' brains light up when exposed to a particular product label or spokesmodel. No conscious participation from the consumer is required, as the ads are fine-tuned to speak directly to the individual's cortex. While consumer advocacy groups are up in arms[455], the advertising industry is absolutely entranced by the idea, even going so far as to get their own MRI machines. The neuromarketing industry's advocates are quick to defend their use of medical technology on, or against, the American consumer. When challenged by public-health groups, they claim that they would never "meddle" with a person's "normal, natural response mechanisms."[456] Of course, by announcing their voluntary refusal to use their tools this way they are implying that it is well within their ability to so if they chose to. In an argument equivalent to "guns don't kill people, people do," they are quick to point out that they're just scientists — messengers, really — selling the brain data to corporations who will use it as they see fit.

As if in a science fiction movie, the end result of all this consumer research and anthropology-based product and marketing development is a direct feedback loop between corporate computers and individual brains. The opportunities for human intervention in the creation of products and media diminishes as a more automatic process takes over. Nowhere is this more evident than in youth programming, where researchers fastidiously research teen culture for clues for what and how to market, while teens themselves scour the teen networks for models of how to dress and act. Teen intelligence firms such as "Look Look" hire commando squads of teen reporters to do research on their peers.[457] Armed with digital cameras, these marketing 'narcs' snap pictures of street fashions and other trends, which then appear on the company's subscription-only website. Corporate clients use the trends — from new body parts kids are piercing to new ways they're tying their shoes — in their ads and product designs. Kids see these ads, and imitate what they see. Then they are photographed by more teen reporters, and so on.

MTV does this sort of research for itself. In the late 1990s the network noticed that its ratings were starting to slide and embarked on a new teen research campaign it calls an

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[454] Elliot, 2008.
[455] See The Center for Digital Democracy http://www.democraticmedia.org/ , Consumer Action http://www.consumer-action.org, and Consumer Watchdog http://www.consumerwatchdog.org for ongoing complaints and actions against practitioners of neuromarketing.
[456] Ibid.
[457] Gladwell, 1997.

“ethnography study,” which is led by marketer named Todd Cunningham. “We go out and we rifle through their closets,” Todd explained to me as I followed him to the home of one of the teens he was researching. “We go through their music collections. We go to nightclubs with them. We shut the door in their bedrooms and talk to them about issues that they feel are really important to them.” At the end of these “ethnography study” visits — for which MTV brings a video camera and a check for the teen — Cunningham and his team translate the visit into a video clip to show to MTV's executives. Cunningham said that as far as he is concerned, this is a win-win situation, because now MTV will more accurately reflect kids’ styles, concerns, and values.

The fault in Cunningham’s reasoning, of course, is that MTV’s research machine doesn’t listen to teens in order to make them happier — that’s not what the column containing “ethnography study” in the MTV balance sheet is named. They are not dedicated to creating new kinds of music and entertainment to promote a richer culture. Corporation's revenues depend on understanding trends so that they can sell people whatever it is they already have. Amazingly, in becoming the focal point in the mindless feedback loop between production and consumption, corporations have transformed themselves from authority figures into what the media critic Mark Crispin Miller calls “the tacit superheroes of consumer culture.”[458] As he explains:

> It’s part of the official advertising worldview that your parents are creeps, teachers are nerds, and nobody can really understand kids but the corporate sponsor. They are very busily selling the illusion that they are there to liberate the youth, to let them be free, to let them be themselves, to let them think different, and so on. But it's really just an enormous sales job.[459]

Whether or not any of these new and improved techniques work as advertised, they all engender an increasingly hostile and dismissive attitude toward consumers. Practitioners work to sell the idea that people are predictable and persuadable – at least when they are subjected to the latest manipulation systems on offer. So while arguing to themselves, their readers, and their associates that the consumer is empowered, in charge, and gaining control, these same marketing gurus are simultaneously offering their clients tools that they promise will make consumers almost completely programmable. More amazingly, they don’t see the contradiction. They believe they are simply helping the consumer get the things she really,

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[458] Dretzin and Rushkoff, 2001.
[459] Ibid.

truly wants – and she would know what they were if only she were smart and aware enough to see inside herself as well as a good marketer can.

As my interviews with dozens of them revealed, this generation of ad strategists and corporate psychologists is well aware of 1960s advertising legends David Ogilvy and Leo Burnett, and are avid viewers of the TV show MADMEN, but they go blank when I ask them about the Creel Commission, Edward Bernays, or NAM. Two generations removed from public relations' founding fathers, they seem oblivious to the biases that are now so explicitly a part of their work. They use techniques that assume the primacy of the corporation, the universal benefits of mass persuasion, and the incapacity of average human beings to make decisions in their own best interests. They behave as automatically as the consumers they hope to control, promoting a corporate agenda at the expense of agency.

When I press them on this issue, they quote a member of the new intelligentsia, such as the *New Yorker* journalist Malcolm Gladwell, who promoted an updated version of Lippmann's condescension of the masses. Gladwell's bestseller *The Tipping Point* portrays human society as a field of iron shavings moving unconsciously between magnetic poles. All you need to influence the behavior and choices of the crowd are self-confidence, magic, and a few friends.[460] As the novelist Walter Kirn wrote in his *New York Times* book review, "Malcolm Gladwell's *The Tipping Point* is a pop-science tribute to the hopeful notion that standing in the right place with the right lever is often all it takes to move the world. Like *The Power of Positive Thinking* and *How to Win Friends & Influence People,* the book should have a special attraction for salesmen who need to believe in commercial, secular magic. For while the book's arguments may be academic, their appeal is mystical, alchemical. You *can* get something for nothing, or near enough."[461] Revealing techniques like website "stickiness" and the power of "word of mouth" to sell products, Gladwell might well have been writing an update to Vance Packard's cautionary work, *Hidden Persuaders*, which revealed the advertisers' manipulative arts to the reading public for the first time back in the 1950s. But Gladwell instead appraises these techniques from the cool distance of an anthropologist. Though not a scientist himself, he sees simple, scientific adjustments to culture via technology, media, and marketing as the answer to our biggest problems. Humans will respond accordingly. It's all just chaos math.

Gladwell's even more disturbing follow-up, *Blink*, appears even more pointedly directed to the marketers who embraced *The Tipping Point*. *Blink* insists that human choices — even very important ones — are made almost automatically, in the blink of an eye. Gladwell points out the limits to free will and conscious decision and his book celebrates automatic, low-level functioning as somehow superior to considered rumination over things. Gladwell

[460] Gladwell, 2000.
[461] Kirn, 2000.

invents terms like "thin-slicing" to describe what we used to call "skimming," and argues that these superficial first impressions are not only more influential in our decision-making, but more accurate as well. Such "rapid cognition," as he likes to call this impulsive neural activity, may be more readily measurable by the MRI technician, but it is the least conscious of the options available to us. In some sense, it is also the least human. Gladwell's books and articles offer fewer real techniques than justifications to today's generation of compliance professionals for the way they treat their subjects. Perhaps unbeknownst to even himself, Gladwell serves as the modern Bernays, offering spiritual and intellectual rationales for underestimating or intentionally thwarting people's cognition.

> When you walk out into the street and suddenly realize that a truck is bearing down on you, do you have time to think through all your options? Of course not. The only way that human beings could ever have survived as a species for as long as we have is that we've developed another kind of decision-making apparatus that's capable of making very quick judgments based on very little information.[462]

And this sort of decision-making is not altered through arguments or education, but appeals to the unconscious, the use of hot-button emotional issues, or the exploitation of social situations and relationships. Gladwell readily admits that not all decisions made in the "blink" of an eye are good ones. Still, the underlying message of his books and many speeches to marketing conferences is that with the guidance of well-meaning outside influences, "blink" decisions can be directed toward almost any ends.

Gladwell isn't alone. Psychologists and linguists from Berkeley's Dr. George Lakoff to Emory's Dr. Drew Westen advise corporations and political parties alike to give up on facts and focus on framing issues instead. Accepting the impulsive emotionality of the voting public as a given to be exploited rather than a predicament to be corrected, they implore even the most progressive anti-elitists to given in and adopt Gladwell's "blink" philosophy. They point to the successful Republican strategist Frank Luntz, whose focus groups helped him reword "global warming" as "climate change," "estate tax" as "death tax," and "third-trimester abortion" as "partial-birth abortion." These simple adjustments had a profound effect on public opinion over the issues themselves. But Lakoff uses these examples of successful political marketing to expound a voters-are-idiots hypothesis. He says that people are too stupid to understand that a federal tax cut would only be offset by an increase in local tax or

[462] Gladwell, 2005, 11.

privatization. So rather than attempt to educate the masses, we should simply dispense with facts.

The result is a world in which a few educated experts compete against one another for the “blink” decisions of uneducated and unthinking human beings. Under such a system, the corporations with the most money would presumably have access to the best psychological technicians, and — just as Bernays would have hoped — would direct and control an otherwise unwieldy populace. Even if the best psychologists turn out to be well-meaning manipulators who work for non-profit organizations instead of for-profit corporations and lobbies, they’re still pushing people toward automatic, ill-considered, and often angry behaviors. That these techniques depend on isolating and targeting individuals, psychographic segments or, at best, consumer tribes, is irrelevant. The more people can be made to respond to hot button issues the more selfish, fear-based, and individualistically people will behave. And – as the current, “Tea-Party”-driven political landscape in America would indicate - it may even feel to them like an exercise of autonomy.

For slowly but surely, the techniques these experts employ for their commercials, packaging, and political slogans eventually seep into the culture at large. Instead of just watching media that acts on people in this dehumanizing fashion, people begin to act on each other this way as well. The advent of TiVo and other digital video recorders, combined with better consumer resistance to advertisements (the cockroach principle) has all but neutralized the effect of traditional advertising. TV ads cost more every year, but reach fewer people less effectively.[463]

The answer has been to make ads that look like shows, and real life into something like an ad. So finally, out of necessity as much as ubiquity, the brand is ready to flip into its own extreme. The environment of brands is then no longer one with discrete advertisements or marketing messages, but one where human beings are living within the advertisement itself. This will then lead the pseudo-individual to also flip into the extreme version of itself, the person-as-brand.

3.5 The Real World

Reality television began with the show COPS in 1989. At first, it seemed like a way of bringing documentary non-fiction to a more general audience. But as the genre proliferated, the use of handheld cameras in “real life” locales ended up having as much of an effect on its subjects as its audiences. People competed to get on these shows, and then competed for attention once

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[463] See my *Frontline* documentary, THE PERSUADERS,” for more on the decline of traditional advertising and the emergence of new methods.

they were on them. Something new was happening in television and its ability to serve advertising, and it wasn't entirely pretty.

In my efforts to understand the role of reality television in perpetuating or even upgrading the corporate spectacle while reinforcing the authority of its brands, I watched hundreds of hours of videotape. I kept finding myself most appalled by the indignities suffered by reality television's participants, and the extent to which such humiliation translated into series' success. Of course, the great precedent for such analysis of human nature was psychologist Stanley Milgram's work at Stanford.

In the 1960s, Milgram was horrified and inspired by the Nuremberg trial of Adolf Eichmann, who engineered the transport of Jews to Nazi death camps. Milgram wanted to know if German war criminals could have been "following orders," as they claimed, and not truly complicit in the death-camp atrocities.[464] At the very least, he was hoping to discover that Americans would not respond the same way under similar circumstances. He set up the now infamous experiment in which subjects were instructed by men in white lab coats to deliver increasingly intense electric shocks to a victim who screamed in pain, complained of a heart condition, and begged for the experiment to be halted. More than half of the subjects carried out the orders anyway, slowly increasing the electric shocks to seemingly lethal levels. (Such experiments were declared unethical by the American Psychological Association in 1973.)

Reality TV, at its emotional core, can be seen as an ongoing experiment in interpersonal torture that picks up where Milgram left off. Although usually unscripted, reality shows are nonetheless as purposefully constructed as psychology experiments: they are setups with clear hypotheses, designed to maximize the probability of conflict and embarrassment. For example, AMERICA'S NEXT TOP MODEL is not really about who wins a modeling contract, but rather about observing what young aspiring models are willing to do to one another under the sanctioning authority of supermodel Tyra Banks. Will they steal food, sabotage another contestant's makeup, or play particularly vicious mind games on one another?[465] SURVIVOR— on which contestants compete for survival in the wilderness — sells itself as a show about human ingenuity in the face of nature, but is better understood as a show about human scheming, betrayal, and selfishness in the course of competition. The infamous (and ultimately canceled) series JOE MILLIONAIRE, was set up as meticulously as any psychology experiment: over a period of several weeks, ten women competed for the attention and marriage proposal of a handsome man they were told was a millionaire. However, the moment after "Joe" proposes marriages, he also reveals that he is a middle-class construction worker. The climax of the program — and viewer discussion online — was when one aspiring

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464 Blass, 2009, 276.
465 Rushkoff, 2007a.

millionairess learns, under the glare of the television lights, that the man on whom she performed oral sex (within range of the show's microphones) isn't really a millionaire at all. Even Oprah Winfrey's supposedly feel-good offering in the reality TV category, YOUR MONEY OR YOUR LIFE features a family in a terrible crisis, and then offers an "expert action team" to fix up whichever toothless crack addict or obese divorcee begs the most pathetically.

By sitting still for the elaborately staged social experiments called reality TV, audiences are supplying further evidence for Milgram's main conclusion: "Ordinary people…without any particular hostility on their part, can become agents in a terrible destructive process."[466] Only in this case, it is the sponsor that serves as the authority figure in the lab coat, granting the audience permission to delight in the pain of others. The sponsor's ad for a national, usually wholesome brand interrupts the proceedings at just the right moment and bestows on the proceedings its seal of approval. It's a powerful tool for social programming that was recognized as far back as ancient Rome, where gladiatorial contests fought to the death were forbidden within a month of any election.[467] Lawmakers understood how a governor's "thumbs down" execution of a fallen fighter assumed authority for an entire coliseum's urge to see violence committed. He took ultimate responsibility for the mob's desire to see blood. The greater the transference of guilt and shame to the incumbent's authority, the greater the power he seized.

When reality shows are not working to call attention to the sponsor's authority over the proceedings, they are working instead to bury it. Programs ranging from MTV's REAL WORLD (one of the first reality shows) and QUEER EYE FOR THE STRAIGHT GUY to Donald Trump's THE APPRENTICE blend product placement into the fabric of the program itself. Sponsors pay for makeovers to include their cosmetics, or for Donald Trump's contestants to devise a new advertising campaign for their burger chain. While media-savvy viewers will skip over a "real" commercial, they appear more than willing to watch people compete to create a commercial for the very same product. It's a technique borrowed from an age long before mass media even existed. THE APPRENTICE and its corollaries display an environment and lifestyle to which the audience is supposed to aspire. Most people want to live like Donald Trump or Paris Hilton — at least in some respect. Just as Jean-Baptiste Colbert used Versailles as a showcase for the French luxury goods he hoped to export, sponsors from Marquis Jet to Verizon Wireless hope to position themselves as natural elements of the Trump world — a world that twenty contestants are willing to do almost *anything* to be a part of. Widely dubbed "the gold standard of product integration," Trump's program made the competitive materialism inherent to luxury culture an organic part of his show.[468] He is quite literally training people to be alpha members of a consumer society.

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[466] Milgram, 1963.
[467] Rushkoff, 1999, 106.
[468] Atkinson, 2006.

Just as in King Louis' era, the promotion ultimately serves no one more than Emperor Trump. The show depicts Trump as an arbiter of luxury and power. It's less an ad for its sponsors than it is for Trump's own properties, investment systems, country clubs and associated brands. As long as the public associates the Trump name with all the luxury items advertised and given away on his reality show, his brand will increase in value for both investors and consumers alike. The real difference, of course, is that unlike Donald Trump, King Louis XIV had no mainstream media to broadcast the goings-on at Versailles. His French branding was entirely dependent on the word of mouth spread throughout Europe by visitors. Colbert not only decorated the palace with 700 French-made mirrors, but outfitted royals and courtiers in the latest French silks, lace, and fashions, doused them in French perfume, and fed them French wines and cheeses. They were walking, living advertisements, modeling the clothes and products to Colbert's target market. The final stage in converting real life into a marketing opportunity brings us full circle to Colbert's technique. Only today it's not just members of the Court who are charged with launching these word-of-mouth campaigns, it is the public at large.

The term "viral marketing," (which, I must admit with a bizarre mixture of pride and sadness, originated with my early 90s book *Media Virus)* originally referred to news items and countercultural threads — the Rodney King tape, "smart drugs" or SOUTH PARK — that trickled up through mainstream media beyond the control of traditional gatekeepers. *Fast Company* magazine and advertising agencies saw in the concept a new version of the word-of-mouth that marketers had used successfully in the past promoting un-advertisable products like cigarettes or alcohol. Marketers would hire pretty girls to go into bars and ask men for a cigarette or vodka by their brand names. With the Internet up and running, a new way to conduct this viral-style marketing was now available. Thus, the chat rooms in which kids talk about their favorite bands are now populated by the paid shills of companies like the Cornerstone Agency, who pretend to be enthusiastic fans of the groups whose labels pay Cornerstone for publicity. Other professional "trolls" frequent bulletin boards, the comments sections of blogs, and other online social spaces looking for opportunities to spread the word about great new cameras, travel spots, medicines, or even acts of "corporate responsibility."[469]

With enough planning and organization, this process could be extended off the Internet and back into the real world – and not just for products that couldn't be advertised, but anything and everything. It started small, with companies like Sony hiring people to pretend to be tourists on the street, asking passersby to take their picture. Once the target had the camera in his hands, the fake tourist would tout the benefits of the Sony product. Converse hired college kids they had identified as trend leaders to wear Converse shoes. A firm called RepNation hired girls to wear items from Macy's American Rag collection and then talk about

[469] Howard, 2005.

them to their friends. This activity is attempting to imitate “real” world of mouth and consumer loyalty enjoyed by companies such as Apple. In Apple’s earlier days, Macintosh enthusiasts could be counted on to go into CompUSA stores when new products were released and demonstrate their benefits to consumers. But today’s brand enthusiasts are paid spokespeople. New firms such as “Buzz Marketing” and industry groups like WOMMA, the Word of Mouth Marketing Association, now conduct word-of-mouth campaigns on a scale unimaginable before. A study by PQ Media, which collects econometric data and researches alternative media, estimates that companies paid outside agencies $1.4 billion for word-of-mouth marketing in 2007, up from less than $100 million in 2001.[470]

This activity isn’t limited to fringe electronics gear or kids’ fashion; it has become a mainstay for the most traditional corporations and products, as well. Proctor & Gamble’s own word-of-mouth marketing armies have swelled to some 600,000 adult consumer-marketers, and over 200,000 teens. While kids push CoverGirl and Old Spice to their friends online and off, their mothers talk up Dawn detergent and Febreze air freshener at work or at the bowling alley. The adult campaign, code-named Vocalpoint, targets women with larger-than-average social networks. These popular moms speak to an average of 25 to 30 other women a day, compared to the normal mom who speaks with just five. Regions where the Vocalpoint campaign has been used sell an average of 17% more product than those relying on traditional advertising alone. P&G considers this marketing ethical, especially since its consumer representatives needn’t ever disclose to their friends that they were part of a marketing campaign so no friendships are put at risk – at least not through disclosure of the truth.[471]

Practitioners now like to call this exploitation of community and friendship “social marketing.” They don’t see it as the destruction of social reality, but its very rehabilitation. Sufficiently disconnected from the remains of a shared human culture, the amateur marketers believe that they are creating opportunities for people to engage with each other once again.[472] The products they’re pitching are just the excuse to start up a good conversation. Of the scores of people I interviewed who engage in these campaigns, none of them see any moral hazard. Some only advocate the products they believe to be beneficial, while others simply feel “empowered” by their ability to influence their peers’ purchasing decisions. The consumer chosen to be a product spokesperson gets to step into the role that only a trusted corporation could play before. On a landscape where the exaltation of the “self” is dependent on gaining a competitive advantage over one’s friends, how better to gain a leg up than to transcend the role of worker or consumer, and become a living part of a corporation’s brand image? It may as well be considered a form of corporate-enabled self-improvement.

[470] Schoenberg, 2008.
[471] Peale, 2002.
[472] Solis, 2010.

It also represents the last stage of the pseudo-individual consumer – the "collaborator" in fascist terms – before the pseudo-individual transmogrified into the fully corporatized human. The emergence of the branded self we are about to meet, though clearly representing a flip of the pseudo-individual into its most extreme permutation, should not be misinterpreted as a totally novel, unforeseen, or unprecedented form of personhood. As we have seen over the course of this chapter, it was precipitated by the developing needs of the branded environment. Moreover, as we will now discover, it was also a value system long embedded in the American culture.

3.6 "The Individual is Divine" — Self as Brand

From a media ecologist's perspective, the porous nature of people, institutions and media allows each and every part of a media environment to influence all the others. This is why the emergence of the self and the brand have been traced together. Each created and influenced the other, while simultaneously being influenced by and components of the greater environment of corporatism. As both get pushed to their extremes, we see them begin to merge into a single media entity: the branded individual. Instead of simply aspiring to own brands, humans aspire to become them.

It should not surprise us that, in America anyway, self-improvement and self-interest are equated with spiritual advancement. What might be called "spirituality" today is not at all a departure from the narcissistic culture of consumption, but its truest expression. By tracing their co-dependent history in America, we will see how consumer materialism and spirituality coevolved as ongoing reactions against the seemingly repressive institutions of both state and church.

The Puritans brought the late-Renaissance ideology of boundless frontiers with them to the new continent as Calvinism.[473] While the Puritan ethic is generally associated with hard work, proper investment, and devotion to charity, all this insurance for one's soul also promised a totally earthly gratification. Their ascetic renunciation was supposed to yield them a material bounty, and their human prosperity in this world was likewise a sign of their spirit's salvation in the next one. Not surprisingly then, the brand of Protestantism that developed in America as corporations took hold in the mid-1800s was already consonant with capitalism's requirements for infinite growth and exploitation of material bounty.

Oil tycoon John D. Rockefeller saw his monopolies as endowments from the Creator:

> I believe the power to make money is a gift from God…to be developed to the best of our ability for the good of mankind.

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[473] The original, and still best account of the marriage of capitalism to early American Christianity is Max Weber's 1904 book *The Protestant Ethic and the Spirit of Capitalism.* (Weber, 2003)

> Having been endowed with the gift I possess, I believe it is my duty to make money and still more money, and to use the money I make for the good of my fellow man according to the dictates of my conscience.[474]

Rockefeller treated his double-entry accounting ledgers as “sacred books that guided decisions and saved one from fallible emotions.”[475]

Likewise, the department-store magnate John Wanamaker saw in American Protestantism an emphasis on how people behaved rather than what they believed. He saw no contradiction, but a complete synergy between the sacred and the worldly – between devotion and consumption. Wanamaker expanded the Bethany Mission Sunday School, funding concerts, classes, and decorations – much the same kinds of innovations he brought to his department stores. He invited an evangelist preacher, Dwight Moody, to hold a revival meeting “tailored more than any that preceded it to the needs of business and professional people who wanted to be freed from the guilt of doing what they were doing.”[476] Religion became a way to support capitalism and purge reflection. The poor should not be helped in any case, lest their immorality be rewarded. Books like Charles Wagner’s *The Simple Life* criticized the social programs we now associate with churches, because they involve the redistribution of wealth which was a repudiation of the way God had given it all out. Instead, everyone should just avoid “pessimism” and “analysis,” and be “confident” and “hopeful.”[477]

Developing parallel to all this were the first stirrings of what we could call the American spiritual movement, or “mind cure,” to which Wanamaker’s window dresser L. Frank Baum belonged. In the 1893 Parliament of Religions at the World’s Columbian Exposition in Chicago, the great mind-cure healers were all brought together for the first time. These were the original practitioners of what we could call the “new age,” bringing together the values of consumerism with that of spiritual healing. In attendance were Mary Baker Eddy (the founder of Christian Science) and Swami Vivekananda (the founder of the Vedanta Society). These spiritualists engaged in esoteric practices. Baum’s own guru Russian Madame Blavatsky, claimed she could levitate, project herself out-of-body, and produce physical objects out of thin air. Mary Baker Eddy healed ailing farm animals as a child, and later taught people how to heal each other through exposure to Christ Truth. Vivekananda introduced yoga to the West, by pairing it with his particularly American-friendly notion that “Jiva is Shiva” – *the individual is divine.* By completely removing the traditional and institutional undertones from spirituality, they allowed their followers to embrace the here, the now, and,

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474 Chernow, 1998.
475 Ibid.
476 Leach, 1994, 201.
477 Ibid., 204.

most important, the self as never before, democratizing happiness and, not coincidentally, condoning consumption as a form of making oneself whole.

The new cult of personal happiness through bootstrapping found its way into every arena, most famously into children's literature, where it could take on mythic significance for successive generations. Eleanor Porter's *Pollyanna*, one of John Wanamaker's favorite tomes and a testament of the simple-life philosophy, tells the story of a young orphan who sees gladness everywhere. Regardless of any hardship imaginable, the girl experiences happiness and soon infects others with her irrepressible sense of joy. See it, feel it, be it. The universe will follow. In L. Frank Baum's *Wizard of Oz*, we get theosophy through the lens of a window trimmer. He Americanizes the fairy tale, softening violence and misfortune with color and abundance. The Wizard in the Emerald City can provide anything to anyone, and especially to pure-hearted Dorothy as long as she *believes*. It is mind cure at its best: carpe diem. And it quickly became a foundation myth for the new spirituality of self.

Despite its antiauthoritarian and self-affirming style, the mind-cure movement didn't offer a genuine alternative to American Protestantism, or a break from its manufactured individualism. Both movements focused on the salvation of the self — one through grace, the other through positive thinking. Throughout the 20th century, personal freedom would become the rallying cry of one counterculture or another, only serving to reinforce the very same individualism being promoted by central authorities and their propagandists. We were either individuals in thrall of the masquerade, or individuals in defiance of it. Corporatism was the end result in either case.

The mind-cure movements of Blavatsky and Eddy launched a self-as-source spirituality that dovetailed ever so neatly with the individualism promoted by corporate marketers and their psychology departments. Freud and his daughter Anna had led corporate psychologists to believe they could tame the irrational secret self by giving people symbols of power in the form of private houses, personal territory, and consumer goods.[478] Another school of psychologists, taking their cue from Freud's former student Wilhelm Reich, took the opposite approach — or so they thought. Reich believed the irrational inner self wasn't dangerous unless it was repressed, and that the Freuds' techniques did just this. These innermost impulses weren't violent; they were sexual. They should be liberated, according to Reich, ideally through orgasm.[479] Anna Freud — herself a virgin who had been analyzed by her father for practicing excessive masturbation — was committed to her father's legacy, and determined to take Reich down. She discredited his work and got him kicked out of the International Psychoanalytic Association.[480] He was later treated as a madman and imprisoned. The court ordered that all his books and records be burned. The battle lines in the

[478] Gay, 2006, 549.
[479] Reich, 1968, 3.
[480] Young-Bruehl, 2008, 202.

psych wars were drawn – but both sides were fighting for what for our purposes is the same thing.

By the 1960s, German philosopher Herbert Marcuse had revived much of the spirit of Reich — this time for an audience already dissatisfied with the spiritual vacuum offered by consumerism.[481] He was the most vocal member of the Frankfurt School, and spoke frequently at student and antiwar protests. Marcuse blamed the Freudians — as well as the government and corporate authorities who used their stultifying techniques — for creating a world in which people were reduced to expressing their feelings and identities through mass-produced objects. He said the individual had been turned into a "one-dimensional man" — conformist and repressed:

> We may distinguish both true and false needs. "False" are those which are superimposed upon the individual by particular social interests in his repression: the needs which perpetuate toil, aggressiveness, misery, and injustice. Their satisfaction might be most gratifying to the individual, but this happiness is not a condition which has to be maintained and protected if it serves to arrest the development of the ability (his own and others) to recognize the disease of the whole and grasp the chances of curing the disease. The result then is euphoria in unhappiness. Most of the prevailing needs to relax, to have fun, to behave and consume in accordance with the advertisements, to love and hate what others love and hate, belong to this category of false needs.
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> Such needs have a societal content and function which are determined by external powers over which the individual has no control; the development and satisfaction of these needs is heteronomous. No matter how much such needs may have become the individual's own, reproduced and fortified by the conditions of his existence; no matter how much he identifies himself with them and finds himself in their satisfaction, they continue to be what they were from the beginning—products of a society whose dominant interest demands repression.[482]

Marcuse became a hero to the real counterculture movement, and his words inspired the Weathermen, Vietnam War protests, and the Black Panthers.[483] They understood

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481 Marcuse, 2008.
482 Ibid., 7.
483 Kellner, 1984.

consumerism as more than a way for corporations to make money; it was also a way to keep the masses docile while the government pursued an illegal war in Southeast Asia. So breaking free of the consumption-defined self was a prerequisite to becoming a conscious protester. As Linda Evans of the Weathermen explained: “We want to live a life that isn’t based on materialistic values and yet the whole system of government and the economy of America is based on profit, on personal greed, and selfishness.”[484] But as Stew Albert, a cofounder of the anti-Vietnam movement the Yippies contended, the police state began in an individual person’s mind. People who sought to engage in political activism needed first to make *themselves* new and better people.

The counterculture and its psychologists again revived the spirit of Wilhelm Reich in the hopes of freeing people from the control of their own minds. To this end, in 1962 the Esalen Institute was founded on 127 acres of California coastline.[485] The Institute hosted a wide range of workshops and lectures in an atmosphere of massage, hot tubs, and high quality sex and drugs, all in the name of freeing people from repression. The Human Potential Movement — Renaissance individualistic humanism updated for the 20th century — began in an explosion of new therapies. Fritz Perls taught people how to kick and scream while George Leonard conducted “encounter sessions” between black and white radicals, and another with nuns from Immaculate Heart Convent in Los Angeles — a majority of whom discovered their lesbian sexuality and quit the order immediately afterward.

Underlying all of this therapy and liberation was a single premise: Esalen hero . The Brooklyn-born psychologist’s map for the individual’s journey to more liberated states of being held that people needed to fulfill their lower needs for food, shelter, and sex before they could work on higher ones such as self-esteem and confidence.[486] At the very top of Maslow’s pyramidal chart sits the ultimate human state: “self-actualization.” For Maslow and his followers, the goal of the self-actualizer was autonomy, independent of culture, environment, or extrinsic satisfactions. Agency, personal creativity, and self-expression defined the “actualized self,” once the lower needs – from food to friends - were addressed:

> Even if all these needs are satisfied, we may still often (if not always) expect that a new discontent and restlessness will soon develop, unless the individual is doing what he is fitted for. A musician must make music, an artist must paint, a poet must write, if he is

[484] Curtis, 2002.
[485] For a detailed history of Esalen, see Kripal, 2007.
[486] Maslow, 1998.

> to be ultimately happy. What a man *can* be, he *must* be. This need we may call self-actualization… The specific form that these needs will take will of course vary greatly from person to person. In one individual it may take the form of the desire to be an ideal mother, in another it may be expressed athletically, and in still another it may be expressed in painting pictures or in inventions. It is not necessarily a creative urge although in people who have any capacities for creation it will take this form.[487]

Finally, people would be free to "realize" their "selves." It seemed like the way out of the Frankfurt School trap. And so, like Frank Baum's *Wizard of Oz* character Dorothy embarking down the yellow brick road to self-fulfillment, thousands flocked to the hot tubs of Esalen to find themselves and self-actualize. Instead of annihilating the illusion of a self as Buddha suggested,[488] the self-centered spirituality of Esalen led to a celebration of self as the source of all experience. Change the way you see the world, and the world changes.[489] But instead of fueling people to do something about the world, as the Weathermen and Yippies had hoped, spirituality became a way of changing one's own perspective, one's own experience, and one's own *self*. By pushing through to the other side of personal liberation, the descendants of Reich once again found self-adjustment the surest path to happiness.

The self-improvement craze had begun. Instead of changing the world, people would learn to change themselves. Taking this as their central operating premise, the students of Fritz Perls, Aldous Huxley, and the other Esalen elders developed increasingly codified and process-driven methods of achieving self-actualization. Richard Bandler introduced the Esalen crowd to what he called NeuroLinguistic Programming, or NLP. Part hypnosis, part behavioral therapy, NLP sees the human organism as a set of learned neural patterns and experiences. By reframing one's core beliefs, a person can relearn reality. The NLP practitioner is a kind of hypnotist who can help reprogram his patients by changing their

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487 Maslow, 1943.
488 Jaspers, 1962, 31.
489 Kripal, 2007.

"anchors" "associations" and "body language."[490] This work trickled down both directly and indirectly to self-help gurus Werner Erhard and Tony Robbins, who democratized these self-actualization technologies even further through their workshops for EST (now the Landmark Forum) and "Unleash the Power Within." Erhard based his seminars on an insight he had gained as a used-car salesman: people weren't buying cars from him at all – they were buying something else that they were simply projecting onto the car. When he was doing his sales job properly, he was just selling people back to themselves. So why not do this without the cars at all?[491]

"The purpose of the EST training," seminarians were instructed, "is to transform your ability to experience living so that the situations you have been trying to change or have been putting up with clear up just in the process of life itself."[492] The objective is not to work on the outward circumstances, but on the inner obstacles to experiencing life in a fundamentally different way. Even if the insight had some value for certain people, the benefits of the EST experience were soon outweighed by the tremendous obligation to "enlist" others in the program. Instructors insisted that the only way to "get it" was to bring others into the pyramid. And if one did "get it," why wouldn't one want to share it with friends and family? Tony Robbins's "Unleash the Power Within" seminars explicitly married self-improvement with wealth and power. By walking across hot coals, his seminar participants were supposedly demonstrating to themselves the power of mind over matter and, presumably, over money and other people. While the initial focus of this commercial form of NLP may be on self-hypnosis, one only needs as much of that as is necessary to justify the hypnosis of others. That's why the focus of most NLP today is on applying it to sales, advertising, and even influencing jury selection and deliberation.[493]

While the Yippies and Vietnam protesters were becoming self-actualized NLP programmers, Madison Avenue was retooling its campaigns to these new, highly independent consumers. Daniel Yankelovich, a leading market researcher, studied the apparently nonconformist people of the 1960s and 1970s, and realized that they weren't anti-consumerist at all. They simply wanted products that expressed their individuality, their self-direction, and their self-actualization.[494] Meanwhile, the Stanford Research Institute hired Abraham Maslow to turn his hierarchy of needs into psychographic categories of American consumers, applicable to marketing.[495]

I am not proposing that an otherwise earnest self-help movement suddenly sold out, but rather that its foundational biases were finally expressing themselves – or being retrieved

490 Grinder and Bandler, 1983.
491 Bartley, 1978.
492 Sobel, 1998
493 There are many examples, but Hutchinson, 2010, is one of the more recent.
494 Curtis, 2002.
495 Maslow & Stephens, 2000.

in this new context. First imported from the East by mind-cure fans like L. Frank Baum to help rationalize the marketing of illusion as an ethical pursuit, the "religion of no-religion" was nothing more than a change in perspective. A new set of self-as-source glasses through which to see: Pollyanna's. Profiting off the new spirituality, or using it to develop marketing techniques, is not a corruption of this movement's core truths, but their realization. In that sense, the obligation of Landmark graduates to enlist their friends in multi-thousand-dollar courses really does confirm the teachings of Werner Erhard. In their logic, the refusal to do so indicates a weakness, an inability to master the energy of money, or a difficulty communicating with one's friends from a place of power. The woman taking New Age tonic or wearing healing magnetic jewelry passes it on to others more as a way of confirming her own belief in its efficacy than to help her friends. But it's a win-win, because the friends will be helped, too. A win-win-win, in fact, because she'll get to keep some of the profit as she passes the proceeds up to her supplier.

Every new self-help modality is an opportunity for a new pyramid of wealth-building as it is shared with successive groups of beneficiaries. The patient of a healer first pays to be healed, then pays even more to learn the technique and heal others. Finally, if he's lucky, he can move to the top of the pyramid and charge still others to be healed, themselves. At each successive place in the hierarchy, the practitioner has invested more time and money, and economic activity has increased.

Getting past any guilt, shame, or ethics, today's self-help practitioners no longer consider profit to be a happy side effect of their work, but its raison d'être. *The Courage to be Rich: Creating a Life of Material and Spiritual Abundance*, by the TV wealth advisor and best-selling author Suze Orman, ties psychology, spirituality, and finances together into a single, one-size-fits-all approach to the universe that hinges on our relationship to cash.[496] Esalen, the Omega Institute, and other spiritual retreat centers fill their catalogs with workshops by Malcolm Gladwell on "Being Fearless," Jack Canfield on "Success Principles," and, of course, everyone on The Secret.

Organized religion well understands the new competitive landscape, and offers its congregations just as much personal success as any self-improvement huckster. The televangelist Creflo Dollar (that's his real name) blings the word to his followers: "Jesus is ready to put some money in your pocket…You are not whole until you get your money. Amen."[497] Dollar may be the epitome of the "prosperity gospel," which promotes the "total" enrichment of its followers.[498] Mega-churches are mega-corporations, whose functioning and rhetoric both foster the culture and politics of the free market. Christian branding turns a religion based in charity and community into a personal relationship with Jesus – a

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[496] Orman, 1999.
[497] Costello, 2007.
[498] Luo, 2006.

narcissistic faith mirroring the marketing framework on which it is now based. Megastar and multimillionaire televangelist Joel Osteen, “the smiling preacher,” prays for raises and bonuses for members of his congregation, and promises that people will find material success through faith.[499] And keep finding it as long as they believe they will. For it’s no longer good enough to make a lot of money. In a society of ever-improving selves, the individual must become a moneymaking entity all its own. As *Chicken Soup* pusher Canfield says, “the desire for increase is the fundamental. Expansion is the true nature of the universe. More. The soul is attempting to express itself in a higher way.”[500] One can’t simply earn “enough” and then stop. Like the economy and the universe, a person’s wealth must grow.

In the new wholly synthetic media ecosystem of self, brand, and salvation, ideologies replicate and grow based on their ability to conform to the underlying logic of the system. This is an almost memetic interplay, where previously discrete media can combine, mix and match quite freely – as long as they promote the financial agenda of the greater corporate environment. In a process allegorical to the formulation of life in the earth’s primordial soup, new combinations of brand, self, and profit are launched in the spirit of entrepreneurial ventures. From our perspective of media ecology, the better they can amplify individuality, obsolesce community, and retrieve fascism, the more effectively they can survive and replicate on the landscape pushed to its extreme. Which of course brings us back to *The Secret*, which combines and recapitulates the cultism, the media, the corporatism, the pyramid scheme, the brand environment, the pseudo-individual, and the branded person we have watched develop, all at the same time.

> “We’re trained in our society to give, but to feel uncomfortable taking or receiving. But if you don’t take, you are denying another person from giving.”
> Three of the women smile and two others half-nod, glazed over. But the younger one in the corner still appears unconvinced by the life coach leading the session.
> “What’s that really mean, Eileen?” Amy asks. “Greed is good?”
> “Well sure,” answers Eileen. She doesn’t appear to realize that Amy is quoting from the movie Wall Street. “That’s not how they put it, but yes. We have to learn to accept the bounty that life offers. It’s the key to seeing self as source. Remember, you make the world around you with your thoughts. If you aren’t ready to accept, then how can the universe give you anything you want?”

[499] Einstein, 2008, 123.
[500] Canfield, 2007.

-- The Secret^{tm} Meetup group and life coach training session, Ann Arbor Michigan, June 2008.

Most simply, THE SECRET (2006) is a self-help DVD and companion book synthesizing the pitches of a few dozen of today's most prominent self-help gurus. Its creator, an Australian named Rhonda Byrne, claims there's a single truth underlying all the spiritual systems and get-rich-quick schemes of her many peers: positive thinking or, in The Secret's parlance, "The Law of Attraction" like attracts like. Abundance is a state of mind: Think healthy, and you'll be healthy; think rich and you'll get rich. Most of the spiritual teachers in THE SECRET are wealth-seminar leaders who display the book's logo on their ads and web sites. THE SECRET has certainly worked wonders for its marketers: as of this writing, more than three million DVDs have been sold, and the book is still on the *New York Times* Best-Seller List of hardcover advice books. According to Byrne, happy thoughts will do more than affect behavior. The Secret claims the interrelatedness of matter and energy — Einstein's $E = mc^2$ — allows people to change reality to their liking by changing the way they think about it. Thought is presumably the energy in this schema, and reality is the matter.

In practice, however, The Secret as a spiritual system actually encourages something very close to pseudo-individuality as an intentional life path. The practitioner is *supposed* to create an identity based on the imagery provided by the culture industry. Eileen, a Secret instructor, puts the law of attraction into practice on pretty much every physical surface of her home. Hand-written signs and post-its proclaim affirmations such as "The Universe Adores You" and "Your Man is On His Way." A ten-million-dollar check from Eileen's bank account, written to Eileen, is stuck to her refrigerator under a green '$' magnet. Over her gas fireplace hangs a collage of images she has clipped from catalogs and magazines representing the things she is in the process of attracting to herself. Female models smile as they drive expensive cars, frolic in the waves with muscular male models pretending to be surfers, or sit with baby models under trees. The classic cultic goals: wealth, sex, fertility, now envisioned through the photography of Madison Avenue in an intentional effort to "create a self" utilizing pictures from commercials. (In what might easily be a coincidence or simply the ethnographic bias of Eileen's favorite magazines, none of the pictures contains any black people, even though Eileen herself is African-American.)

"Vision walls really work," Eileen assures her group. "There was once a man who wanted a multimillion-dollar mansion. He made a vision board, and kept it even after he made his millions. One day, he was looking at it hanging in his bedroom, and he realized he was living in the exact house he had clipped!"

"Then there was the woman who really wanted to get married," chimes in Sharon, a thirty-something unemployed former sales rep (she never told me of what) and recent convert to The Secret. "She started buying wedding magazines and clipping pictures of rings, flowers, dresses. She started acting like she was married already. And not only did she get married, the ring her fiancé proposed to her with was the exact same as the one she'd clipped for her board." The slogan for this process is: "Think it, clip it, get it." Practitioners of The Secret put the ads up on their walls and then wish really hard for them. And for the magic to work they must enlist others in The Secret as well. When not enlisting newcomers, they must meet regularly with other believers to keep the buzz of the belief alive.[501] That is the reason for meetings like Eileen's: to proselytize THE SECRET — spreading the new word while supporting one another in buying more of the featured teachers' books and courses.

It's a win-win for all concerned that echoes the traditional relationship of corporations to their chartering monarchs. Top shelf self-help gurus – *Mars and Venus* author John Gray, *Chicken Soup* founder Jack Canfield, *Conversations with God* creator Neale Donald Walsch - get new life pumped into their book sales, while the new self-help brand gains instant credibility from their participation. As if in full disclosure, they are all willing to teach the fine arts of logrolling and bootstrapping to anyone who will listen and pay. In their parlance, this is called "the virtuous circle." While The Secret isn't itself a multilevel marketing scheme (or MLM), it has become the sales pitch and rationale for many others. Three of The Secret's best-known officially sanctioned self-help gurus, Canfield, Bob Proctor, and Michael Beckwith, teamed up on a Secret-inspired get-rich MLM called the *Science of Getting Rich*. For $1,995, anyone can join. The Secret quite explicitly gives people permission to be as selfish as they can themselves tolerate, and to internalize the language and symbols of advertising into one's life as core guiding principles.

Adorno's vision has been fully realized — not simply as a negative side effect of the culture industry, but as a positive goal on the path toward self-actualization. When this notion of self gets pushed to the extreme, it "flips" even further. How does the phenomenon of self develop when it is purposefully constructed through the iconography of the culture industry, in a conscious effort to naturalize to the landscape of corporatism?
The person can only strive to become a brand and a corporation, himself. Incorporation provides the path to immortality once promised by religion, while branding provides the surest way of communicating one's asset value in a language of imagery that everyone will understand. It's no longer as simple as kids wearing a Nike swoosh or an NBA tag to indicate the brands with which they identify; it's a matter of turning into a recognizable brand icon *oneself*.

As the consultant Tom Peters explains in a breakthrough article on this subject for the business magazine *Fast Company*:

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[501] Salkin, 2007.

> It's time for me — and you — to take a lesson from the big brands, a lesson that's true for anyone who's interested in what it takes to stand out and prosper in the new world of work... We are CEOs of our own companies: Me Inc. To be in business today, our most important job is to be head marketer for the brand called You.[502]

Maintaining one's brand means keeping up appearances. Confessing to a neighbor over a beer about the loss of a job or a missed mortgaged payment may have once enlisted his help. Among branded neighbors, it means admitting vulnerability. As Keith Ferrazi, a former Deloitte Consulting partner and just one of many best selling business authors explains, this is bad for one's brand.[503] How can one recommend such a friend for another job without endangering his own brand? Why would he even want to if he didn't already believe that the friend's brand offered a mystique he couldn't get on his own? (What labor unions once earned through solidarity, a society of secreted, branded careerists takes away. Now we can all get paid less for what we produce because admitting to one another how little we are making is supposedly bad for our brands.)

For the professional, branding supercedes not only competency, but reality. Catherine Kaputa's bestselling business advice book, *You Are a Brand*, explains that: "Business success, like brand success, depends on what other people think about you....It doesn't matter what is 'objectively true.' Perception is reality."[504] Through the process of self branding described in her book, Kaputa believes people can reach a destined identity:

> That's why self-branding is so valuable. For people, branding is about achieving greater success, as represented by money, fame, self-esteem, or whatever measure is important to you. But I am also talking about becoming who you were meant to be, which means that success includes becoming who you truly are. ..A person represents a skill set. A self-brand represents a Big Idea, a belief system, that other people find special and relevant.[505]

The worker who formerly conformed to the logic of industrial age machinery now becomes native to the image factory, as self becomes a projection and product.

In their book, *Managing Brand You: 7 Steps to Creating Your Most Successful Self,* business consultants S. Wilson, and Ira Blumenthal put it this way:

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502 Peters, 1997.
503 Ferrazzi, 2005.
504 Kaputa, 2010, 2.
505 Ibid.

Who am I? What do I stand for? What do I want to stand for? These are questions that have been asked by people for ages. In our fast-paced, highly competitive, stressful, often chaotic world, it is even more difficult to know what you stand for—what uniqueness you have to offer. Don't stress about this any longer. There is an answer to these deep questions, and the answer comes in the form of the threshold question, What if you thought of yourself as a brand?

What if you not only think of yourself as a brand but also actively analyze your personal brand assets and deficits, and you dedicate yourself to changing or refining Brand YOU? Yes, as strange as it seems, you can dramatically change and grow your life by studying the time-tested precepts, postulates, discipline, and processes of corporate and product branding, and applying them to your personal life. This step can lead to your living the life you've always imagined for yourself.

In the wonderful Christmas movie Miracle on 34th Street, Kris Kringle tells a disbelieving child that dreaming of magical holiday moments and a better tomorrow is important. He says, "To me, the imagination is a place all by itself . . . a separate country. Now you've heard of the French nation, the British nation . . . well, this is the *Imagi*-nation. It's a wonderful place." It's time for you to now book passage on a trip to the magical, mystical "land of imagination."

Building a Brand YOU requires that you dig deep into your imagination and visualize what you want to stand for and what spaces in life and business you want to occupy. So, what if you thought of yourself as a brand? Just imagine, or a moment, that you are, in fact, a brand. Step outside yourself and look at you, your background, your lifestyle, your philosophy of life, and your views on right and wrong, as well as the expressions you use, the stores you frequent, the foods you eat, the clothes you wear. Think of your educational background, your experiences, your special areas of expertise. Consider the features that others respect about you, the features of people you respect and why.

These are your personal brand attributes. And now you've made the first move toward establishing your Brand YOU.[506]

In the new scheme – a simulacrum even on its own terms - people become citizens not of nation states, but of the "imagi-nation" itself. The individual earns the authority once surrendered only to corporate brands once he can successfully project his imagination onto cultural tropes such as fashionable foods and clothing items. The process of "visualization" is central to all of these paths toward self-branding, since visualizing means self-fashioning from without, rather than within. Getting out of one's body or reality and instead into the imagination is a pre-requisite for undertaking one's image manufacture. To participate as an indigenous native of the culture industry, the person must be as abstracted as a corporation. Any authenticity of "self" (as defined either by direct experience, by the ability to create value, or even by a basic competency) is replaced by the "big idea" that convinces others to "believe" in him.

This ethos of self-branding is repackaged and applied to almost every arena of human interaction, from dating to college applications. Courses in "Speed Seduction" teach NLP hypnosis to "nerds" hoping to incapacitate women's cognitive functioning for long enough to bed them[507], while professional counselors rewrite 17-year-olds' university entrance essays with the right emotional hot buttons for admissions officers.[508] Career counselors encourage their clients to don "signature coats," trademark hats, and other identifiable symbols of one's consistent and, hopefully, enviable professional identities. Restaurants no longer have enough tables to give every executive his own signature location for daily power lunches.[509] People choose their eateries less by the food they want to eat than the image they want to project.[510] And like any outsourcing corporation, the branded personality needn't know how to perform any work himself. The brand alone is the capital through which value from others is extracted.

Children increasingly "learn" how to be doctors, lawyers, or detectives by watching television shows ER, BOSTON LEGAL or LAW & ORDER and choosing which branded personality to emulate, while their parents watch reality shows to develop their own career paths. The path to success as an entertainer is to appear on a reality show contest such as AMERICAN IDOL or SO YOU THINK YOU CAN DANCE. And, following the de-emphasis on competence expounded by the self-branding books, the purest of these career paths would be to appear on reality

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[506] Wilson and Blumenthal, 2008.
[507] Strauss, 2005.
[508] Berger, 2007.
[509] Wolff, 2002.
[510] This sensibility was brilliantly captured by American novelist Brett Easton Ellis in his book *American Psycho* (1991), in which young businessmen obsess over the embossing of their business cards, the selection of lunch restaurants, and facial creams — all while developing violent sociopathy. We never learn what, if anything, these men actually accomplished in their jobs.

programs that require no particular skill at all: the "REAL HOUSEWIVES OF ATLANTA" or "REAL WORLD," in which portraying a life style is itself the only skill required. The successfully branded person makes money just by being himself. Consider Paris Hilton, the hotel chain heiress who became a reality television star and Hollywood celebrity. She didn't actually *do* anything to become famous. That's precisely what proved the immense power of her brand. Her signature television show, THE SIMPLE LIFE, was about her inability to do anything but watch or complain as other, real people worked around her. In spite of being arrested and jailed for driving violations, Paris was nonetheless offered a million dollars to teach a one-hour course at the Learning Annex called "How to Build Your Brand."[511]

Granted, from the player's perspective (which we will be evaluating in Chapter 5), successful self-branding may just be the object of the game when it's played in a corporatist landscape and against many "non-player characters"[512] who are corporations themselves. The problem for humans is that no matter how well they play, real corporations have a home field advantage in the culture industry. The zone of play is itself an abstraction, so corporations native to this non-territory could be expected to perform better as brands than people. They do not need to eat or sleep. They do not age, or suffer doubt. They do not need to be reassured or loved. Such musings, in the current context of widespread cynicism, sound more like a self-help course themselves than a workable strategy for people attempting to distinguish their activity and values from those of the culture industry.

And so with little apparent choice in the matter, human beings go from subjects to citizens, citizens to workers, workers to consumers, and consumers to brands. In this journey toward self-incorporation, market-friendly spirituality provides a momentary release from this uneven fight. All the while, the artificial structures that humans themselves created – corporations – become more dominant players, the true gods of this artificial realm, immortal, and exclusively capable of rewriting the rules as they go along.

We have now traced the process and underlying logic through which corporations were invented, the world was abstracted, and the brand was developed to turn people into individual selves capable of re-enacting this whole process in microcosm. Of course except for a tiny minority, devotion to this cult of personal branding doesn't really work. Almost no one gets rich, or even makes a living this way. This is because, as I have suggested above, the rules through the corporate game is actually played remain inaccessible or even obscure and unknown to a vast majority of would-be participants.

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[511] Paris Hilton proved unable to meet the obligations of the contract, which would have involved actually teaching the class. See TMZ blog, which chronicles her many exploits.
http://www.tmz.com/2007/06/25/professor-paris-coming-to-a-city-near-you

[512] In video and fantasy role-playing games, non-player characters are the ones generated by the machine or storyteller, rather than other human players.

Indeed, as we will now see, the environment of corporatism depended on a closed platform for its growth and development. If the corporation, as medium, could be considered software, the underlying platform would be its operating system. In order to evaluate any effort toward restoring human agency in the corporate environment (or in changing that environment altogether), we must disinter that operating system, determine what it was coded to do, and then figure out if and how it can be rewritten.

4. To Whom Credit is Due - Central Currency as Closed Source Operating System

The competitive marketplace works under the presumption of a natural and free contest between self-directed individuals, unencumbered by senselessly debilitating regulations. As framed by free market economists since Hayek and as proffered by novelist Ayn Rand and her many acolytes (including former US Federal Reserve Chairman Alan Greenspan) the competition and self-interested struggle between individuals yields the best results for all.[513] Anything else, according to the logic of Rand's theory of Objectivism,[514] amounts to coddling of the weak or the unjust redistribution of earnings — which although it may provide temporarily relief to certain individuals, only worsens the eventual comeuppance for everyone. It undermines what the highly influential Rand sees as strength, and punishes hard work and innovation. In common parlance, as argued by the Tea Party and other popular Rightist groups, this means that American workers get fat while the Chinese learn to work for a fraction of the price. Welfare programs keep young mothers off the streets, but ultimately weigh down corporations with excess taxation. Unions may win workers higher wages, but this only weakens America's last great corporations and their ability to compete in the global marketplace. Further, such anticompetitive practices are believed to sap self-motivation from the work force the way antibiotics weaken the immune system. Like any of nature's ecologies, the market economy is to be approached as a self-regulating system, dependent on lots of freely competing individuals. All this competition doesn't compromise the social fabric; it *is* the social fabric. It is understood as an aspect of life.

Of course, as we have already seen, the market economy is anything but a condition of nature. Even if it effectively imitates the competitive, Darwinian qualities of the natural world (a competition we will argue has been vastly overemphasized), it is an imitation of that system: a series of conceived rules and synthetic tools for the implementation of an economy. Underlying this framework, and shaping the activities that run on it, is a medium — centralized currency — that amounts to more than simply an application for transactions. Our

[513] Greenspan, 2007, 268.
[514] In Rand's own words: "My philosophy, in essence, is the concept of man as a heroic being, with his own happiness as the moral purpose of his life, with productive achievement as his noblest activity, and reason as his only absolute." (Rand, 1992, 1170)

media ecological framework will reveal the way currency functions rather as an operating system for commerce, and how the blind acceptance of its dictates depends on its "closed source" status.

In this chapter, we will probe the history, biases, and particularism of centralized currency as an operating system biased toward the priorities of corporatism. We will then explore how the closed source nature of this currency prevented alternative systems from competing with its primacy or challenging its legitimacy. As a result, the biases of centralized currency have managed to weave so complete a cultural environment that behavior outside of its zero-sum game is seen as antagonistic and unnatural. Even activity that may be understood as productive, altruistic or generative in other contexts, can appear destructive or detrimental if it contradicts the priorities of the all-encompassing operating system. To see beyond the scrim — just as in Chapter 1 when we unearthed the invention of the corporation — we must first shed light on the historical era when centralized currency was not yet the dominant model for exchange. The peer-to-peer, bazaar of a marketplace, which preceded the invention of both the corporation and centralized currency, may seem a far-fetched model for today's economic concerns. But, as we will see, the bazaar has a contemporary parallel in open source, a philosophy and modus operandi already responsible for distributed prosperity and value creation. As Tim O'Reilly, one of the original propagators of open source recognized: "What started out as a software development methodology is increasingly becoming a facet of every field, as network enabled conversations become principal carriers for new ideas."[515]

This analysis will depend on our media ecological framing of money as a medium. For once we do that, we can begin to ask questions that might otherwise never arise: Is there more than one kind of money? Who invented the kind we use, and under what conditions? What are the intended biases of money? What is the resulting environment of its use? This analysis will show that as the medium of central currency took hold and dominated transactional life, it became the operating system for the corporate economy, favoring certain actors and activities over others. As this happened, the same kinds of questions that we apply to operating systems – most importantly whether they are open or closed source – become of great relevance.

We will consider the invention and forced implementation of central currency in this context — as a "closed source" operating system designed to inhibit such decentralized value creation while emphasizing the power of central authorities to extract value at their convenience. This will allow us to parse both the intentional and unintentional biases of central currency. We will also become aware of the ways its closed source implementation kept these biases hidden to those who accepted it as the only possible approach to money. These two insights will enable us, finally, to examine the way centralized currency created a

[515] O'Reilly, 2006, 264.

media environment in which very particular behaviors, outlooks and institutions were supported. It will expose how the past sixty years of economic and social theory, in particular, have reinforced them not merely as the only profitable activities within our economic system but as the natural order.

In section 4.1 we establish currency as a medium, building on Silvio Gessel's analysis of the introduction of the gold standard in Prussia, concluding that the core biases of a monetary system are invisible to those who use it until a perceptual shift occurs to reveal it. Bernard Lietaer's currency studies form the basis for our examination of historical currency models as media, each with its own biases. The centralized currency model in use today arose out of the environment of early corporatism and embodied its biases of individualism and accumulation, promoting the power of central authorities to extract value away from smaller groups and local regions. Alternatively, the local currency of the Middle Ages, the *brakteaten*, promoted different values: spending, local interaction, and community projects.

Akin to the operating system of a computer, currency creates the rules by which its applications must play. In section 4.2, our media ecological framework will reveal that centralized currency acts as a "closed-source" system, one in which the code, or the biases, are explicitly hidden from the user. Here Microsoft Windows acts as an analogy for centralized currency, both being closed systems discouraging users from altering the fundamental rules on which they operate. Linux alternatively acts as an analogy for the decentralized currencies of the Middle Ages, promoting bottom-up collaboration and discouraging hierarchical value extraction and accumulation.

Section 4.3 describes the movement from local to centralized currencies across Europe. As "closed-source" systems, these new currencies eroded awareness that any alternatives ever existed. In Barthesian terms, the coin of the realm came to signify wealth and prosperity, naturalizing the mythology of centralized currency as the only possible system. Through its preponderance, the centralized system became invisible and the behaviors it engendered became equated with human nature.

Section 4.4 expands on this line of argument, explaining how the biases of centralized currency became conflated with conceptions of evolution, portraying society as composed of individualistic agents competing in a self-organizing system. In recent years governments have pushed to privatize everything from education to utilities, couching their arguments in the rhetoric of the "natural" market economy, supported by corporate-funded studies in systems theory. The biases of currency and its forbear, corporatism, permeate every system that they fund. In science this reveals itself as a corporate environment in which research agendas are set in accordance with corporate interests, reinforcing the biases of corporatism in a simulacrum of objectivity.

Finally, in section 4.5 we see how the "closed-source" nature of centralized currency has led to a prevailing ignorance of its biases, undermining efforts to make an economy of distributed, local value creation. If the biases of a medium are not understood it cannot be transformed, it will recontextualize any attempts at subversion as they will still be bounded by the environment the medium created. For centralized currency this means all activities that utilize the medium, that occur in its environment, will contain these biases towards competition, expansion of profit, and extraction of value from its creators.

4.1 Many Moneys

The first step in our analysis will be to challenge the assumption that the currency we use is an expression of nature or, as is argued in America, God. We are not the first to propose that currency is a medium with exploitable biases, like any other. Silvio Gessel, in his early 20th-century writings on economic reform, uses an approach not unlike that of the media ecologist arguing that the fish cannot adequately behold the water in which he is swimming. Gessel suggests that the core qualities of a monetary system are generally unknown to those who function within it until some greater shift in perspective occurs to reveal it. He describes the eye-opening effect of a particular monetary closure, when the introduction of the gold standard demonetized silver currency in Germany:

> The withdrawal of the right of free coinage of silver made the thaler transparent, so that through the silver we saw its inner nature. We had believed that a thaler was merely silver, but now we were forced to recognise that it had also been money. We had denied the thaler a soul until, at its death, a soul left its body before our eyes. Up to the withdrawal of the right of free coinage the subjects of Prussia had seen only silver; now for the first time was revealed to them, in the conjunction of silver and a law of the State, the existence of a peculiar manufactured product, namely money…
>
> No one saw that the free coinage of silver, which in practice, of course, converted coins into bars of metal and bars of metal into coins, was a law, a law made by the State and dependent upon the will of legislators. No one saw that the thaler was a manufactured article, a product of legislation, the silver being but the arbitrarily chosen raw material of the thaler. The law made the thaler; the law unmade it; and what is here stated of the thaler applies, of course, also to its successor, the German mark. The right of free coinage of gold, which today in practice

> identifies coins with gold, is the work of legislators. The means which called this right into existence may withdraw it.[516]

In Gessel's view, Germans had been unable to distinguish between the physical form of the thaler as silver coinage and what it actually represented, which also rendered them incapable of recognizing the control it exercised over them. To recognize this would be to see that they were functioning within an operating system that was programmed against their best interests. But without any other money system to which to compare their closed source currency — without any concept or access to the means of currency production — they were incapable of conceiving a way out. As Gessel explains:

> The human mind is baffled by the abstract, and money hitherto has been wholly abstract. There was nothing with which to compare it. There were, indeed, various kinds of money, metal and paper; but as regards the most important aspect of money, namely the forces regulating its circulation, these different varieties were identical, and this brought the mind of the monetary theorist to a standstill.
>
> Equal things are not comparable, and, offering no hold for the intellect, inhibit the act of conception. The theory of money stood before a blank wall, utterly unable to move on. In no country was there, or is there, a legally sanctioned theory of money upon which the administration of money could be based. Everywhere the monetary administration is guided by purely empirical rules for which nevertheless, it claims absolute authority.[517]

Likewise, the currency system still in use by most members of the international economy today was invented (and is still controlled) with very specific biases in mind — ones that promoted the power of central authorities and the assets of the already wealthy, while reducing the ability of smaller groups and local regions to create value for themselves. This is an almost untold story. History books gloss over or omit entirely the process through which monarchs outlawed certain currencies while promoting others.[518] Contemporary economists,

[516] Gesell, 1958, 66-67.
[517] Ibid., 142.
[518] The reviews of my book, Life Inc, largely focused on my preposterous suggestion that any moneys other than central currency had been used since Ancient Rome.

meanwhile, seem oblivious of the concept that other kinds of money with very different biases ever existed.

From a media ecological perspective, a money's primary influence over a culture or economy would be through its fundamental biases. One cannot understand the impact of a medium without contending with the environment created by its various biases. Yet none of the economists or bankers I interviewed for this book had even remote knowledge or awareness of any particular qualities of central currency, or of the existence of any other money systems.[519] Over the course of my research, I interviewed fiscal strategists at Credit Suisse, Morgan Stanley, and Smith Barney about the biases of the money we use, and not one of them understood what I was talking about. "I'm not an economics historian," one chief economist explained. "There's other kinds of money?" asked the head of another firm's currency trading desk.

As media ecologists understand, moneys are not neutral media anymore than guns, televisions, or pillows are neutral technologies. They each favor certain kinds of behaviors and discourage others. Centralized currency — such as dollars, pounds, euros, yen, and most every other "real" money with which we come into contact — is lent into existence by a central bank. This bank is usually a private corporation chartered by the government to manage currency. The corporation — be it the Bank of England or the Federal Reserve — lends a certain amount of money to a smaller bank, which then lends it to a company or person. It has to be paid back, at some rate of interest, to each lender by each borrower. At each step along the way, the lender takes his commission or cut. So if the bank lends a company one million dollars to start a business, that company will have to pay back, say, three million dollars by the time the original loan comes due. Where does that extra two million dollars come from? It comes from the money that other companies and people have borrowed from the bank. By design, not everyone is going to be able to pay back what he owes.[520] As a result, this centrally-created, interest-bearing money is biased toward competition. Less money is lent into existence than needs to be paid back, so someone has to lose by going bankrupt. The only other possibility is for the bank to lend even more money to more companies before that happens. More total interest becomes due from businesses and people who have taken on the new larger debts, which they are obligated to produce and pay back at a faster pace than their predecessors, and so on. As long as the economy keeps expanding and accelerating, this can keep going on.[521]

Whether we judge it to be a good thing or a bad thing, there's no escaping the fact that the agenda of central currency — the bias of this medium — is to promote competition, requires the expansion of the economy, and increases overall indebtedness to the central

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[519] Two economists were aware of the existence of the Ottoman millet system, but did not realize it was based in different monetary principles.
[520] See Davies, 2002.
[521] For a more detailed discussion of these basic principles, see Greco, 2001.

bank. Central currency favors central authority, because it is created by a central, chartered monopoly, with the provision that it be paid back to that central bank, with interest. Those on the periphery owe while those in the center grow.[522] This, in turn, leads to the redistribution of wealth away from those who actually do work and toward the lending classes. The rules of the currency create a slope of value and authority toward the center. The more this goes on, the more that society's activity and awareness is occupied with servicing the ever-expanding debt. As a result, and as smaller business operators are beginning to recognize, economic sustainability is no longer an option. Everything must grow along with the increasing money supply. Taken as a whole, of course, capital investments can only increase as much as the aggregate GNP. So political and social agendas are with this priority foremost in mind, without distinguishing between the real needs of enterprise and the embedded agenda of centralized currency.

This is not really a debatable point. It is just how money works. As even free market economist Ludwig von Mises explained:

> There is no means of avoiding the final collapse of a boom brought about by credit expansion. The alternative is only whether the crisis should come sooner as the result of voluntary abandonment of further credit expansion, or later as a final and total catastrophe of the monetary system involved.[523]

At best, a recession creates a prolonged economic contraction so that the debt structure can be reset. At worst, the house of cards collapses.

But there were once other kinds of money with very different slopes to them. In fact, throughout history, we find some of the most highly prosperous peoples using more than one currency at a time. It's only when they are conquered by a centralized regime, usually from a great distance, that their regional currency systems are outlawed in favor of a single coin of the realm. Then, prosperity drains from the newly conquered territory to the center, in a monolithic fiscal scheme more like the one in use today.

As economic historian Bernard Lietaer[524] has been trying to remind us for two decades now, the last time most people enjoyed access to multiple currencies was back in the late Middle Ages, when the bias of money fostered a distribution of wealth much more accommodating to those who actually created value. Although schoolchildren are still taught that the ten centuries preceding the Renaissance constituted the Dark Ages, much of this era

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[522] These are generally accepted facts about how central treasuries operate. We will explore them at greater depth later in this chapter. For more, see Lietaer and Belgin, 2004.
[523] Ludwig von Mises, 2008, 570.
[524] Bernard Lietaer, 2000; Bernard Lietaer and Stephen Belgin, 2004

was characterized by robust economic activity and widespread prosperity. We remember the poverty, pestilence, and plague associated with the Middle Ages, but tend to forget that these thousand years of human history saw some of the most well-distributed affluence of all time. In fact, as Lietaer reminds us, the awful years of plague and famine that we associate with the Middle Ages really began in the 14th century, once the Renaissance-era revisions to currency had already been made.[525] In order to give chartered corporations authority over the financial realm, monarchs succeeded in crashing Europe's economy. Health and standards of living dropped, disease and famine followed.

But Lietaer's work chronicles, from about the 10th through the 13th century — the Age of Cathedrals, as it was once called — most of Europe enjoyed two main kinds of currency: centralized money, used for long distance transactions, and local currency for daily transactions.[526] Local currency worked very differently from centralized currency. Instead of being issued by a central bank, it was quite literally worked into existence, accurately reflecting the bounty produced. And because of the peculiar bias of this money, the people who used it were among the most prosperous working classes ever.[527]

In a practice first introduced in ancient Egypt, a farmer would reap his harvest and bring it to a grain store. The grain-store operator would then hand the farmer a receipt, indicating the amount of grain, wine, or other commodity he was storing on the farmer's behalf. This receipt then served as money. In ancient Egypt, the receipt was a shard of pottery — an *ostracon* — which could be broken into pieces as the farmer "spent" the grain stored in his name.[528] In the Middle Ages, the money was mostly made of precious metal banged into thin foil coins — brakteaten — which could be torn into smaller segments.[529] This local coinage was not saved for long periods, because it didn't earn any interest. In fact, the longer it was kept, the less it was worth. That's because the person storing the grain had to be paid, and because a certain amount of the grain was lost to water, rats, and spoilage. So once a year on market day, if the grain had not been claimed, the grain store operator collected his fees by re-issuing the money. He didn't devalue the currency itself; the silver content of a unit of money was not reduced or "debased." He simply issued new coins with a new date imprint, and exchanged back, say, three coins for every four he collected. Whoever had possession of the older coins had to pay the recoinage tax in this way.

Reframing Lietaer's analysis in the language of media ecology, that's why the *bias* of local currency was not toward saving but toward spending. Hoarding money meant losing value, so everyone sought to get rid of his money before the next recoinage. Capital meant

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525 This chapter would not have been possible without the research of Bernard Lietaer, whose books first exposed me to these ideas and many, many examples that I subsequently researched and confirmed.
526 Lietaer, 2000, 183.
527 Lietaer and Belgin, 2004, 104.
528 Lietaer, 2000, 88.
529 Berger, 1996, 9.

nothing if it wasn't actively invested. So people put their money to work maintaining their equipment, building windmills, improving their wine presses, and so on. The fact that the currency cost money encouraged people to think of other ways to create value over time. On average, at least 10 percent of gross revenue was immediately invested in equipment maintenance — a higher percentage than at any time since.[530]

In the Age of Cathedrals, even small towns invested in tremendous architectural projects to generate tourism spending by pilgrims. Cathedrals were not funded by the Vatican Bank; they were local, bottom-up investments made by farmers and other laborers on behalf of future generations.[531] This was the medieval equivalent of establishing an inheritance – but because the money had to be spent instead of saved, it promoted collective investment rather than private hording. As our open source advocates will come to argue, the investment in a greater good and infrastructural needs are both typical of the open source strategy of reinvigorating the commons.

Most people used only local currency for their entire lives because they conducted only local transactions. But what would a German company want with the receipt for some grain stored in Holland? How could England pay ransoms to invading Vikings, or buy luxury goods from France without money that transcended local interests? Luckily for those who needed to conduct long distance trade, central currencies such as the Byzantine bezant were still available.[532] In order to be of use, however, they required the reverse bias of local currencies, and held their value over long periods of time. So they were not reissued, nor were they representative of some amount of grain rotting in a store. They were valuable because of the precious metal within them, usually gold — the most universally valued substance.

Their bias was toward hoarding – perfectly appropriate for their functional role in the greater economy. As long as people had a bottom-up currency they could use for their local transactions, the existence of this top-down currency for royalty or long-distance merchants likely complemented this activity. At least it did not necessarily threaten local transactions or the flow of money, while allowing more prosperous towns to export and import goods. One money encouraged spending and re-circulation through the local economy; the other encouraged saving and competition through the long-distance economy. The former might be equated with closed source media. The latter, the open source technology of the peer-to-peer digital era.

The coexistence of these two kinds of currencies with very different purposes and biases led to an economic expansion of unparalleled proportions. Sometimes called the "first Renaissance," the late Middle Ages offered an enviable quality of life for ordinary people. The working class enjoyed four meals a day, usually of three or four courses. They worked six

[530] Lietaer, 2000, 145.
[531] Ibid., 164.
[532] Bois, 2000, 53.

hours a day, and just four or five days a week — unless they were celebrating one of about 150 annual holidays. Medievalists from Francois Icher to D. Damaschke almost unanimously agree that between the 11th and 13th centuries, the quality of life of Europeans was better than at any other period in history, including today.[533] In addition to metrics such as demographic expansion and urban development, many measures of health and well-being (though not average life expectancy) also surpass our own. Women were taller during these centuries than in any other period.[534] Over the past half century, men have finally surpassed their 11th century ancestors — and this, only since the advent of meat and milk hormones which offer us our size as a medical side-effect, not a product of better health.

As Lietaer has recounted on numerous occasions, and is supported by the historical narratives of Braudel[535], by investing in productive assets instead of bank accounts, people of the Middle Ages built strong businesses, rewarded their workers, maintained the integrity of their equipment, improved the quality of their land, and invested in the research and development of better windmills, waterwheels, ovens, and winepresses. It's when greenhouses were invented, coal was first burned as fuel, eyeglasses were popularized, and London Bridge was built. Meat stopped being scarce for the first time in European history. Money earned did necessarily not leach out of the community to some distant central authority, but poured back into local investments aimed at future productivity. Meanwhile, the existence of long distance currencies allowed localities to enter into the bigger game of import and export. To the extent that different regions produced different things more efficiently, Ricardo's law of comparative advantage could effect greater prosperity for all sides of the trade.

As far as the media environments these currencies created, the long distance and local currencies were biased in ways that mirror the biases of closed and open source software development. The long distance currencies were themselves based in scarce metals and cast into value with the imprimatur of the emperor or monarch. Their value was their scarcity and their trustworthiness in direct correlation to the issuing monarchs ability to monopolize issuance. A holdover from the long distance currencies of the Roman Empire, which were used to promote the centrality and authority of Rome, they transcended the authority of even regional lords, and had very little to do with the peasants of feudalism.

At the end of the Middle Ages, however, as local markets begat local economies, communities developed their grain store currency systems in order to promote the emerging needs of a new, decentralized, bottom-up economic order, and a locality looking to create a way of investing in its own future. They were, in this sense, reactions to centuries of economic repression by regional feudal lords, and to the growing need for a means of trade and mechanism for growth. The extent to which these priorities mirror those of the open source

533 Lietaer, 2000, 148.
534 Lacey and Danzinger, 1999, 9.
535 Braudel, 1992.

movement, responding to the commercialization of software innovation and extraction of wealth, value, and innovation by hi tech corporations cannot be overestimated.

4.2 Open Source

Without an understanding of currency as a medium capable of creating an environment, it is close to impossible to challenge any of that currency's biases without seeming to speak against money and commerce altogether. It would be the same as if one lived in a world with nothing other than the Microsoft operating system: criticizing the operating system would seem no different than criticizing computers.

This is where the tools of the media ecologist serve us best. By treating even ubiquitous mechanisms as media with particular environmental impact, we become capable of determining their biases and even imagining alternatives. In the case of central currency, this is particularly difficult. For not only has its use become ubiquitous, but its very functionality seems to be based in its ability to resist intervention or alteration. Its value, its printing, and the mathematical and financial considerations going into such decisions are tightly controlled. In a very real sense, the value of central currency depends on these restrictions – on this closedness.

The emergence of computers and networking (for reasons we'll look at more closely in Chapter 5) have helped bring these notions of open and closed systems to broader awareness. The ample rhetoric on open and closed source development models gives us a new perspective from which to reckon with how the relatively open peer-to-peer currencies were replaced by closed source central ones – as well as the biases of the closed currency media environment.

Like their Middle Ages forbears, the founders of the open source movement were looking primarily to set standards through which a community could invest in its own future. At its most fundamental, open source simply requires that the code on which software runs be freely available to anyone. This transparency invites innovation and growth by allowing anyone to build upon existing software programs. "Open Source began as an attempt to preserve a culture of sharing and only later led to an expanded awareness of the value of that sharing."[536] Open source did not invent these behaviors but it seeks to maintain them in a way that benefits the individuals involved in creating value, those benefiting off their creations, and the greater good yet to be defined.

The open source model was developed at the close of the 20th century by computer software engineers, motivated by genuine fears that innovation would be hindered as

[536] O'Reilly, 2006, 255.

increasing commercial capital was invested into the development of their science.[537] The creativity that was necessary to drive growth in their fairly young field of inquiry could be definitively and swiftly cut short if it had to take place within the closed, competitive climate of proprietary commercial software development. Instead of seeking standards, sharing innovations, and building on each other's successes, engineers in a proprietary scheme would be required to keep secrets, to re-invent one another's advancements, and be denied the benefit of working together on the same problems.

For the programmers, open source served as a code of business ethics. While individual people and companies could still package and sell the fruits of open source labor, the underlying code was a shared resource that anyone could utilize. So while the Linux operating system might be free to anyone, an individual developer could create a particularly simple installation disk for it, and charge whatever he pleased. The Linux operating system itself was developed in a culture that combined collaboration with independent, autonomous development.[538] Many technologists and businesspeople alike were awed by the technologies and profits this seemingly new model of collaboration engendered — from Linux to Mozilla and Redhat to Firefox. It was not long before open source was acknowledged as "the natural language of a networked community"[539] which "nobody owns, everybody can use and anybody can improve."[540]

The success of open source as a programming methodology became the inspiration for its application across a wide number of fields. How many other cultural institutions might benefit from engaging their communities in collective, shared production? My own books, from *Open Source Democracy* to *Nothing Sacred: The Case for Open Source Religion*, looked at the application of the open source ethos to government and religion, which I believed to be suffering from insider cultures and lack of access. Even pro-corporate *Wired* magazine ran pieces such as "Open Source Everything"[541] and "Collaborative Culture," suggesting that the proprietary way of doing things may have run its course.[542]

However, open source ideology is most practically aligned with economic theory. Open source means more people creating and contributing value and ultimately invested in the resulting outcome. It creates new markets by competing against under-consumption and non-consumption. And as seen in the case of Netscape/Firefox vs. Microsoft Explorer can be used to break up monopolies while still allowing individuals to participate in a system of value exchange. It reflects a business more concerned with sustainability in the long term, seeing its

[537] For the history of Open Source, told by an assortment of its early participants, see DiBona, Ockman, & Stone, 1999.
[538] As well as an overseeing central arbiter, to stand in for the user and judge the contributions of the many.
[539] O'Reilly, 2006, 260.
[540] Searls and Weinberger, 2003.
[541] Goetz, 2003.
[542] Wolk, 2009.

users as equivalent stakeholders as investors rather than prioritizing short term or exponential growth. As Eric Raymond eloquently argued, open source is the ethos of the bottom-up bazaar.[543]

4.3 Closing Source

Just as Raymond sought to use the Medieval bazaar as a metaphor for the open source ethos, we mean to use the open source ethos as a way of understanding Late Medieval currency creation — as well as the negative example of the closed source currency system which was to follow.

In light of the particular advantages of open source development, we can see why the de Medici family and royal courts may not have been required to fund the many innovations of the Late Middle Ages for which they have received all-too-much of the credit.[544] It was in the centuries preceding de Medici's prominence and the rise of the royal courts that the first real wave of universities was built, when the abstract sciences grew in importance, when economic expansion reached its peak, and when what we now think of as urbanization took off.[545] Although measured GDP was greater in the Renaissance than it was during the Late Middle Ages, real people and businesses did the best when prosperity was a bottom-up phenomenon, shared by all instead of just a few.[546] If current economic metrics cannot adequately convey the prosperity of the Late Middle Ages, this says more about the bias of those metrics toward the rules of a central economy than it does about the relative strength of a distributed one. By most measures, these people were more prosperous than contemporary Americans. They ate better, they had more leisure time, and they enjoyed close social bonds.[547]

Commercial innovations of the Renaissance, as we have reviewed, were never about extending such prosperity but about monopolizing it. Remember, as we saw in Chapter 1, the chartered corporation was at its core a scheme to lock in the recent successes of certain rising merchants. Seizing authority over the issuance of money provided just such an opportunity for monopoly, as well. The rising class of merchants had amassed a whole lot of money and needed a way to invest it — one that didn't require them to personally manage more companies or participate in risky adventures. Likewise, the weakening monarchy needed a way to reinforce its subjects' loyalty, increase its tax base, and centralize value creation. A monopoly currency could do all this, and more.

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543 Raymond, 2001.
544 How they could have funded innovations that preceded their own rise to power by centuries will be left for other historians to rationalize.
545 Bayard, 1990, 39.
546 Lietaer, 2000, 145.
547 Lietaer & Belgin, 2004, 88.

Interestingly enough, the first and ultimately best of the great European centralized currencies was a reaction *against* a monopoly currency. The florin began as an illegal "people's" money, first minted in 1235 as a silver coin and then in gold in 1252, in a flagrant assumption of power by the people of Florence against the Emperor Frederick II.[548] Local municipalities had long been issuing their own currencies, but never in gold and never for long-distance transactions. Now, a comparatively regional power had established the ability to generate a currency that would retain its value over distance and time.

Florence, central to Europe and strategically adjacent to the port city Livorno, was already growing into a world trading and economic center. Royals there, like all monarchs, worked to insure their stay in power — but they did so by broadening the social base of government. Instead of chartering corporations, Florentine nobles gave merchants a role in legislation, and supported the development of guilds. So much for good intentions; eventually, power wrested from the royals anyway, and the Florentines established a proud and self-conscious democracy.[549] With the florin, the rising Florentine collective of merchants and guilds could conduct long distance trade across Europe and beyond without paying tax or homage to the emperor. Florence grew into a dominant regional power — at least in part — by making its own money.

Soon, monarchs from other regions sought to do the same — for themselves if not for their people. It was not as natural a fit. Florence was a uniquely located Mediterranean crossroads. France, Holland, Germany, and Britain were not. The Florentines were a rising democracy, challenging their own monarchs and then the Holy Roman Emperor himself. The kingdoms seeking to copy Florence's fiscal innovations were still run by leaders looking to undermine the many local currencies operating within their realms but beyond their direct control. While the florin expressed the preexisting centrality of Florence to Mediterranean trade, these new competing central currencies would attempt to promote centrality through invented and militarily enforced fiscal policies.

Even this process began rather innocently. When France's King Louis IX got back from the Seventh Crusade in 1254, he found his kingdom in what he believed to be great need of political, economic, and, most of all, moral leadership. To that end, he published several ordinances in the late 1260s establishing the king as the only one who could set monetary policy. The king's money had to be accepted as payment throughout the kingdom, and no one was allowed to test the coins for weight, since the king's imprint was to suffice as a guarantee. Louis forced certain areas to use only his currency, and others to peg their currencies to his.[550]

Louis's ordinances were unprecedented, and angered local barons who had always enjoyed the freedom to mint coins and regulate their value. But the aristocracy was on the

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[548] Fantacci, 2008.
[549] Brucker, 1984.
[550] Lietaer & Belgin, 2004, 111.

decline, and there was only so much authority left to exercise on a prosperous, decentralized late medieval economy. Besides, pious Louis didn't care as much about economic power as about unifying the kingdom and asserting its Christian framework. Some regions in Louis's realm had gone and adopted the Arab gold dinar, a coin inscribed with Islamic themes. Louis saw the coin as an affront to his own and God's authority, and banned its use on cultural grounds. He wasn't doing this to drain his people's economy, however. Louis's own coinage was gold, stable, and Christian enough to earn the moniker "good money."[551]

Of course, with absolute power to create economic value comes absolute power to siphon it off. Louis's grandson, Philip IV used his grandfather's assumption of authority over currency to turn good money into bad. Young Philip's whole approach to generating wealth was to monopolize internal resources instead of trading with others. He outlawed all local currencies, and forced everyone to use his coin of the realm for both local and long-distance trade - at taxes he established. When the amount of wealth he could extract from his own territories reached their limits, he'd go to war for more territory, then exploit the new lands. To fund these wars, he increased taxes. Philip imposed a sales tax on the people in Northern towns, and a "subvention" or war tax on everyone else, particularly the Jews, whom he overtaxed with impunity. His heavy and repeated taxation did not go over well, however, so he hired a few Italian economics experts who offered him a more innovative ideas on how to drain his people's resources.[552]

Philip's new, more opaque tactic, made possible by his centralization of money, was to debase his own currency — removing some portion of the gold and recoining it with less precious metal. Philip forced his people to use and value money from which he could extract worth at any time. For these repeated debasements, Dante later pictured Philip in Hell.[553] Philip's wanton currency manipulation led to attacks on royal officials and widespread rioting. By 1306, violence got so bad in Paris that Philip had to take refuge in the house of the Knights of the Templar and temporarily restore "good money" for his people to use.[554] (After they rescued him and restored order, the Knights came to understand the repressive nature of Philip's reforms — but by then Philip had them all executed.)

Philip had done something more aggressive than simply debasing a currency. Taken alone, all that would have done is made it harder for him to purchase foreign goods. His people could still have accepted gold florins for their exports, and used local currencies for their daily transactions. No, Philip's more aggressive step was *to outlaw the use of any currency besides his own*. Even if they had given up all long-distance trade, the people couldn't conduct efficient local commerce with a currency that was designed for long-term

551 Ibid.
552 (Johan) Huizinga, 1996, 301.
553 Fantacci, 2008, 60.
554 Lietaer & Belgin, 2004, 111.

storage instead of short-term exchange. Besides, the long-term-storage capacity of the currency was undermined by Philip's corrupt debasements. Philip and other European monarchs copying the successful florin sought to increase their own power by extracting value from local activities. The people no longer had inexpensive, "open source" currencies that were grown into existence with each farm's harvest; they now used scarce currencies coined into existence by a central authority. The biases of the commercial landscape had been changed; instead of re-investing excess wealth back into their windmills and ovens, they horded what money they could before it was again debased. The people's ability to create value had been taken from them.

Central currencies — when they weren't simply debased by corrupt monarchs — favored the new players on the economic landscape: chartered corporations conducting competitive, international trade, and speculators who contributed cash and never labor to the enterprise. By making money scarce and centralized, royals and the corporations they chartered could monopolize savings and investment. As a result, people who had been in business for themselves, investing and reinvesting in their own people and equipment, were reduced to laborers. The first renaissance ended, and the Renaissance we might better call a dark age had begun.

Between 1000 and 1300, when local currencies peaked in use, the population of Europe grew at an astonishing pace. The best census estimates we have come from England, where the population more than doubled over those 300 years. In the 1290s, England exercised its own changes in the monetary system, outlawing local currencies in favor of a single scarce coin issued by central authorities. Monarchs extracted wealth and value through constant debasement.[555] Within ten years, the population increase reversed to a decline as standards of living fell. Another forty years after that, in 1347, came the first outbreak of the plague.[556] Historians like to blame the plague for Europe's subsequent loss of half its people and all its prosperity. But it would be far more accurate to blame the shift in monetary policy for both the poverty and pestilence that followed. By the time the plague hit, a dramatic decline in the standard of living and population numbers was already under way. Unable to earn a living on their farms or in town, people migrated to cities for jobs as unskilled day laborers in dirty and dangerous factories. With less money to spare, towns made fewer investments in basic sanitation. The increase in forced loyalty to central patriarchal authorities and their particularly Christian traditions led to the repression of pagan practices, folk remedies, and women's access to work. As a result, people's access to health care

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555 One ruler in Poland changed his coins four times every year. The Duke of Saxony reminted his currency 86 times in 18 years. (Lietaer, 2000, 173)
556 Dyer, 1994, 101.

diminished as well. Superstition rose, witches and other suspicious characters were burned, and communities turned against themselves.

Famines and epidemics — which had previously always been highly local, limited events — became widespread phenomena. The price of food went up as the scarcity of commodities matched the scarcity of money. Rural land was purchased by city companies and worked by laborers who didn't enjoy its bounty before it was sent to the urban centers. Farming practices deteriorated along with equipment. The crops suffered. Ten percent of Europe's population had died eating cats, dogs, rats, and in some cases children, before the plague even hit.[557] The plague did not lead to Europe's economic collapse. Rather, Europe's currency-driven economic collapse led to the plague.

Over the next century, as the fully centralized, closed source economy locked in gains and institutionalized scarcity, the rich grew richer and the poor grew poorer. Economically, at least, the period we now call the Renaissance wasn't a true renaissance at all. The real, "first" renaissance was a period of bottom-up prosperity and abundance facilitated by the co-existence of multiple currencies. The later Renaissance was really just the end of the plague. At the expense of the lives of more than half of Europe's population, a small group exploited monetary policy to accumulate massive wealth. They then deigned to fund arts and culture to their liking, in a flurry of patronage we now call the Renaissance. This art and culture, in turn, highlighted the individualism, nationalism, ideals, and markets of the economic reality they had created.

To this day, the closed bias of centralized currency is toward scarcity and hoarding. This slows down the rate at which money circulates, while concentrating wealth at the top. Instead of encouraging cooperation and community, it promotes competition and individuality. Instead of supporting a sustainable economy, it depends on an economy that grows forever, accelerating all the way. Moreover, the enforced outlawing of local currencies and replacement with closed, centrally issued ones marks a deliberate shift from an open to a closed source model. Given the violence that accompanied Philip the Fair's implementation of a monopoly currency, we may assume that at least some people were aware of what was going, and how their interests would be compromised as they lost access to the means of currency creation. Perhaps more significantly for our purposes, however, the movement from an open to a closed, single-source style currency system eventually erodes awareness that any alternatives ever existed. Indeed, the main drawback of a world in which all computers ran on Windows operating systems has less to do with the inadequacies of Microsoft's workmanship than the way the lack of any alternative can create the illusion that no alternatives could ever exist. From the media ecologist's perspective, if all computers run the same operating system, then there is no longer such a thing as an operating system. There are just computers. An

[557] Lucas, 1930.

open source model encourages ongoing consideration and improvement as a matter of course, and thus encourages some measure of critical perspective and awareness. A forced closed source monopoly, over time, accomplishes the very opposite.

That we still look to the Renaissance as a high point and formative template for our civilization attests to its élite's success in institutionalizing their economic reforms and the mythologies supporting them. Our bankers remain unaware that other money systems ever existed, and our economists utterly incapable of imagining the creation of value from the periphery. Those who are aware of the implementation of centralized currencies see it as the end of a dark age, rather than the end of decentralized prosperity. Likewise, historians today are more likely to point out that the great art and science of the Renaissance was funded from the top by wealthy patrons, as if to disabuse us of the notion that such an explosion of imagination and inventiveness could have occurred from the bottom up.

As a result, and as we have shown so far in this chapter, we have grown to accept the closed source operating system of centralized currency as a given circumstance of modern economics — a prerequisite for an economy to exist. We have established that currency can be understood as a medium, with particular origins and impacts. We have shown that the environment created by central currency is biased toward the central authority of its issuers. Finally, by analyzing central currency in light of open and closed source values, we have revealed its dependence on the closedness and obscurity of enforced monopoly.

Now, we must look at the zero-sum game that such closed approaches engender, as well as why and how human beings living in this media environment adopted this game as their reality, and accepted the behaviors it demands as human nature. This, in turn, will bring us closer to answering our original research question: how the operating system underlying corporatism became so naturalized as to be mistaken for a pre-existing condition of the universe. After that, all that will be left for us to determine is whether and how the closedness we identified in this section can be challenged through new uses and understandings of media and interactivity.

4.4 A Paranoid Schizophrenic's Legacy[558]

"There is no such thing as society." – Margaret Thatcher

The "selves" so laboriously constructed and revised over the past four hundred years — though decidedly artificial — seemed real enough to 20th-century economists, especially as they attempted to reconcile human behavior with the closed economic operating system on which

558 Boyd & Richerson, 2005.

human beings were to conduct their affairs. Although the softer sciences — like psychology and anthropology — had always evaded strict scientific scrutiny, economics could be expressed in numbers. Unlike Freud's unconscious ids, economic actors could be tracked on a balance sheet. As a result, however, the entire theoretical framework for economics was built, at least initially, around the assumption of a profit-maximizing individual compatible with the closed source operating system running the economy. It was a leap, but one supported by the decade's leading psychologists, and one that provided leaders of the free world a social model capable of confronting the financial and ideological challenges of managing the postwar industrial economy.

While the Soviets struggled to build a centralized bureaucracy that could administrate the needs of all people, free economies turned to the market. In 1944, an Austrian economist named Friedrich Hayek had just finished his seminal work, *The Road to Serfdom* in which he argued to his British and American colleagues that all forms of collectivism lead to tyranny. According to Hayek, any central planner will prove incapable of managing resources without resorting to coercive means. The people, desperate for leadership capable of putting bread on the table, would welcome dictatorship and voluntarily surrender their personal and economic freedoms to the promise of greater efficiency. Fascism was not a reaction to communism, according to Hayek, but its necessary outcome.[559]

Hayek's solution was a free and open market. He argued, probably correctly, that no central authority could ever have enough information to distribute resources effectively. There's just no way to predict what everyone might want, however good the math being used. Instead, since the breadth of information required to make production decisions is inherently decentralized, it should be gathered and reconciled through decentralized means. Adam Smith had already argued that if everyone goes after his own interests, the interests of the greater society would be served. Hayek extended this logic, contending that the price mechanisms of a freely functioning market will naturally synchronize the demands of people with the market's supply. In Hayek's view, this mechanism is not of human design, but a spontaneous "catallaxy": a self-organizing system of voluntary cooperation.[560] As millions of people both rationally and irrationally pursued their own goals, a working market would order itself around them. The market was as much a part of human beings as their DNA.

Given the premises he worked under, Hayek's conclusions were intelligent enough, and foreshadowed some of the systems theory to follow. Margaret Thatcher, Ronald Reagan, Tony Blair, and Bill Clinton all based their approaches to the economy on his work, which still forms the theoretical core of free market theory today. When it's working as designed, the free market can accurately predict and address a wide range of human needs, with a minimum of

559 Hayek, 1947.
560 Hayek, 1989, 115.

central planning. Likewise, appeals to self-interest may best motivate human action, at least in the short term. But both principles are operating in a social landscape and economic framework dominated by their own forced implementation. We built this economy from the ground up — at the expense of other social mechanisms — and then use its existence as evidence that this is the way things have always been. Even many of our market economy's most formidable defenders are unaware of the underlying assumptions on which their theories are based.

This is not a case of willful ignorance so much as unconsciously internalized corporatist values. By accepting greed as the foundation and the closed source market as the context of all human interaction, we ended up replacing a complex ecology of relationships with a much simpler and balance-sheet friendly set of zero-sum equations. More dangerously, from the media ecologist's perspective, by assuming the money we use to be neutral, without bias, and without alternatives, we condemned ourselves to the agendas of Renaissance-era financiers whose goals we have long since forgotten.

Hayek himself understood how his ideas could only truly achieve some measure of fairness and equilibrium if the monopoly currency system on which economic activity is based were overturned. In almost never quoted section of his 1975 address to the Geneva Gold and Monetary Conference Hayek blasts what he calls "a dangerous monopoly":

> With the exception only of the 200-year period of the gold standard, practically all governments of history have used their exclusive power to issue money in order to defraud and plunder the people. There is less ground than ever for hoping that, so long as the people have no choice but to use the money their government provides, governments will become more trustworthy. Under the prevailing systems of government, which are supposed to be guided by the opinion of the majority but under which in practice any sizeable group may create a 'political necessity' for the government by threatening to withhold the votes it needs to claim majority support, we cannot entrust dangerous instruments to it. Fortunately we need not yet fear, I hope, that governments will start a war to please some in dispensable group of supporters, but money is certainly too dangerous an instrument to leave to the fortuitous expediency of politicians—or, it seems, economists.
>
> What is so dangerous and ought to be done away with is not governments' right to issue money but the *exclusive* right to

> do so and their power to force people to use it and to accept it at a particular price. This monopoly of government, like the postal monopoly, has its origin not in any benefit it secures for the people but solely in the desire to enhance the coercive powers of government. I doubt whether it has ever done any good except to the rulers and their favorites. All history contradicts the belief that governments have given us a safer money than we would have had without their claiming an exclusive right to issue it.[561]

Hayek makes the case for how closed media present multiple liabilities to their users and the greater media environment. Replace the words "safer money" with "safer browser" and it may as well be an argument for open source browser development in face of Microsoft's untrustworthy monopoly trade practices. Hayek seems to have understood what only became apparent to many of us much later, with the advent of Linux and open source: that the single-pointed, top-down structure of a monopoly currency does not necessarily lead to a safer system but one more susceptible to both corruption and instability. In Hayek's view, without any access to the means of currency production, people must remain passive players in economic gamesmanship, prisoners of a game whose rules are understood – both by themselves and their keepers - as fixed absolutes. This might be why game theory conundrums like "the prisoners dilemma" made so much sense to the zero-sum market theorists: it reflected the unacknowledged imprisonment of market participants in a closed source operating system.

Of course, the selfishness and paranoia projected onto market players by economic theorists might also be attributed to the biases of the Cold War, which was dominating thought across many disciplines by the 1950's. Since World War II, most of the best mathematicians and social scientists had been hired either directly or through grants to work out America's nuclear war game scenarios against the Soviet Union. In a situation where the enemy might be signing a non-proliferation treating while actually stockpiling an arsenal, paranoia made good sense. Mathematicians utilized "game theory" to test out various scenarios. One, in particular, seemed applicable to both war games and economics.

The think-tank logicians at the RaND Corporation called it "the prisoner's dilemma."[562] The scenario went something like this: two suspects are arrested by the police, who have insufficient evidence to convict either one. If one betrays the other who remains silent, the betrayer goes free and the silent accomplice receives a 10-year sentence. If both

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561 Hayek, 1976, 16.

562 RaND corporation, or Research And Development Corporation, is a global policy think tank created originally for the US Air Force in 1943, and then spun off as a non-profit corporation in 1948. The RaND official site is at: http://www.rand.org/

remain silent, they both get six months. If both betray each other, they each get a five-year sentence. What should they do? The RaND scientists believed that mutual distrust should rule the day. Each prisoner must assume the other will betray him, and then avoid the 10-year sentence by becoming a betrayer himself. They tested their ideas on RaND's own secretaries, creating all sorts of different scenarios in which the women could cooperate with or betray one another.[563] In every single experiment, however, instead of making choices in the self-interested way that RaND expected, the secretaries chose to cooperate, and refused to betray one another.

This didn't deter John Nash (the RaND mathematician portrayed by Russell Crowe in the movie *A Beautiful Mind*) from continuing to develop game scenarios for the government based on presumptions of fear and self-interest. An undiagnosed paranoid schizophrenic, Nash blamed the failed experiments on the secretaries themselves. They were unfit subjects, incapable of following the simple "ground rules" that they should strategize selfishly. Nash remained committed to the rather paranoid view that human beings are suspicious creatures, constantly making strategic assessments about one another and calculating how to gain a competitive advantage in any situation.[564]

Game theory worked quite well in poker, anyway, from which it originated. And what better model existed for the high-stakes nuclear standoff between the United States and the U.S.S.R.? Offering to give up all of one's weapons was impossible, because there was no way of knowing whether the enemy had really done the same or merely bluffed about his holdings. Instead, each nation had to maintain a nuclear arsenal in order to deter the other from using its own, and bringing about what was known as mutually assured destruction, or MAD. The fact that a nuclear war did not break out served as the best evidence that Nash's theoretical framework was sound.

Encouraged by this success as well as by the voices in his head, Nash applied his game theory to all forms of human interaction. He won a Nobel Prize for showing that a system driven by suspicion and self-interest could reach a state of equilibrium in which everyone's needs were met. "It is understood not to be a cooperative ideal," he later admitted, but — at least at the time — neither he nor RaND thought human beings to be cooperative creatures.[565] In fact, if the people in Nash's equations attempted to cooperate, the results became much more dangerous, messy and unpredictable. Altruism was simply too blurry.

A few decades of game theory and analysis since this time reveals the obvious flaws in Nash's and RaND's thinking. As Hungarian mathematician and logician Laci Mero explains it in his re-think of game theory, *Moral Calculations*, the competitive assumptions in game

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[563] Burkeman, 2007.
[564] Nasar, 2001.
[565] Curtis, 2007.

theory thinking have not been proven by consistent results in real world examples.[566] In study after study, people, animals, and even bacteria are just as likely to cooperate as compete. The reason real human behavior differs from that of the theoretically selfish prisoners is that the latter are prisoners, to begin with. An incarcerated person is the most literal example of one living within a closed environment. These are individuals without access to information and incapable of exercising basic freedoms. With the benefit of several thousand prisoner dilemma studies to mine for data and differences, Laci found that the more the "prisoners" knew about their circumstances and those of their fellow prisoners, the less selfishly they behaved.[567] Communication between prisoners invariably yielded more cooperation. Isolation bred paranoia, as did more opacity about how the rules worked.

Mero's research into humans and other biological systems demonstrates that species do conduct game-theory-like calculations about life-or-death decisions, but that they are not so selfishly decided. Rather, in most cases — with enough information at their disposal — creatures employ "mixed strategies" to make decisions such as "fight or flight." Further, these decisions utilize unconsciously developed (or perhaps instinctual) probability matrices to maximize the survival of the species and ecosystem. In just one such cooperative act, the competition over a piece of food, many species engage in threatening dances instead of actual combat. By cooperatively negotiating in this fashion — and using the battle gestures, previous experiences, and instinctual (species' memory) to calculate the odds of winning or losing the battle - both individuals live on to see another day.[568]

Game theory tests like the prisoner's dilemma set up a competition where decisions are forced with a lack of information, and are characterized by non-communication. There is no space for negotiation, transparency of decision-making, or participation in extending the range of possible outcomes. The prisoners are operating in the least likely circumstances to engender cooperative actions.[569] But their closed circumstances mirrored the closed platform on which Adam Smith's invisible hand and Hayek's "catalaxy" of markets were to find their just equilibriums.

So the zero-sum logic of game theory works, as long as it is actualized in a media environment characterized by closedness. In other words, the closed-source biases of central currency that we established in the preceding section are a prerequisite for the behaviors being identified as human nature here. Meanwhile, the qualities of human nature identified thusly – greed, for one - serve as great justification for keeping those systems closed. It is a circular logic, and one that circumscribes "free will" in the laws of zero-sum gamesmanship.

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[566] Méro, 1998.
[567] Ibid., 46.
[568] Ibid., 135-140.
[569] Ibid., 47.

The young technocrats at RaND, however, believed that Nash's equations presented a way to organize a society of self-interested individuals in a way that promoted their personal freedom. By the 1960s, they had the backing of a counterculture equally obsessed with the personal needs of individuals and the corrupting influence of all institutions – even family. The Scottish psychologist R.D. Laing used game theory to model human interactions, and concluded that kindness and love were merely the tools through which people manipulated each other to get their selfish needs fulfilled. Mental illness was just a label created by the repressive state.[570] So-called crazy people were really evidence of some greater societal problem — a "cry for help" against oppressive institutions. In fact, like the family, the state was just a means of social control that violated the most primal and fundamental urge of human beings to pursue their individual interests.[571] Through Laing, the darkest aspects of game theory were extended to the culture at large and popularized as social truisms: your parents don't really love you and the man is after your money. What look like social relationships are really just "the games people play."[572]

Hippies took these assessments to the streets, but most of them were too distracted by self-actualization for the movement to maintain any cohesion. Within a decade, the counterculture's war against institutional control would become the rallying cry of the Right.[573] The promotional brilliance of Reaganomics was to marry the anti-authoritarian urge of what had once been the counterculture with the antigovernment bias of free-market conservatives. In Reagan's persona as well as his politics, the independent, shoot-from-the-hip individualism of the Marlboro Man became compatible — even synergistic — with the economics and culture of self-interest. No-blink brinksmanship with the "evil" Soviet empire, the dismantling of domestic government institutions, the decertification of labor unions, and the promotion of unfettered corporate capitalism all came out of the same combination of RaND Corporation game theory and the 1960s antipsychiatry movement. Regulations designed to protect the environment, worker safety, and consumer rights were summarily decried as unnecessary government meddling in the marketplace. As if channeling Friedrich Hayek by way of R.D. Laing, Reagan shrank the social welfare system by closing the public psychiatric hospital system.[574]

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570 Laing had some evidence on his side. In the infamous "Rosenhan Experiment," fake patients went to psychiatric institutions and managed to get faulty diagnoses as suffering from mental disorders. Worse yet, when the experiment was revealed, psychiatrists began identifying real patients as participants in the experiment. Psychiatry seemed to be exposed as a sham in which supposed experts had no real tools through which to determine a person's sanity. For more, see Laing, 1983.

571 Although Laing must still be understood as a psychologist whose contributions liberated his field and its practitioners from many crippling restrictions and misconceptions, there is a context in which his work can be understood as aiding the institutions that his analysis didn't reach, and promoting the zero-sum mentality of other game theorists. This apparent dichotomy, as well as the darker side of the hippy philosophies he influenced, would provide rich research opportunities for future study.

572 Berne, 1996.

573 Frank, 1997.

574 Cannon, 2003, 191.

Almost simultaneously in the UK, just a few months after becoming head of the Conservatives, Margaret Thatcher explicitly made Hayek her party's patron saint. A colleague had been delivering a speech about the need for a "middle way," when Thatcher interrupted him and held up a copy of Hayek's *The Constitution of Liberty*. "This," she said, "is what we believe," and banged it down on the table.[575] When she became prime minister, she appointed the director of the Hayekian Centre for Policy Studies as her secretary of state for industry. Like Reagan, Thatcher believed that less government and more market would allow the self-interested masses of individuals to get what they needed. Compared with how the Soviet Union was buckling under the weight of its massive and inefficient bureaucracy, it appeared as if the free-market system would become the one true path to individual freedom for everyone.

Reagan and Thatcher extended their market reforms beyond the market itself to include government. If people behaving in a self-interested fashion led to the most equitable distribution of wealth and resources, why not run everything this way? Thatcher and Reagan attempted to dismantle as much state apparatus as possible so that the free market could provide these needs instead.[576] Only slightly less Hayekian in their thinking, Clinton and Blair followed by instituting free market reforms *within* government agencies.[577] This was not a political compromise, the marriage of traditional opposites, or what Clinton's critics called "triangulation." It was a social ideology all its own. As New Labour saw it, game theory could be employed to motivate government workers to perform better. To unleash the entrepreneurial spirit lurking within every civil servant, the government established a series of quotas and metrics for its workers to reach — and to get paid for reaching. They didn't realize that appealing solely to people's self-interest might lead to entirely self-interested behaviors.

When given incentives to lower their crime figures, the Lothian and Borders Police reclassified criminal offences as "suspicious occurrences." The crime rate didn't get any better — except on paper, where it mattered. The National Health Services performance pay depended on lowering waiting-times statistics, so managers simply took the wheels off gurneys and reclassified them as beds, and reclassified certain hallways as "wards." As open source advocates would understand this compromise as a failure of a closed source scheme to promote long-term, ethical behavior. Instead, along the biases of closed source systems, it fostered corruption. As open source advocate Clay Shirky likes to say in his talks: "Whatever metric you put on the wall is the metric you're going to get."

Undeterred by its failure, proponents of game theory blamed the structure of government agencies themselves for such corruption, rather than taking a step back to look at the reality of Hayek's vision of a world self-organized via catallaxy and within a prisoner's

[575] Ranelagh, 1991.
[576] Hind, 2007, 39.
[577] Ibid., 2.

dilemma template. They chose to see these resulting effects as proof that public institutions were just too old, too steeped in bureaucracy, and too artificial to benefit from the functioning of a genuinely complex, natural marketplace. No matter how healthily self-interested their workers, they reasoned, government bureaucracies are themselves so intrinsically controlling and calcified as to make the Hayek effect all but impossible to achieve. A health agency is still an expression of the bureaucratic welfare state, however much it is attempting to imitate the rules by which the private sector operates. Only by removing the safety net altogether — and replacing it with pure market forces — could social engineers hope to restore the full force of nature to public institutions. Privatization was the only way out. So by the late Clinton-Blair years, both the Right and mainstream Left had accepted the basic premise adapted from systems theory that the economy was a natural system whose stability depended on the government's getting out of the way and allowing self-interested people to work toward a dynamic equilibrium. The last heroes of the political age, Reagan and Thatcher, were long gone. In their place, the only rebels capable of dismantling the social-welfare hierarchy were the super CEO's: Jack Welch (GE), Richard Branson (Virgin), and Ken Lay (Enron), as well as the new breed of free-market theorists advising them.

Thanks to the combined emergence of a computer culture capable of recognizing the power of emergent systems and a rising class of dot-com workers profiting off what appeared to them to be the exploitation of a free-market technology, libertarianism was in ascendance. In reality, the phenomena we were all celebrating in the mid-1990s had little to do with the free market; the Internet had been paid for by the government, and dynamical systems theory was much more applicable to the weather and plankton populations than it was to economics.[578] The Leftism that characterized the pre-Internet counterculture[579] gave way to a new digital libertarianism, as hackers who had lived off miniscule shareware profits were embraced by venture capitalists. Systems theory helped many of them justify the greater good in getting rich.[580]

While computer programmers were finding jobs in Silicon Valley, social scientists and chaos mathematicians won contracts at corporate-funded think tanks. The Santa Fe Institute studied complexity theory, and applied its findings to the market. The "four Cs," as they came to be known — complexity, chaos, catastrophe, and cybernetics – now dominated economic thought. Building on the work of Hayek, the new science of economics held that there was no global, central controller in an economy — only a rich interaction between

[578] Keller and Kahin, 1997, ix.
[579] See works of the Generation X counterculture such as Richard Linklater's film *Slacker*, books such as Douglas Coupland *GenerationX*, magazines such as Adbuster, and music of the grunge genre, which all celebrated some measure of market non-participation as a path toward agency.
[580] Barbrook and Cameron, 1995.

competing agents. Order, such as it was, emerged naturally and spontaneously from the system — the same way life evolved from atoms or organization emerges from an anthill.[581]

For those of us who had witnessed the internet come to life or who had watched a simple fractal equation render an entire forest or ocean on a computer screen, the case for a bottom-up economy based on nothing but a few simple rules was compelling. If, as the anthropologists and social scientists were now telling us, human beings followed the same sorts of simple rules for self-preservation that ants and slime mold used to build their colonies and distribute scarce resources, then all we needed to do was let nature take its course. A great society would emerge much faster and better than it could ever be legislated into existence by intellectuals or social reformers.

Richard Dawkins's theory of the "selfish gene" popularized the extension of evolution to socioeconomics. Just as species competed in a battle for the survival of the fittest, people and their "memes" competed for dominance in the marketplace of ideas.[582] Human nature was simply part of biological nature, complex in its manifestations but simple in the core commands driving it. Like the genes driving them, people could be expected to act as selfishly as Adam Smith's hypothetical primitive man "the bartering savage," always maximizing the value of every transaction as if by raw instinct. In spite of local or temporary economic setbacks, in Dawkin's naturally progressive schemata, "the whole wave keeps moving." *Freakonomics*, the runaway best seller and its follow-up *New York Times Magazine* column, applied this model of "rational utility-maximization" to human behaviors ranging from drug dealing to cheating among Sumo wrestlers. Economics explained everything with real numbers, and the findings were bankable. Even better, the intellectual class had a new way of justifying its belief that people really do act the way they're supposed to in one of John Nash's game scenarios.

Given that even the smartest among us still live in the environments created by the media we use (and that is used on us), it should not surprise us that they, too, suffer from the same misconceptions afflicting us all. The ability to recognize the media environment in which we are functioning is less a function of intelligence than tools. As a tool of analysis, media ecology allows us to distinguish the landscape of interaction from the interactions themselves. This reveals not only their interdependency and mutual reinforcement, but the synthetic quality of the assumptions underlying both. The more successful and rewarded any of us become espousing the system's truths, the easier it gets to pursue and defend these lines of logic. By their own admission, we are supposed to be greedy, after all.

Ironically, while the intelligentsia were using social evolution to confirm laissez-faire capitalism to one another, the politicians promoting these policies to the masses were making

[581] Johnson, 2001.
[582] The meme, as coined by Richard Dawkins, is the cultural equivalent of a gene. For more, see Dawkins, 1976.

the same sale through creationism. Right-wing conservatives turned to Fundamentalist Christians to promote the free-market ethos, in return promising lip service to hot-button Christian issues such as abortion and gay marriage.[583] As the bestselling Christian textbook, *America's Providential History*, explains:

> Scripture defines God as the source of private property... Ecclesiastes 5:19 states, 'For every man to whom God has given riches and wealth, He has also empowered him to eat from them'...Also in I Chronicles 29:12, 'Both riches and honor come from Thee.'[584]

America is God's true nation because it is the bastion of the free market through which He can exercise his divine will. Socialism (and American liberals) set up the state as provider instead of God. Bureaucrats end up intervening in the sacred relationship between the Lord and his creations, usurping His role, and interfering in the process of salvation. Charity is an opportunity for people — not governments — to care for their fellow men. Social-welfare programs, like evolution, implied that God had not created a perfect world in the first place. The free market, on the other hand, gave human beings the opportunity to exercise their free will in pursuit of personal salvation as well as a personal piece of God's good earth. No engineering or central planning was required.

The same Right-wing think tanks writing white papers justifying game-theory economics through bottom-up social Darwinism were simultaneously advising conservatives on how to leverage Christian fundamentalists in support of the resultant ideals.[585] What both PR efforts had in common were two questionably reasoned premises: that human beings are private, self-interested actors behaving in ways that consistently promote personal wealth, and that the laissez-faire free market is a natural and self-sustaining system through which scarce resources can be equitably distributed.

While it might go without saying, in order to present the possibility of an alternative to the zero-sum logic of game theory, we must at least establish the scientific basis for the possibility that human beings are not intrinsically, monolithically evil and selfish. Such a possibility, in itself, proves the arbitrary nature of the media environment that resulted from central currency, in that it points to an alternative, or what we have been calling an *anti-environment* to corporatism.

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[583] Bigelow, 2005.
[584] Beliles and McDowell, 1991.
[585] People for the American Way and Americans for Tax Reform, to name just two groups with such contradictory stances.

For all the ability of genes and even memes to battle for survival against one another, human beings are just as likely to share and cooperate as they are to cheat and compete. In fact, as Mero showed, most species, including humans, employ a “mixed” strategy. The more communication and transparency available, the more cooperative the behaviors. But the ascendance of market rhetoric in America and Britain was accompanied by the assertion of some decidedly anti-romantic science. University anthropologists seemed determined to correct the hopeful impressions that so many still clung to of peaceful, vegetarian gorillas enjoying one another's company in the jungle. Like stories of supposedly peaceful aboriginal tribes as yet untainted by corrupt Western civilization, such visions — according to the new social Darwinists — were pure fantasy.[586]

The people-are-actually-really-mean hypothesis was supported originally and most famously by the anthropologist Napoleon Chagnon’s observation of violence among the Yanomami people of South America. Chagnon’s documentary footage depicted tribesmen attacking one another with machetes. He demonstrated that the seemingly random violence had broken out along complex familial lines, supposedly proving that the tribesmen’s genes were still competing for dominance. Buried deeper in his documentation was the real reason for these attacks: Chagnon had distributed a small number of machetes to just one of the tribes. The neighboring tribes wanted the machetes, too. Although the study has been argued over for decades now, the artificially introduced scarce resource was at least part of the reason they were fighting.

Paleontologists and social biologists such as *Lucifer Principle* author Howard Bloom, present contagiously popular evidence of violence among competing gorilla and chimpanzee groups, going as far as to describe the steps by which a certain female chimp dashed out the brains of its rivals. That the chimps were fighting over rights to a human garbage dump isn’t considered germane. Perhaps predictably, Bloom’s follow-up work, *Reinventing Capitalism*, applies these same skewed insights to the market. He is not alone. Volumes of essays and studies have been published about the violent, self-interested behaviors of monkeys and indigenous peoples, written by prominent scholars and directed to policy-makers and economists.[587] Despite that participants in leading intellectual forums such as *The New York Review of Books* or Edge.org (a website on which I participate) consider these proudly unromantic views of human nature more consistent with a godless universe doesn’t make them any more true. More scientifically gathered evidence points the other way.

South African archeologist and Harvard professor named Glynn Isaac based his own studies of human behavior less on abstract models or analogies with apes than on hard

[586] See Wrangham and Peterson, 1996, as well as the counterarguments to this well-accepted thesis in emerging research, such as Hart and Sussman, 2009, and Power, 1991.

[587] Bloom and Dess, 2003.

evidence from fossils and archeological digs. By focusing on the evolutionary record, Isaac showed how social networks and food sharing were the deciding factors in allowing early hominids to succeed over their peers.[588] Researchers at Ohio State University studied sex-based size differences in human fossil remains, concluding that competition between males for mates was much less prevalent than earlier believed. "Males were cooperating more than they were competing among themselves," the researchers concluded.[589] Studies by psychologists at the University of Chicago in which researchers measured subjects' ability to see problems from the perspective of others demonstrated how "cultures that emphasize interdependence over individualism may have the upper hand."[590] (In their conclusions, the psychologists noted the individualistic bias of Western corporations compared with those of Asia. A Texas corporation "aiming to improve productivity told its employees to look in the mirror and say 'I am beautiful' 100 times before coming to work. In contrast, a Japanese supermarket instructed its employees to begin their day by telling each other 'you are beautiful.'")[591]

While legends of violent meat-eating *homo sapiens* vanquishing tribes of Neanderthals still garner rapt attention at dinner parties, there is little evidence that such events ever took place. On the other hand, there's plenty of evidence for the less dramatic assertion that a combination of tools, hunting, gathering, and food-sharing permitted what we now think of as civilization to evolve out of cooperative human activity. In certain circumstances, the tendency toward conflict with neighboring tribes inhibited survival, while cooperation within a social group and beyond promoted it. Again, the more participatory, transparent, and "open source" the available options, the more that cooperation arises as a possible course of action.

Operating within the closed-source monetary universe, however, intellectuals were prone to perceive humanity as driven by instinctual, self-interested violence. This behavior is as old as colonialism itself, and calls to mind wealthy plantation owners arguing that Africans were better equipped anatomically — by the Maker or by evolution — to pick cotton.[592] Today's equivalent, however well masked in scientific jargon, is no better supported by the facts. We can only guess at its psychological role as a cultural mythology. It may assuage any residual guilt the rich might feel over the inequitable distribution of wealth built into the existing economic order. Or perhaps this portrait of a competitive, dog-eat-dog reality helps justify why becoming wealthy hasn't ended up making the wealthy any happier. According to a study conducted at the height of the stock market, twenty three percent of brokers and traders at the seven largest firms on Wall Street suffered from depression — more than three times

[588] Isaac, 1978.
[589] Science Daily, 2003.
[590] Keysar and Wu, 2007.
[591] Khamsi, 2007.
[592] Kelley and Lewis, 2000, 173.

the national average.[593] Scientists and United Nations sociologists alike have concluded that affluence produces rapidly diminishing returns on happiness. [594] After achieving an income per capita of about $15,000, any increase in wealth makes little difference to nation's total happiness metrics.[595]

Among the six articles from *Forbes* in 2006 criticizing this "swath of studies" as well as the whole notion of "happiness research," none mentioned any of the studies specifically, or their findings. The libertarian think tank Cato Institute similarly criticized these studies along with any attempt to measure subjective well being — but concluded that even if they were true and money didn't make people happier, this would only support the libertarian position that wealth redistribution by government was unnecessary. Still others have criticized happiness research because it could lead to the implementation of authoritarian policies by central governments under the pretense that they were trying to make people happier.[596] But it's disingenuous to equate any critique of the theory of "rational utility-maximization" with efforts to construct a socialist welfare state. And it's especially cynical to do so while marketing and defending financial instruments intentionally designed to take advantage of consumers' irrationality when making economic decisions — as was the case throughout recent rising and falling markets.

This is why we conclude our analysis of the zero-sum, closed source game of central currency media environment by looking briefly at the game that was built on top of that game – the practice of "behavioral finance," which seeks to exploit both the loopholes in the closed source rules as well as documented lapses in people's understanding of the consequences of their own decisions.

Behavioral finance is the study of the way people consistently act against their own best financial interests, as well as how to exploit these psychological weaknesses when peddling questionable securities and products. These are proven behaviors with industry-accepted names like "money illusion bias," "loss aversion theory," "irrationality bias," and "time discounting."[597] People do not borrow opportunistically, but irrationally. As if looking at objects in the distance, they see future payments as smaller than ones in the present — even if they are actually larger. They are more reluctant to lose a small amount of money than gain a larger one — no matter the probability of either event in a particular transaction. They do not consider the possibility of any unexpected negative development arising between the day they purchase something and the day they will ultimately have to pay for it.

Credit-card and mortgage promotions are worded to take advantage of these inaccurate perceptions and irrational behaviors. "Zero percent" introductory fees effectively

593 Thomas, 2004.
594 See Geoffrey Miller's work on evolutionary psychology applied to marketing. (Miller, 2000 & 2004.)
595 Frey and Stutzer, 2001, 10.
596 Foroohar, 2007.
597 Block-Lieb and Janger, 2006.

camouflage regular interest rates up to 30 percent. Lowering minimum-payment requirements from the standard 5 percent to 2 or 3 percent of the outstanding balance looks attractive to borrowers.[598] The corresponding increase in interest charges and additional years to pay off the debt will end up costing them more than triple the original balance. It is irrational for them to make purchases and borrow money under these terms, or to prefer them to the original ones. Yet they do, and this behavior is not limited to the trailer park renters of rural south, but extends to the highly educated, highly leveraged co-op owners of the Northeast.

Mortgage lenders lobby Congress for stricter bankruptcy laws, arguing that the vast majority of personal bankruptcies were actually strategic maneuvers by rational and cynical borrowers.[599] Yet these lenders resist all efforts to make the language of mortgage offerings and contracts more transparent, lest their well-tested psychological triggers to irrational financial behavior be neutralized. Lawmakers fighting against mortgage-reform measures argue that regulation of the industry coddles citizens and compromises their freedom to borrow.[600] In their opinion, federal regulation of the lending industry amounts to authoritarian paternalism - anathema to the functioning of a free marketplace. Of course there is a vast middle ground between attempting to design a socialist welfare state and leaving self-interested individuals alone to spontaneously develop a free market utopia - especially when the rules of that marketplace have been imposed by forces as powerful as any dictator.

To consider that middle ground, however, we must dispense with the assumption that human beings were born to be economic actors or, in Hayek's more nuanced view, that we are all the unconscious arbiters of natural market forces. The principles of the intentionally corporatized marketplace are not embedded in the human genome, nor is self-interested behavior an innate human instinct. If anything, it's the other way around: a landscape defined by a closed source operating system will promote self-interested behavior.

In the following section, we will look at the economy that grew in the media environment of central currency, and how its acceptance as a natural environment ends up directing the actions of even its largest players. Leaders of government and business, alike, seem to have forgotten their role in creating the economic landscape, and fallen under their own spell.

4.5 When Money is Bad for Business

We have seen how by creating a single, monopoly currency, the Renaissance aristocracy were able to centralize their authority, stem the growth of a peer-to-peer competitive marketplace, and create a new revenue stream for themselves in the form of interest. Further, we analyzed

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598 Manning, 2000.
599 Weidner, 2010.
600 Condon, 2010.

the biases of this medium as it grew and spread, the zero-sum game it presumed, and the way its closedness created an uninterrupted and self-reinforcing feedback loop between the supposed players of this game and the logic of the game itself. Finally, we looked at the way scientific and political culture accepted and embraced the selfish logic of that game, in spite of any evidence to the contrary. We exposed the hypocrisy of this assumption as well, by briefly exploring the practice of behavioral finance, which means to exploit some of the very inconsistencies and distortions that game logic would tell us should not exist.

In closing, we will turn our attention to the way central currency – through all of these environmental effects – ended up changing the metrics and values through which business itself is measured and evaluated. This has led to a business culture that works against its own interests as surely as individuals do. By adhering the structure and rules of the environment of an unacknowledged monopoly medium, businesses reduce their own ability to create and exchange value.

Like the currency we use, the economy in which we all participate is no more natural than the game scenarios John Nash set up to test the RaND Corporation's secretaries. It is a model for human interaction, based on a set of assumptions about human behavior. Even if we accept the proposition that people act as self-interestedly as they possibly can, we must also accept the reality that people's actual choices don't correspond with their own financial interests. The more we accept its use, the more we think of our centrally issued money as a natural player in the economy rather than a particular tool with particular biases. But over the centuries of its use the influence of money over our interactions has been demonstrated time and time again: a scarce currency designed in favor of competitive corporate behavior will promote such behavior in those who use it. This is not magic; the money is not possessed. It's just biased toward the interests of those in a position to make money by storing it rather than spending it. It's money for capitalists. And they had better use it as it was designed or they'll end up on the wrong side of the currency equation themselves.

Our prevailing ignorance about the bias of the money we use undermines our best efforts at making the economy work better for the many or even the few. Businesses believe they are required to grow, and pick from among their inappropriate acquisition targets as if choosing between the lesser of two evils. Eighty percent of these acquisitions drain value *and* equity from both merging companies. Unions accept the false premise that the new competitive economy demands that they consent to lower wages; they fail to recognize that their wages are making up a progressively smaller portion of corporate profits, or that money paid to them circulates through the real economy, while the money doled out to CEO's and shareholders tends to stay put. As a result, with each cut to union wages, education and health care suffer, and the overall competitiveness of the workforce declines. Businesses, meanwhile, make decisions catering to the agenda of the investing shareholders who seek to extract short-term gains at the expense of a company's long-term stability, research and development, or even basic competence. They outsource core processes, lose access to innovation, and depend on branding to make up the difference. Revenues suffer and growth slows, but there's debt to be paid, so more acquisitions are made and the workforce is slashed or outsourced. All the while, central banks attempt to walk the fine line between stimulating growth through lower interest rates and maintaining the value of their monopoly currencies.

The Wall Street Journal, Fox News and *The Economist* compete against the BBC, *The Guardian*, and PBS to explain the conflicting interests of workers, investors, and corporations in the new global economy. But no matter whose case they make, they all fail to consider whether the money everyone is fighting over has rules of its own that make such conflicts inevitable. They argue over the placement of the chess pieces without pausing to consider that the board beneath them has been quite arbitrarily arranged to favor players who no longer exist. Neither does the Left-Right divide ever adequately address the income disparity between people caught on opposite ends of the currency spectrum. Labor can add regulations to the system designed to minimize worker exploitation, maximize their participation in corporate profits, or increase the minimum wage. Management will react by cutting the labor force, or acquiesce only to see bankers and investors — the ultimate arbiters of credit — grow more reluctant to fund these seemingly handicapped enterprises. It's a lose-lose, zero-sum, "prisoner's dilemma" scenario because it is operating within either-or bias of a scarce central currency to promote central authority at the expense of the periphery where value is actually created. Yet, as we have seen, this is precisely what centralized currency was designed to do from its inception.

Renaissance monarchs didn't invent central currency, or even the first currency monopoly. Both ancient Egypt and the Holy Roman Empire issued central currencies. In Egypt's case, as best we know from historical accounts, the empire had overextended itself, conquering and controlling territory eastward to Canaan and beyond. In an effort to fund the defense of its borders and the control of its population, successive pharaohs initiated increasingly restrictive and centralized monetary policies — along with centralized religion and culture. Pharaohs outlawed local currencies and forced people to bring grain long distances to royal grain stores in exchange for the central currency. The famous famine depicted in the Bible may have been the result of natural causes or, like the one accompanying the establishment of scarce currency in the Middle Ages, of economic origins. The Roman Empire issued its own currency to every region it conquered, both to extract value from its new territories and to assert the authority of the emperor. In both historical cases, central currency was a means of control, taxation, and centralization of authority during expansive dictatorships. And, in both cases, after a few hundred years, the continual debasement of currency led to the fall of the empire.[601]

The modern central currency system was instated to benefit corporate interests and adjusted over time to do it ever more efficiently and automatically. By treating it as a medium, its biases and impacts become all the more apparent. If double-entry bookkeeping can be thought of as the spreadsheet software on which businesses learned to reconcile their debits and credits, central currency was the operating system on which this accounting took place. Like any operating system, it has faded into the background now that a program is running, and it is seemingly uninvolved in whatever is taking place. In reality, it defines what can happen and what can't. And if its central premise is contradicted too obviously by world events, it just crashes, taking those without sufficient reserves or alternative assets down with it.

The money operating system's two main applications are at cross-purposes. Money's users need to be able to save for the future (invest), but they also need a utility that they can easily spend and circulate in order to create and exchange value. Analyzed according to its biases, closed source centralized currency appears to be better at the former than the latter. Because of the way it is lent into existence, centralized currency draws wealth away from where people are actually creating value, and toward the center where the bank or lender gets it back with interest. This makes it difficult for those on the periphery to accumulate the wealth created by their labors, or to circulate it through other sectors of their business communities. Instead, the money is purposed for speculation rather than reinvested in the value-creating enterprise. The price of assets increase and inflation looms — but without the wage increases officially blamed for inflation in what is promoted as a "supply-and-demand" economy.

As a result — and as argued by leftists from Robert E. Kennedy[602] to Robert Reich[603] — there are two economies — the real economy of groceries, day care, and paychecks, and the speculative economy of assets, commodities, and derivatives. What forecasters refer to as "the economy" — the one assessed through metrics such as the DowJones and GNP today isn't the real one; it's almost entirely virtual. It is a speculative marketplace that has increasingly little to do with getting real things to the people who need them, and much more to do with providing ways for passive investors to increase their capital. This economy of markets — first created to give the rising merchant class in the late Middle Ages a way to invest their winnings — is not based on work or even the injection of capital into new enterprises. It is based instead on "making markets" in things that are scarce — or, more accurately, things that can be made scarce, like land, food, coal, oil, and even money itself. The obvious problem is that when coal

601 Greco, 2001, 78.
602 Kennedy, 1997.
603 Reich, 2011.

or corn isn't just fuel or food but also an asset class, the laws of supply and demand cease to be the principle forces determining their price. When there's a lot of money and few places to invest it, anything considered a speculative asset becomes overpriced. And then real people can't afford the stuff they need. The oil spike of 2008, which contributed to the fall of ill-prepared American car companies, has ultimately been attributed not to the laws of supply and demand, but to the price manipulations of hedge-fund speculators. Real jobs were lost to movements in a purely speculative marketplace.

This is the impact of speculation in an economy defined by the biases of artificially scarce currency. Pollution is good, not bad, because it turns water from a plentiful resource into a scarce asset class.[604] When 68 million acres of corporate-leased US oil fields are left untapped and filled tankers are parked offshore, energy futures stay high.[605] Airlines that bet correctly on these oil futures stay in business; those that focus on service or safety, instead, end up acquisition targets at best — and pension calamities at worst.[606] Such is the logic of the speculative economy.

As more assets fall under the control of the futures markets, speculators gain more influence over both government policy and public opinion. Between 2000 and 2007, trading in commodities markets in the United States more than sextupled.[607] During that same period, the staff of the Commodity Futures Trading Commission overseeing those trades was cut more than twenty percent, with no corresponding increase in technological efficiency. Meanwhile, speculators have only gotten better at exploiting structural loopholes to engage in commodities trades beyond the sight of the few remaining regulators. Over-the-counter trading on the International Commodities Exchange in London is virtually untraceable, while massive and highly leveraged trades from one hedge fund to another are impossible to track until one or the other goes bankrupt and then pleads to be bailed out with some form of taxpayer dollars. Government is essentially powerless to identify those who are manipulating commodities futures at consumers' expense, and even more powerless to prosecute them under current law even if they could.

As wealth is sucked out of real economies and shifted into the speculative economy, people's behavior and activities can't help but become more market-based and less social. We begin to act more in accordance with John Nash's selfish and calculating competitors, confirming and reinforcing our dog-eat-dog behaviors. Community bonds erode, leaving people at the mercy of structurally favored banks and corporations.

Wal-Mart's success in extracting value from local communities, for example, is tied directly to the company's participation in speculative markets beyond the reach of small

[604] Hoffmann, 2009, 190.
[605] Rahall, 2008.
[606] *The New York Times*, 2008.
[607] Durbin, 2008.

business, and its tremendous ability to centralize capital.[608] The advantages and efficiencies of local commerce are neutralized when people are required to use long distance, anti-transactional currency for local exchange between people.

The bias of centralized currency to redistribute wealth from the poor to the rich gets only more extreme as the beneficiaries gain more influence over fiscal policy. Alan Greenspan, a disciple of Ayn Rand, repeatedly deregulated markets, leading to the average CEO's salary rising 179 times the average worker's pay in 2005, up from a multiple of 90 in 1994.[609] Adjusted for inflation, the average worker's pay rose by a total of only 8 percent from 1995 to 2005; median pay for chief executives at the 350 largest companies rose 150 percent.[610] The top tenth of 1 percent of earners in America today make about four times what they did in 1980.[611] In contrast, the median wage in America (adjusted for inflation) was lower in 2008 than it was in 1980. The number of "severely poor Americans" — defined as a family of four earning less than $9903 per year — grew 26 percent between 2000 and 2005.[612] It is the fastest growing group in the American economy.

These funds possessed by the wealthiest brackets do not tend to move into the real economy; they are invested wherever return is the highest. For most investors, this means either placing it overseas, or in the derivatives and futures that make corn, oil, and money more expensive for everyone. Since the beginning of currency and trading deregulation in the 1970s (when Nixon took the dollar off even a nominal gold standard), money has left the economy for pure speculation at ever-faster rates. Over the same years, with less money in the system, the poor began sending mothers of young children to work – at rates that have doubled since then. Meanwhile, for the very first time, America experienced an overall growth of 16% in GDP between 2001 and 2007, while the median wage remained unchanged. The share of total income going to the richest one percent of Americans, on the other hand, rose to a postwar record of 17.4 percent.[613] Americans work an average of 350 more hours per year than the average European, and at least 150 hours more than the average Japanese.[614]

This means less time for Little League, barbecues, and the Parent Teacher Association, and more indebtedness to credit-card companies and banks to make ends meet. Adam Smith's theories of the market were predicated on the regulating pressures of neighbors and social values. The neuroscientist Peter Whybrow has observed that as people meet fewer

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[608] We buy from Wal-Mart because they sell imported and long-distance products cheaper than the local tailor or pharmacist can. Not only do they get better wholesale prices; their centrality and size lets them get their money cheaper. Meanwhile, forced to use centralized currency instead of a more local means of exchange or barter (and we'll look at these possibilities later), each of our transactions with local merchants is passed through a multiplicity of distant banks and lenders.
[609] Hindery, 2008.
[610] Stein, 2008.
[611] Frank, 2007.
[612] *USA Today*, 2007.
[613] Ip and McKinnon, 2007.
[614] Reich, 2008.

real neighbors in the course of a day, these checks and balances disappear: "Operating in a world of instant communication with minimal social tethers," he explains, "America's engines of commerce and desire become turbocharged."[615] As Whybrow sees it, once an economy grows beyond a certain point, "the behavioral contingencies essential to promoting social stability in a market-regulated society — close personal relationships, tightly knit communities, local capital investment, and so on — are quickly eroded."

Many corporations are themselves in the same position. Like towns drained of their ability to create value through local business, many companies find themselves robbed of their most basic competencies by macroeconomic forces that push them toward spreadsheet management and reckless cost cutting. Thanks to their debt structure, corporations are required to grow. This means opening more stores, getting more business, and selling more products (increasing the "top line"), or cutting jobs, lowering salaries, and finding efficiencies (decreasing expenditures).

When Howard Schultz, the founder of Starbucks, returned to the helm of his company in 2007, he found his iconic coffee brand watered down by excessive expansion. Opening a Starbucks on every city block had sounded good to investors who hoped they had gotten in on the next McDonalds, but the strategy had damaged the quality and experience consumers sought from a deluxe coffee bar in the first place. As Schultz explained in a candid memo posted on the Internet without his knowledge, by introducing "flavor locked packaging" and automatic espresso machines, "we solved a major problem in terms of speed of service and efficiency, but overlooked the fact that we would remove much of the romance and theatre that was in play with the use of the [La Marzocco] machines."[616] The mandate to open an outlet each day resulted in "stores that no longer have the soul of the past and reflect a chain."

Other companies seek to remain competitive by dismantling the private sector's social safety net — pensions, benefits, as well as the steady salary increases won by long-time employees. In 2007, Circuit City came under pressure from big box stores such as Wal-Mart and BestBuy, whose young employees earned less than their own. The company decided to dismiss 3,400 people, about 8 percent of its work force. They weren't doing a bad job, nor were the positions being eliminated entirely. It's just that the workers had been employed for too long and as a result were being paid too much — between 10 and 20 dollars per hour, or just around the median of American workers. By definition, to stay competitive, Circuit City would have to maintain a workforce making less than that average. The company blamed price cuts on flat-panel television sets made in Asia and Mexico, which had squeezed their

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[615] Peter Whybrow's ideas have been promoted most recently and successfully by Bill McKibben. For this quote and more, see McKibben, 2007.
[616] Gross, 2007.

margins.[617] The justification for the layoffs, according to corporate consultancy McKinsey & Company, was that “the cost of an associate with 7 years of tenure is almost 55 percent more than the cost of an associate with 1 year of tenure, yet there is no difference in his or her productivity.”[618] The assertion that a company cannot leverage greater productivity from a more experienced employee is at best questionable and at worst a sign of its own structural inability to properly utilize human competence. That it sees no path to letting employees participate in the value they have created over time for the company is pure corporatism.

Not that this value is even recognized by the spreadsheet. In blind obedience to the metrics of the media they use, businesses render themselves powerless to initiate structural changes. Many assets — like customer and employee satisfaction, innovation, customer loyalty during a crisis, numbers of unsolicited applications for jobs, or contribution to the state of the industry — remain unrecorded by traditional corporate metrics. It would not be the first time that a seemingly neutral tool like a spreadsheet revealed itself, in the light of its media biases, as an environmental influence.

A few radical business theorists — like Harvard’s Bob Kaplan — have promoted the use of “scorecards” designed to measure and include some of these unconventional metrics in the overall appraisal of a company’s worth. The traditional spreadsheet, Kaplan believes, is like a supply curve from Microeconomics 101: “It tells you what things cost but not what they’re worth. The Balanced Scorecard is like a multidimensional demand curve. It tells you what’s creating value.”[619] Still, the scorecard itself boils down to more numbers.

Kaplan’s former partner, Portland State University’s H. Thomas Johnson, thinks the well-rounded scorecard is little better than any other. In his opinion, the reduction of every value to a piece of quantitative information is itself the crime. According to Johnson, human activity, commerce, and creativity are closer to real life than they are to math, and the focus on metrics “contributed to the modern obsession in business with ‘looking good’ by the numbers no matter what damage it does to the underlying system of relationships that sustain any human organization.”[620] Hitting quarterly targets earns CEO’s their options bonuses. The “underlying system of human relationships” only matters to people who have the luxury of working in a business that isn’t stuck on the compounding-interest-payments treadmill. In the zero-sum logic of closed source, corporatist economics, creating value for anyone other than the shareholders means taking value *away from* the shareholders. If employees are retiring with money to spare, it means they are being paid too much. If customers get more use out of a car or computer than promised, it means too much was spent on the materials.

[617] Leonhardt, 2007.
[618] Ibid.
[619] Kleiner, 2002.
[620] Johnson & Bröms, 2000, 58.

For example, in the 1960's and 70's Americans used synthetic insecticides and "crack and crevice" aerosol roach killers. Spraying the kitchen meant poisoning the pets, and the chemicals ended up polluting yards and groundwater. Additionally, the formulations only worked for so long before the roaches would become immune, and new, more powerful sprays would have to be deployed. Then, in 1979, some researchers at American Cyanamid in New Jersey came up with a new odorless, tasteless insecticide that was much less toxic to humans and pets, and broke down to harmless ingredients before it could get to any groundwater.[621] The only catch was that roaches needed to eat the ingredient. So, the clever scientists dipped communion wafers in the insecticide, and waited for roaches to voluntarily eat it. It worked so well that they toyed with the idea of selling the wafers under the name "Last Supper."

Combat, the name they settled on, was so successful at killing roaches, that by the end of 2000 Pest Control magazine ran the headline "Are Cockroach Baits Simply Too Effective?" After peaking at $80 million in 1995, the market for consumer-grade roach products had begun to shrink. It has gone down by 3 to 5 percent every year since then. Combat has killed its market along with all those roaches. Derek Gordon, a marketing VP at Combat's parent Clorox, put on a happy face, saying: "If we actually manage to drive ourselves out of business completely, frankly we'd feel like we did the world a service."[622] Clorox execs seemed less impressed by Combat's service record, and sold off the brand to Henkel, of Germany, as part of a larger deal. Even though they had come up with one of the most truly successful industrial-chemical products in modern history, the scientists at Combat were now part of a declining box in the balance sheet and had to be discarded. Their value as innovators – or the value they had created for so many urban dwellers — was not part of the equation.

The less people spend on killing roaches, the worse it is for the economy by corporate and government measures. The universal metric of our economy's health is the GDP, a tool devised by the National Bureau of Economic Research to help the Hoover administration navigate out of the Great Depression. Even the economist charged with developing the metric, Simon Kuznets, saw the limitations of the policy tool he had created, and spoke to Congress quite candidly of the many dimensions of the economy left out of his crude measure.[623] Burning less gas, eating at home, enjoying neighbors, playing cards, and walking to work all subtract from the GDP, at least in the short term. Cancer, divorce, ADD/HD diagnoses, and obesity all contribute to GDP. Occasionally, this predicament seeps into public awareness. As Robert F. Kennedy explained in a speech a few weeks before he was assassinated:

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[621] Schechner, 2004.
[622] Ibid.
[623] Jonathan Rowe, testifying before the Senate Committee on Commerce, Science, and Transportation, Subcommittee on Interstate Commerce, March 12, 2008. (Rowe, 2008)

> The Gross National Product includes air pollution and advertising for cigarettes, and ambulances to clear our highways of carnage. It counts special locks for our doors and jails for the people who break them. GNP includes the destruction of the redwoods and the death of Lake Superior. It grows with the production of napalm and nuclear warheads…and if GNP includes all this, there is much it does not comprehend.[624]

The market ignores or even works against human interest because of the way it measures success. And its measurement scheme has been based on tracking a currency whose bias toward scarcity and hoarding is not even generally recognized. Nor do the aggregate GDP figures measure how many people are involved in all the spending. As Jonathan Rowe, director of West Marin Commons, testified at a Senate hearing:

> They do not distinguish between a $500 dinner in Manhattan and the hundreds of more humble meals that could be provided for the same amount. A socialite who buys a pair of $800 pumps at Manolo Blahnik appears to contribute forty times more to the national well-being than does the mother who buys a pair of $20 sneakers for her son at Payless.[625]

Centralized currency's bias toward the accumulation of wealth by the already wealthy is camouflaged by the measures we use to gauge economic health.

Those who might be our best public educators seem oblivious of the way our business practices and fiscal policies drain value from our society and markets in the name of central currency's biased metrics. Although free-market advocates such as *The Wall Street Journal, The Economist*, and *Financial Times* are written with the interests of the businessman and investor in mind, their editorial staffs are educated and experienced enough to contend with these very basic contradictions. Instead, they continue to depict the economy as a natural ecology, whose occasionally brutal results are no worse than those of cruel nature herself.

Journalists only write this way until the supposedly free and unfettered market comes after the periodical they happen to work for. When AOL bought Time Warner along with its portfolio of magazines including *Time, People*, and *Sports Illustrated*, writers and editors at those publications complained that their periodicals were being turned into assets.

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[624] Kennedy, 1963.
[625] Rowe, 2008.

Editorial budgets went down, writers were instructed to become more advertiser-friendly, and the integrity earned by the magazines through years of hard work were being spent all at once on lowbrow television specials and cross-promotions.

At the time, *The Wall Street Journal* praised these developments. As an independent publication run by the Bancroft family's Dow Jones company since 1902, the *Journal*'s articles described only the process through which TimeWarner's "brands" would be updated, its divisions made more efficient, and its overpaid staff trimmed down. Within a few years, however, it was *The Wall Street Journal* fending off an unsolicited $5 billion offer from Rupert Murdoch. A pervasive feeling amongst investors that print publications were imperiled by the Internet had led to a decline in all newspaper stock prices — making the Journal's parent company Dow Jones an easy target, even though their website was one of the few profitable online newspaper ventures, earning far more than its print edition. All of a sudden the tables were turned. Editors who had long argued for free market principles now saw the benefit in keeping a company small and independent – especially after it had gained over a hundred years of reputation and competency in its field. One of the owners wrote an editorial arguing that:

> A deal with Rupert Murdoch would not be a deal between partners with shared values. One of Murdoch's stated goals of the purchase is to use the *Wall Street Journal* to shore up his new business cable channel. By Murdoch's own admission, this so-called business-friendly television channel would shy away from reporting scandals, and concentrate on the more positive business news.[626]

What these editors now understood was that by becoming a part of NewsCorp, the *Wall Street Journal* staff would lose its ability to create value through their newsgathering and analysis. NewsCorp was buying the newspaper for the value it could *extract* from the venerated media property. The *Wall Street Journal*'s name and, for a time, its editors and writers, could lend support to Murdoch's effort to build a TV business news brand. The Economist depicted the acquisition of Dow Jones as gaining "the media equivalent of a trophy wife."[627]

Even allies of corporatist culture cannot be allowed to thrive on the periphery. Because it was itself a publicly held company, Dow Jones had nowhere to hide in the open market it had defended for so long. Now the editors — off the record more than on (at least

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[626] In a "wag-the-dog" scenario even more preposterous than the one imagined by Hollywood comedy writers, a corporation buys a business news brand as a public-relations hedge on its investments. (Ottaway & Ottaway, 2007)
[627] The Economist, 2007.

until they were fired or resigned) — were railing against the concentration of global media ownership, warning about the political influence of foreigners on American business, and touting the necessity for family-owned newspapers to maintain their impact and high standards by remaining independent of centralized business interests.

But to do that, they would have had to find a way to remain independent of all centralized media, including the highly biased medium we call centralized currency on which all the other software runs. They would have to find a way to write new rules, and play an altogether new game.

Calling attention to the inventedness of central currency has revealed the intentions behind its first application in the Renaissance, as well as its embedded biases as a medium. Our media ecological approach allowed us to analyze the environment of gamesmanship and selfishness engendered by this medium, as well as the self-reinforcing feedback loop between that environment and those who sought to exploit or profit from its rule sets. Finally, we saw how even the players who were meant to benefit from this economic operating system ended up acquiescing to the demands of the environment it created, against their own best interests as well.

By unpacking the inventedness of central currency and the arbitrary nature of the media environment it left behind, we are also suggesting the potential for a negative example – an alternative to its logic and functioning. It is as if we mean to reveal to a world of Windows users the possibility of installing a different operating system – even an open source operating system with fundamentally different biases - on the same processor.

And just as the example of an open source operating system helps elucidate the artificially embedded primacy of a monopoly currency, the actual existence of open source models and truly interactive technologies may create the possibility for participation in the formerly closed games of corporatism. We will now consider the possibility for such participation, the potential for new media to grant new access to the rule sets through which corporatism maintains itself, as well as the example that open source models create for those who might develop alternative environments to corporatism.

5. Market Ludens - Playability as a Metric of Agency in an Interactive Economy

> You can't compete with a monopoly by playing the game by the monopolist's rules. The monopoly has the resources, the distribution channels, the R&D resources; in short, they just have too many strengths. You compete with a monopoly by changing the rules of the game into a set that favors your strengths.[628]
>
> --John R. Young, founder of SourceForge, the world's largest provider of hosting for Open Source development projects.

As we have determined in Chapter 4, the specifically closed and opaque rules surrounding the creation, distribution, and valuing of central currency have four main effects on currencies' end users: First, the rules themselves prevent true value creation and peer-to-peer transaction. Second, the environment created by the resulting currency favors competition and selfishness over cooperation and sharing. Third, the primacy and exclusivity of these rules leads people to mistake them for natural laws. Finally, and as a result, even the "non-player characters" who were meant to thrive on this operating system – corporations – end up incapable of functioning effectively.

Drawing on James Carse's description of *infinite games* and Johan Huizinga's *Homo Ludens,* chapter 5 introduces Julian Kücklich's concept of *playability* as a framework for evaluating the openness of a medium. Building on the discussion of open and closed systems in Chapter 4, we critique the corporation and centralized currency on the basis of how open they are to different levels of play, and look at the potential for the Internet - as a new tool and media environment – to offer more playability. Just as the tightly controlled printing press helped define central currency as a top-down, centrally distributed medium, the Internet may actually be understood as the press pushed to its extreme – "flipped" to the next medium – where its biases are effectively reversed. What was closed becomes open.

Section 5.1 begins by introducing the Internet as a potentially disruptive force to the sealed media environment of corporatism. After explaining the possibilities for disruption as envisioned by some of the net's earliest theorists and pioneers, as well as the concept of

[628] Young, 1999, 118.

playability as power in the sense that Kücklich describes it, I go on to analyze the actual opportunities for access and participation in the markets offered by new technology. Finding such opportunities to be limited, I conclude that a more robust metric for playability will need to be established in order for us to effectively measure the impact and opportunities for "game-changing" market participation which are emerging in the new media environment.

The limits of disruption having been identified, I will go on in 5.2 to introduce the possibility that the net's promotion of playability – as both a concept and an environment – may be the most impactful of its biases with respect to challenging the closedness of the corporatist landscape. Kücklich's framework will be our starting place for the application of playability as a metric of access and openness. The section then builds on Huizinga's tiered definitions of play by outlining 4 distinct participatory relationships between a person and a medium, drawing an analogy to a gamer's relationship to a video game. The first and most prevalent level is the player, someone unaware that the rules exist and more than content to play within their boundaries. The cheater, on the second level, achieves a higher level of agency by moving outside the frame of the game. This new perspective grants him the freedom to choose whether to follow the rules or not. The third level is the author, someone who can go one step further and modify the game, changing the content and perhaps even the rules themselves. The author can begin to see the game as one of many possible games, a perspective that allows him to move on to the final level of programmer: creator of new games, architect of alternate systems of rules.

Turning our focus back to the web, section 5.3 evaluates what actual impact the net has had on prevalent power structures, analyzing it in terms of playability. Despite hopes that the Internet would annihilate hierarchy and deconstruct the biases engendered by the corporate medium, we see that since it still runs on centralized currency it ultimately encourages the biases of its "operating system." Furthermore, as currency has been naturalized, its underpinning of the web is invisible to critique. Even critics in this system reach only the first level of play, that of a player completely unaware of the rules and forced to accept them at face value.

In section 5.4 we describe how the Internet, a medium that originally seemed to offer a high level of playability, has become corporatized, made into a market by exploiting the scarcity implicit in limited human attention. In an inherently decentralized medium, where value creation could have come from anywhere and been measured in new ways, the underlying corporate infrastructure turned the medium back towards centralized currency, recapitulating the process through which corporatism took hold of society.

Drawing a parallel to similar historical connections between new media and society such as the alphabet and the printing press, a pattern emerges between the creation of a new medium and its relationship to users as *players*. With the rise of the printing press people became readers, not writers. Similarly, with the advent of the personal computer and the Internet people become writers, not programmers. The reader and the writer in these systems are players in our hierarchy of playability; they use programs but they can't hack them and certainly can't write them from scratch. The limited player's perspective prevents users from seeing the corporate biases in the medium and prevents them from changing the fundamental rules of the game.

The solution our framework defines is programming. As section 5.4 concludes, the only way to make the biases of a medium visible is to engage with it on a meaningful level, as a creator instead of a user. In terms of the tiers of playability this means moving beyond playing to cheating, authoring, and ultimately writing our own games with new rules we define.

5.1 The New E-Conomy – Invitation or Illusion?

In one sense, the Internet breaks all the rules imposed by centralized currency and the speculative economy. Value can be created, seemingly, from anywhere. An independent clothing designer, for example, can use consumer-grade equipment to shoot pictures of her clothes, post them online, take orders, and even print the postage.[629] No need to pitch the department stores for space on their precious sales floors, to approach major clothing lines for an anonymous designer's job under one of their branded labels, or to utilize any of the corporate middlemen traditionally extracting value from both the designer and her customers.

Craftsmen from remote regions use communal websites to export products that previously couldn't make it beyond the confines of their own villages.[630] Film students post their low-budget videos on YouTube and earn mainstream attention along with, in a few cases anyway, big Hollywood contracts. Politicians use their websites to raise funds from individuals, and amass more early campaign capital through many small donations than they would have through a few big ones. A few hundred thousand hobbyists can collaborate on a free online resource, Wikipedia, that beats Britannica in breadth, usage rates and sometimes even accuracy.[631] Another group develops and maintains a web browser, Firefox, that works more securely than Microsoft's.

Corporate charters allowed wealthy elites to monopolize industries; the Internet allows competition to spawn anywhere. Only the best-capitalized (and chartered) companies could finance the construction and maintenance of Industrial Age factories; an internet business can be run and, in some cases, scaled from a single laptop. Monopoly currencies and a few centuries of legislation worked to centralize value creation; the Internet is biased toward

[629] See Etsy.com for just one such p2p marketplace.
[630] The National Geographic-sponsored Novica.com allows local artisans in developing nations to sell their wears — from textiles and rugs to jewelry and religious artifacts — to the world at large, even offering a microloan funding service members can buy into to support their favorite artisans.
[631] For an extensive evaluation of Wikipedia in this context, see Schäfer, 2011, and Lanier, 2010.

decentralizing value creation and promoting the work of those on the periphery as well as direct transactions between them. It levels the playing field, at least in theory.

This is why it shouldn't surprise that at the dawn of the Internet era many Marxists, feminist intellectuals, counterculture figures and postmodernists alike celebrated the decentralization they believed could soon occur on every level of society. Theorists from Geert Lovink to me to Donna Haraway to Stewart Brand to Howard Rheingold to Sadie Plant to Lance Strate saw the potential in new media for the emergence of a truly social and organic human collective.[632] This wasn't just a continuation of the Western narrative, or even its successor, but a post-narrative history independent of what went before. As Harraway explains the cyborg persona emerging from this new technology and ethos:

> In a sense, the cyborg has no origin story in the Western sense — a 'final' irony since the cyborg is also the awful apocalyptic telos of the "West's" escalating domination of abstract individuation, an ultimate self untied at last from all dependency, a man in space.[633]

The individual pushed to its limits, "flipped" forward into the ironic cyborg.

Instead of being controlled and artificially divided by ideologies, class boundaries, nations, or even gender, humans would now become part of what Gilles Deleuze and Félix Guattari called a rhizome.[634] The rhizome is a peculiarly horizontal and non-hierarchical plant structure — like water lilies or a ginger root — that is capable of producing both the shoot and the root systems of a new plant. New growth and value can come from anywhere. Likewise, a rhizomatic culture would be constantly negotiating meaning and value wherever meaning and value needed to be determined — instead of through some arbitrary central authority.

For our purposes, it sounds a whole lot more like the peer-to-peer market of the Late Middle Ages than the highly controlled landscape of chartered monopolies to follow.

The Internet and its many hyperlink structures were understood as the harbingers of a new, perhaps novel, rhizomatic culture. Other metaphors abounded: cyberia, fractals, hyperspace, dynamical systems, rain forests, all described the same shift toward a more organic and bottom-up, outside-in cultural dynamic. The culture became known in this early stage as "cyberpunk," and was best exemplified on the pages of self-published 'zines like *BoingBoing* and *Fringeware*, and the slightly more established magazine *Mondo2000*, whose title in its earlier incarnation*, "Reality Hackers,"* summed up the ethos of a cultural

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[632] See Lovink, 2005; Rushkoff, 1994b; Haraway, 1991; Brand, 1974; Rheingold, 1993; Plant, 1997; Strate, Jacobson and Gibson, 2003.
[633] Haraway, 1991, 150.
[634] Deleuze and Guattari, 1987.

movement that believed the tools through which reality itself could be "hacked" were now in their hands. As I explained in my own book of the period, *Cyberia*:

> As we slouch farther toward the chaos attractor at the end of time, we find most of our networks, electronic or otherwise, working against their original aims or being diverted toward different ends. Subnetworks and metanetworks grow like mold over the original medium. Be it a symptom of social decay, cyberian genesis, or both, the growth of new colonialism around and within our old systems and structures brings a peculiar sort of darkness-before-dawnishness to the close of this millennium.[635]

There was a playfulness inherent to the hacker ethic, echoing the pranksterism of the psychedelic culture informing all this activity, but also reflecting what we might call the "playability" offered by interactive technologies themselves.[636]

This notion of playability in new media was articulated most successfully by games studies advocate Julian Kücklich. Kücklich argues that games provide a particularly good framework for analyzing new media such as the Internet, in part because gaming has adapted so successfully and consciously to the new media environment, but also because play implies the greater concept and value of *playability*.[637] Contrasted to the notion of playability as engagement or fun, Kücklich instead means playability as an aspect of the media environment, or in his words: "Playability is understood here as the product of a media technology's or media text's characteristics and its user's media literacy."[638] Although not explicitly calling gaming or the Internet a media environment, he is clearly using an approach consistent with that of the media ecologist:

> As this might be misconstrued as a form of technological determinism, it should be emphasized that this model does not give precedence to either part; to playable technology or to desire for playability. It is rather a complex web of causation that gives rise to both phenomena.[639]

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[635] Rushkoff, 1994a, 177.
[636] See Mackenzie Wark, *A Hacker Manifesto*, Wark 2004, and consider it alongside his main body of work chronicling the Situationists.
[637] Kücklich, 2004.
[638] Ibid., 6.
[639] Ibid., 6.

Most importantly for our purposes, Kücklich argues that "media have become more playable, and this playability is a result of the changing relationship between freedom and rules."[640] As a result, the specific participation in gaming environments, as well as the greater media environment generated by gaming, introduces both the reality and concept of playability to a formerly closed media environment. Further, the rule sets put forth by new media are no longer set in stone. While they may not be open to user intervention, it is now a possibility. The relative playability of a medium can now be noticed and experienced by the player; as a result, the openness of non-game media can also be evaluated on this basis by a population who formerly may not even have considered such possibilities.

This new understanding of playability as an invitation to user participation may occur on any number of levels, or be limited just a few. Without going so far as to say that the more levels of playability on offer, the better, we may still use scales of playability to evaluate the relative access and agency afforded by a particular medium or technology.

For example, the emergence of online trading utilities gives retail users unprecedented access to previously obscure and inaccessible markets – or at least the illusion of such access. Before online trading, human stockbrokers used to stand between people and any trades they wished to make. A client would call his broker on the phone, ask for information, make a decision based on what he was told, and then instruct the broker to execute the trade – let's say a "buy order." If his firm had a "seat" on the relevant stock exchange, that broker would, in turn, phone a trader on the actual trading floor of the exchange, who would walk up to a human "specialist," who would match a seller with the buyer and then execute the transaction.

In the 1980's, discount brokerages emerged that allowed customers to call toll-free numbers and place trades with operators instead of brokers. Eventually, customers could even use the pushbuttons on their phones to hear 20-minute delayed stock quotes, or to place orders. This was the first form of interactive trading, and led to a huge increase in volume and commissions for the brokerage houses executing the trades — with some brokerages like Schwab reporting volume spikes of 35 percent or more.[641] Trading desks expanded, exchanges became more automated, and the "specialists" who used to maintain an "orderly market" became less and less relevant.

The proliferation of the Web took all this even further, as discount brokerages competed to provide greater levels of access to their clients through online trading platforms. By 1999, 25 to 30 percent of all trades were taking place on sites like ETrade, TDWaterhouse, and Schwab.[642] While online services did give retail traders more access to published stories and eventually even real-time stock quotes, they didn't genuinely increase traders'

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[640] Ibid., 32.
[641] Wallace, 1990.
[642] LaMonica, 1999.

participation in the "game" of the stock market. Their trades were still dependent on brokerage houses with official seats on the exchange or, in other cases, brokerage houses so big that they had their own trading desks.

Moreover, the platforms and utilities offered to retail online consumers resemble those of professional traders, but don't really work the same way or offer the same levels of access. Programs like ETrade's "Power Trade," for example, break up the screen into several smaller panes with changing numbers, tickers, and flashing red and green boxes. They look like the miniature versions of the computer setups that professional traders and brokers use in movies like *Wall Street*. But, unlike the tools used by professionals, they do not offer what is known – in lingo that sounds as if it were pulled from a video game - as Level 2 or Level 3 data. These higher levels of data are derived from the relationship of the traded price to the spread between the buy and sell, and help traders determine the actual buying or selling pressure on a particular stock – a great advantage over those who only see the price or its movement.

Even traders who understand that such tools exist and pay the fees to access them are not trading directly with others. There is still no peer-to-peer activity going on, through which empowered Internet users can bypass profit-taking intermediaries. Users simply have a more direct experience of trading, which encouraged massive increases in volume. By 2000, *The New York Times* claimed 7.4 million households were engaged in online trading.[643] According to Brad Barber of University of California at Berkeley, from 1995 through mid-2000, investors opened 12.5 million online brokerage accounts.[644] But this increased access to the stock markets does not mean people have gained access to the game as the professionals have been playing it.

Studies of this new population of do-it-yourself traders invariably show that increased access to trading tools and market data create the illusion of market competency and encourage poor decision making. Even before net access, do-it-yourself investors tended to make poorer investment decisions than those who used financial advisers or, best of all, simply invested in unmanaged "index" funds.[645] The main reasons for DIY investors poor results? According to Barber and his former graduate student Terry Odean, it is because amateurs trade too much.[646] Meanwhile, online trading brokerages - whose profit comes almost solely from commissions on trading - have a stake in getting their users to make as many trades as possible. They give the online user as up-to-the-minute a picture of the market

[643] Atlas, 2005.
[644] Barber and Odean, 2001.
[645] *Quantitative Analysis of Investor Behaviour* by Dalbar, Inc, showed that DIY investors made an average of 70.23% gains between 1984 and 1993, compared with 90.21% earned by advised investors. The S&P index rose 293% in the corresponding period. (Dalbar, Inc., 2011)
[646] Barber and Odean, 2000.

as possible through live quotes panels and encourage fast action through hi-tech-looking trading "dashboards." As Barber explains it:

> Many of today's investors are new to the market. Placing trades directly, rather than through a broker, can give such investors an exaggerated sense of control over the outcome of their trades. The vast amount of on-line investment data available will enable investors to confirm their prior beliefs and may lead them to become overconfident in their ability to pick stocks and other securities. Faster feedback may focus investor's attention on recent performance. Furthermore, investors have in recent years put themselves at greater risk by concentrating their trading in e-commerce companies, which are notoriously difficult to value, and by borrowing to invest at unprece- dented rates. Markets in which valuations are uncertain, investors are active and inexperienced, and money to invest is readily available are prone to speculative bubbles, which can hurt all investors.[647]

As Barber and Odean's data shows[648], The same brokerage houses profited off the same trading activity in the same way, while retail investors' actual percent of profits and trading accuracy went down. That all this occurred during the "dotcom boom" — reinforcing perception of the revolutionary shift that had taken place — didn't help these new investors make informed decisions, either. Barber and Odean argue that internet trading interfaces and marketing campaigns bolster "the overconfidence of online investors by providing an illusion of knowledge and an illusion of control, while also changing the decision criteria to which investors attend."[649]

When people have access to more data through which to predict the future, their confidence in the accuracy of such predictions increases much more than the accuracy of their predictions.[650] So the more data an online site can provide its traders, the more confident they will feel trading. Likewise, the more *control* a trader feels over his activities, the more trades he will make and the more conviction he will have about them (even though, ironically, he has actually surrendered most of the authority over the actual trade to the machine, since humans are too slow to react to the massive stream of data). As Barber's review of this branch of behavioral finance revealed:

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[647] Barber and Odean, 2001.
[648] See Barber and Odean, 2001; Barber and Odean, 2002; Barber, Odean and Lee, et al. 2009.
[649] Barber and Odean, 1999.
[650] Peterson and Pitz, 1998, as cited in Barber and Odean, 2001.

> Overconfidence occurs when factors ordinarily associated with improved performance in skilled situations—such as choice, task familiarity, competition, and active involvement—are present in situations at least partly governed by chance. The problem is that investors are likely to confuse the control they have—over which investments they make—with the control that they lack—over the return those investments realize. As a result, they are likely to trade too often and too speculatively.[651]

Fully aware of the psychological influence of both information access and the illusion of control, and likely working from the very data sets about trading behavior compiled and analyzed by Barber and Odean, online trading brokerages develop advertising campaigns that exploit both of these two vulnerabilities. "Data providers encourage this belief with ads such as one (from eSignal) that promises: 'You'll make more, because you know more.' In theoretical models, overconfident individual investors trade more actively and more speculatively than they otherwise would, hold under-diversified portfolios, have lower expected utilities, and contribute to increased market volatility."[652] Likewise, an advertisement for online brokerage Ameritrade explains that online investing "is about control."

The ever-growing assortment of online trading tools for individual investors may create the sense that the game has opened up, but offer the individual investor very little more than he enjoyed as a pure spectator. From the standpoint of increased playability, as I intend to define it, these sorts of innovations change nothing. A more robust and multi-faceted understanding of playability must be employed in order to evaluate just what, if anything, has changed with the emergence of the Internet, as well as to determine how one can participate at the deepest possible level.

5.2 Finite and Infinite Trades

Certainly, Huizinga would have objected to identifying interactive trading with true play, for play is supposed to be "connected with no material interest, and no profit can be gained from it."[653] In his schema, play is to be distinct from ordinary life, anyway.[654] Adding the totems of playability and even some modicum of superficial interactivity to the markets would not constitute play. In this greater context, then, online trading does not represent increased

[651] Barber and Odean, 2001.
[652] Odean, 1998.
[653] Huizinga, 1971, 28.
[654] Ibid., 9.

interactivity or playability, but rather a mere change of entry point to the game as it currently exists. Indeed, the real game-changing in financial markets takes place on different servers altogether, as investment brokerages employ computer generated algorithms[655] and ultra-fast trading access to predict, monitor, and then pre-empt the trades made by retail investors trading through their supposedly transparent and direct interactive connections to the marketplace.[656]

But Huizinga's axiom would also appear to preclude any application of play to corporatism - even as a market corrective. If it's opening markets or allowing for peer-to-peer transactions or making currency more open source, then it is not supposed to count as "play" at all. The results are far too practical and applied!

Huizinga's first and, arguably, most important criteria for play is that: "Play is free, is in fact freedom."[657] This would suggest that my premise of "playability" somehow challenging the iron-hold of corporatism is invalid. Yet how can the freedom Huizinga calls for even exist with being freedom *from* something? Certainly a Situationist undermining of market sensibilities, or a YesMen prank of corporate America is an exercise in freedom and constitutes "play," even though they are based on real world problems.[658] In fact, such activity and satire constitutes play because supposedly "real world" concerns are being surrounded and recontextualized by the prankster — or the trickster, in Lewis Hyde's schema.[659] Just as when Abbie Hoffman and his pranksters vowed in 1967 to surround the Pentagon and attempt to "levitate" it, the trickster can encircle the real-world object of his derision, reframing it within the context of play. The effort "frees" all who partake — as well as the intended audience -from the social construction masquerading as material interest.

Moreover, encircling the Pentagon — however seriously minded the Pentagon's own activities — would constitute the formation of a "sacred circle" of play. Huizinga compared play to both religious ritual and ceremonial magic, where the distinction between the mundane and ritual is made discreet.

> The arena, the card-table, the magic circle, the temple, the stage, the screen, the tennis court, the court of justice, etc., are all in form and function play-grounds, i.e. forbidden spots, isolated, hedged round, hallowed, within which special rules obtain.[660]

655 Duhigg, 2006.
656 Berenson, 2009.
657 Huizinga, 1971, 8.
658 See the Web site Yesmen.org for how this prankster operative functions.
659 Hyde, 1998.
660 Huizinga, 1971, 10.

The sacred circle of play sets off particular place where an artificial order may be established, and meaning created between the players. Play can happen inside the circle, set off from the seriousness beyond. But what happens when the serious thing is enclosed in the circle? Then the seriousness is bounded — at least ritualistically — and the play becomes the world *beyond* the circle. "In play we may move below the level of the serious, as the child does; but we can also move above it — in the realm of the beautiful and the sacred."[661] And, we might argue, in the realm of satire and arts activism.

This ability of players to circumscribe an activity and then move outside it as a path toward freedom coincides with what religion professor James P. Carse would call an *infinite game*: "A finite game is played for the purpose of winning, an infinite game for the purpose of continuing the play."[662] Finite games are characterized by winners and losers, and conform to the zero-sum mentality of economic scarcity. Indeed, as we have seen, the game theory of RaND and others was built on finite game structures, and limited to fixed sets of outcomes. The prisoner's dilemma is itself a finite game in the extreme, with the options available to the players reduced to a binary choice, the outcomes predetermined, and all solutions pretty awful.

Infinite games are not bounded by fixed quantities, and don't require set rules to be established. Unlike finite games, they are not contractual in nature, and "the rules must change in the course of play."[663] In other words, the game itself is defined on the fly, by the players. In fact:

> The rules are changed when the players of an infinite game agree that the play is imperiled by a finite outcome — that is, by the victory of some players and the defeat of others. The rules of an infinite game are changed to prevent anyone from winning the game and to bring as many persons as possible into play.[664]

In this sense, the infinite game might best be thought of as an "open source" game, or a Fantasy Role-Playing game, where the story is generated by players together even though their characters might be in competition within the fiction of the game. The relationship between these FRPs, peer-to-peer activity, and hacking is made explicit in my earlier *Cyberia*:

> Also, there is no "object" to the game. There is no finish line, no grand finale, no winner or loser. The only object would be,

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[661] Ibid., 19.
[662] Chase, 1986, 3.
[663] Ibid., 9-10.
[664] Ibid., 11.

> through the illusion of conflict, for players to create the most fascinating story they can, and keep it going for as long as possible. As with cyberian music and fiction, role-playing games are based on the texture and quality of the playing experience. They are the ultimate designer realities, and, like VR, the shamanic visionquest, or a hacking run, the adventurer moves from point to point in a path as nonlinear as consciousness itself. The priorities of FRPs reflect the liberation of gamers from the mechanistic boundaries imposed on them by a society obsessed with taking sides, winning, finishing, and evaluating.[665]

The degree to which playability is introduced to a closed system reflects the extent to which its participants can set their own rules. Just as the secretaries in John Nash's experiments thought "outside the box" in order to collaborate, players in today's closed source marketplace are considering alternatives to the transaction scenarios available to them. To adequately evaluate the playability offered by interactive technology, however, we must categorize the various kinds of playability possible in terms of the depth of rule-breaking and rule-making they allow. What constitutes increased agency or empowerment, and how do we measure these effects?

As Matteo Bittanti explains:

> The term "empowerment" has various meanings and implications. It is usually used in association with two kinds of power: rhetorical and technical. In the digital age, the two meanings/modes are becoming more and more interwoven. For instance, users are creating machinima to create political and social commentary on a variety or current events, such as the recent Parisian riots, the Iraqi War and sexual abuse. A medium originally created for (purposely) meaningless recreation becomes a vessel for ideological (re)production. The ultimate subversion.[666]

As I offered in an essay entitled "The Gamer's Perspective" for the *Handbook of Computer Game Studies*, we can use the changing orientation and facility with which a player approaches a video game as a way of measuring and qualifying levels interactivity in terms of

[665] Rushkoff, 1994b, 161.
[666] Bittanti, 2006.

specific dimensions of playability.[667] This bears some relationship to Stuart Hall's concept of encoding and decoding in that I'm posing that the meaning and communication of a computer game (and, by extension, other processes in the greater digital-games-defined media environment) is the result of a number of factors.[668] As Joost Raessens crystalizes this notion:

> Not only the design and production of a computer game, but also its reception and consumption has to be considered an active, interpretive, and social event. In other words, expressions of culture are 'polysemic,' that is, they are open to various readings by various (groups of) readers.[669]

And as a result, as Raessens points out, hegemonic forces and entities (as defined by Gramsci) are brought into more of a negotiation with their former audience.[670] The result, according to Hall, are three different reading strategies: dominant-hegemonic, or the preferred reading; negotiated reading; and oppositional reading.[671] In the scheme I use below, I will be building on these three, and adding one more — a programmatic reading, where the reader assumes the role of the programmer. In the extended scheme of strategies, the dominant-hegemonic reading is the strategy of what I'll call the "player." The negotiated reading is employed by the "cheater." And the oppositional strategy is that of the "author," capable of engaging in the argument — albeit on terms framed by the original writer. The final stage, that of "programmer," has the ability to recast the entire discussion — and would constitute elevation from Hall's role of "decoder-receiver" to that of a new encoder.

This sensibility extends beyond the relationship of the gamer to any particular game, and may be seen to characterize the relationship of the person playing that game to the world in which he lives. As Raessens explained when describing the Playful Identities[672] research program at Erasmus University Rotterdam and Utrecht University,

> Because digital technologies seem to stimulate "playful goals" (Vattimo, 1998) or "the play element in culture" (Huizinga, 1955), we investigate the ways in which mobile phones, the Internet, and computer games not only facilitate the construction of these

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667 Rushkoff, 2005a.
668 Hall, 1980, as summerized in Raessens, 2005.
669 Raessens, 2005, 375.
670 Gramsci, 1992, 233.
671 Hall, 1980.
672 Playful Identities was a research program conducted by Michiel de Lange, Jos de Mul, Valerie Frissen, Sybille Lammes, Joost Raessens, and Jeroen Timmermans at Erasmus University Rotterdam (EUR) and Utrecht University (UU), sponsored by Netherlands Organization of Scientific Research. See http://www.playful-identities.nl/HTML/information.php?action=display&id=57

> playful identities but also advance the ludification of culture in the spirit of Johan Huizinga's *homo ludens*.[673]

As my own research observing and interacting with self-identified gamers indicated, when a player first approaches a game, he generally plays it out of the box (or jewel case) as it was intended to be played.[674] Most kids do not bother to read "the rules" of the game, if they are even provided. Play itself usually consists of learning those rules of the game world, as well as the interface through which the character moves and interacts with the environment. A gun is not simply a tool, but a puzzle in itself, whose very operation and features are learned by the player over time. In short, the rules of the world are not even known at the outset. "Play" consists of crossing the "sacred circle" into the game world — in this case, a finite one.[675] Other than that, the player is simply subject to the laws of the world of the game. He often only learns the "object" of the game (if there is one) after hours of play.

The player may play a typical video game like *Doom* or *Duke Nukem* this way — as it is "supposed" to be played — for a few dozen or hundred hours. Eventually, however, when the gamer gets stuck at a certain level or wants to exceed his regular capabilities, he goes online to a gaming site or to one of the gaming magazines, to find the "cheat codes" for the game. By typing in a few special characters – or manipulating the controller in a particular fashion during the game's startup – he enables hidden subroutines in the game program. As a result, he gains advantages in the game, such as infinite ammunition, special shielding, or other abilities, that allow him to complete tasks, kill enemies, and get to the next level more easily.

Technically, when utilizing the cheat codes, the user is no longer a player but a "cheater." This is not a value judgment — there's no ethical or moral question here, as the cheat codes were planted by the games' own creators, and usually leaked intentionally. The first well-known cheat codes were developed for the game Gradius when it was ported from its arcade version to Nintendo, by the game's own designer Kazuhisa Hashimoto. "The arcade version of Gradius is really difficult, right?" he told 1up.com, a cheat codes website, "so I inserted the so-called Konami code."[676] Web sites such as 1up.com compete to provide players with the latest cheat codes, as well ways of exploiting loopholes in the game's logic to gain advantages. This activity tends only to increase the value of the game. In fact, as Huizinga proposes in *Homo Ludens*, the cheater actually confirms the stakes and value of the game. Unlike the spoilsport, who simply negates the sacred circle and ignores the value of the competition, the cheater breaks away from the play-reality:

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[673] Raessens, 2006, 52.
[674] Rushkoff, 1996.
[675] Huizinga, 1971, 77.
[676] 1up.com, 2009.

> It is curious to note how much more lenient society is to the cheat than to the spoil-sport. This is because the spoil-sport shatters the play-world itself. By withdrawing from the game he reveals the relativity and fragility of the play-world in which he had temporarily shut himself with others.[677]

But more important to this discussion, from the perspective of levels of playability, the cheating player has moved outside the original frame of the game. Only now does the player have the choice of whether to follow the rules or break them. Only now do "rules" even come into play. As I argued first in "Gamers Perspective" and later, in greater depth, in *Program or Be Programmed*, the cheater achieves a level of agency unavailable to the pure player — whether or not he chooses to utilize his cheat codes and special powers.[678] This is what I'll later refer to as a "renaissance moment" in that it shifts the player's perspective beyond the original frame of the game. He is now one level removed – in a certain way similar to the abstraction described by Barthes, Baudrillard, and Korzybski (in Chapter 2). Here, however, thanks to the interactivity offered by the medium with which he is engaged, this is not alienating in the same sense. Rising above the original confines is associated now with greater latitude, greater agency, and an entirely new relationship to free will. Instead of the image, the symbol, or the object rising one level of abstraction, it is the player.

At this point, the player/cheater goes on to higher levels, using his cheater's abilities when he chooses, and leaving them off when he wants to experience the game's original level of difficulty. If the game continues to be exciting, he'll do this until he reaches the final level. He may practice a while with cheat codes activated until he has acquired the skill to reach the highest level with no artificial help at all. Then the game at this second stage is over.

After that, if he really likes the game, he goes back online to find the modification kit — a simple set of tools that lets a more advanced user change the way the game looks and feels. So instead of running around in a dungeon fighting monsters, a *Doom* modder might make a version of the game where players run around in a high school fighting their teachers (much to the chagrin of parents and educators who will incorrectly see such activity as precursors to real world violence).[679] He uploads his version of the game to the internet, and watches with pride as dozens or even hundreds of other kids download and play his game, and then comment about it on gamers' bulletin boards. Mods are rated, celebrated, and often become the basis for further modifications by new subsets of fans. The more open a game is to modification and the more support game companies offer their players in this pursuit, the

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677 Huizinga, 1971, 11.
678 Rushkoff, 2010, 137.
679 Even basic players of "shooter" games are statistically less likely to be involved in a rampage shooting than members of the general population. (Winegarner, 2011.)

more consistent software becomes with the social bias of digital communications media, and — in many cases — the longer lasting its success.[680]

So now the gamer has moved toward increasingly participatory roles, from player to cheater to author. The author is capable of creating new content on the gaming platform, as well as writing new characters, locations, weapons, narratives and even rules — at least insofar as the game platform and engine allow it. This, of course, exposes the final level of playability, or lack of it: that of programming. Following from and extending the path of our original player-cheater-modder, if the version of the game he has developed is popular and interesting enough, he just may get a call from a gaming company looking for new programmers. Then, instead of just creating his own components for some other programmer's game engine, he will be ready to build his own.

Only when he has access to the code itself has he reached the most fundamental rule set — and a role even more autonomous than that of the author. For the programmer, unlike the modder, is capable of creating the landscape of interaction, the fundamental biases of the game world itself.[681] Of course, these different levels interaction suggest a scale for measuring all sorts of media interaction: is "machinema" (where users adapt game engines to create movies) an example of authorship or programming? Or something in-between? How about using Wordpress to create a website? And so on. For us, these questions will focus on the various forms of interactivity that the net affords people and businesses looking to restore p2p commercial activity, circumvent corporate monopoly, and utilize alternative forms of currency.

We will return to these very different relationships to play in the course of our discussion. For each one reflects a different awareness of and access to the assumptions and preconditions underlying all the activity. For thanks to the Internet, many new approaches to finance, commerce and community are being conceived, prototyped, and in some cases even deployed. By identifying the level of play permitted (or demanded) by a particular application or style of interaction, we can begin to evaluate just how much participation it restores.

We will employ the metaphor of gaming in two distinct but related ways. We will look at the way net technologies provide new access to formerly closed systems, thus increasing what we are calling the "playability" of the markets involved. And we will also consider the way more explicit uses of gaming models encourage a gamer's mentality — or a ludic self-conception[682] — when approaching matters of economics and finance, helping to dispel the seeming inviolability and sanctity of market dogma. Further, this "gamification" of

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[680] Rushkoff, 2010, 138.

[681] Of course these biases are, in turn, limited by the underlying architecture of the gaming platform, the machine language, chip sets in use, and so on. But for the purposes of our discussion — and certainly those of game designers — the games are for the most part limited only by the imagination of the programmer.

[682] For an explanation and examination of the ludic-self, see: de Mul, 2005.

markets undermines the real-world stakes of their impacts, freeing players to engage with money as a social construction. Ultimately, we must begin to consider whether these two aspects of gaming can combine to foster a new relationship to both the corporate spectacle and closed source money systems.

5.3 DewMocracy: The Wired Revolution

While digital technologies may foster the creation and duplication of nearly every kind of value out there, all this value is still measured by most people in terms of dollars and cents. Napster was a sensation because it saved consumers money while costing many corporations their revenue. Hackers made fewer headlines for coding brilliantly than for getting listed on NASDAQ. And of course, participation itself is generally predicating on purchasing equipment and bandwidth from one of a dwindling number of conglomerating mega-corporations.

For those with time and money to spend, there's certainly a whole lot of terrific activity occurring online that flies in the face of contemporary corporatist culture. People with rare diseases can find support groups and alternative treatments, pregnant women can get free advice, creative can collaborate on new kinds of projects, amateur drag racers can trade car parts, rock bands can find audiences, nerds can find friends, activists can organize rallies, bloggers can expose political corruption, and people can share their hopes and dreams with one another in forums often safer than those available to them in real life (if they understand how proxy servers work, of course).

Still, apart from a few notable and, sadly, declining exceptions to the rule, the energy fueling most Internet activity is not *chi* (life energy, as net culture pioneer John Barlow like to call it) but cash — or at least chi supported by cash. However horizontal its structure, the Internet rhizome is activated by money: old-fashioned, top-down, centralized currency.[683] As a result, what occurs online is biased toward the very authorities that the Internet's underlying network structure might seem predisposed to defy. Things can feel — or, some cases, be *made* to feel — playful, participatory and even revolutionary, even though they still constitute business as usual.

In 2008, for example a student of mine sent me a link to a website that had confused her. I clicked on the URL and a video played images from a post-apocalyptic future reminiscent of the movie THE MATRIX (1999, Warner Bros. Pictures). A narrator spoke:

> There are those who still remember how it all began. How light
> and reason had retreated. How greed gave way to great power.
> How power gave way to great fear. The Great War swept across

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[683] Barlow, 1996.

> all the lands, neighbor against neighbor, city against city, nation against nation. The Corporate Lords claimed the world. Creativity and self-expression were outlawed. The Great Darkness had begun. But they speak in low whispers of the legend that One will come. A gifted child. Legend speaks of him finding the Magic Gourd that he will fill with an elixir to restore the soul of mankind.[684]

That elixir, it turns out, is the mass-market soft drink Mountain Dew. The film, directed by American actor Forest Whitaker, is for a web promotion called *DEWmocracy*. Harnessing the ostensibly democratizing force of the Internet, Mountain Dew let its online community select the color, flavor, label, and name of its next sub-brand of soda – from a group of four pre-selected possibilities. Arriving just in time for the presidential election of 2008, the promotion pretended to encourage democratic thinking and activism on the part of Mountain Dew's young consumers — when it was really just distracting them from democratic participation by getting them to engage, instead, in the faux populist development of a beverage brand.[685] Even this participation is limited in the extreme. Users don't do anything but select from existing choices, and then "campaign" for them in online forums. They're supposed to argue for flavors they haven't even tasted. The entire campaign is wrapped around a fantasy computer war game that may or may not have anything to do with the beverage election process.

My student was horrified. What frightened her most of all was how long it took her to determine that this wasn't a commercial inviting young people to participate in the presidential election process, but one asking them to campaign for a soft drink. And the revelation was not treated as the punchline a joke.[686] How could such a promotion be launched with a straight face? There wasn't even any wink-wink irony on the website or in its slogans. Would young people be fooled into thinking this was a form of engagement — that they were to approach the future of Mountain Dew in the same spirit as they did the selection of a president? Even in terms of education through interactive media, this was not the "gamification" of the electoral process, but of the consumer decision process. Was this the shape of things to come?

What my poor student was realizing all too fast was that, for many in the newly interactive mediaspace, this *is* today's equivalent of civic engagement. The conversion of

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[684] Pepsico, 2008.
[685] See my documentary*, The Merchants of Cool*, for more on the research and methodology employed by marketers in this pursuit. (Dretzin and Rushkoff, 2001)
[686] Interestingly enough, I met the heads of advertising firm responsible for a second stage of this campaign, Undercurrent. Apparently the original campaign was ultimately a source of ridicule for PepsiCo, so they hired Undercurrent to make it appear that the whole DEWmocracy effort had been meant as a satire from the beginning.

democracy to Dewmocracy™ is not a sign of the Internet's future but a present in which playability itself is mistaken for meaningful participation – no matter the objective or stakes.

Maybe the surest sign that the threat of the rhizome has been all but neutralized is corporate America's willingness, finally, to celebrate the Internet's revolutionary potential. Nowhere was Internet culture lauded more patronizingly than by *Time* magazine's 2006 "Person of the Year" issue. We can only imagine the editors' satisfaction at turning the blogosphere on its head: if those pesky bloggers are going to give us hell no matter who we choose, why not just choose *them*? Let's show the great, unwashed masses of YouTubers that we're on *their* side for change. A little silver mirror on the cover reflected back to each reader the winner of the award: *you*.

"Welcome to your world," the article greeted us.[687] Welcome to what? Weren't we online already? "For seizing the reins of the global media, for founding and framing the new digital democracy, for working for nothing and beating the pros at their own game, *Time*'s Person of the Year for 2006 is you." For many,[688] there was something pandering about all this false modesty. It only betrayed how seriously the editors still took their role as opinion-makers: our liberation from top-down media isn't real until the top-down media pronounce it so.

YouTube, Facebook, and Wikipedia do constitute a fundamental change in the way content is produced. But for the corporations profiting off all this activity, it's simply a shift in the way entertainment hours are billed to consumers. Instead of our paying to watch a movie in the theater, we pay to make and upload our own movies online. Instead of paying a record company to listen to their artists' music on a CD player, we pay a computer company for the hardware, an Internet-access company for the bandwidth, and a software company for the media player to do all this. And that's when we're doing it *illegally*, instead of just paying 99 cents to Apple's iTunes.

In the case of Facebook, those who create and maintain pages are not even the real customers — or users — of the software. The real customers are the corporations and market research firms paying Facebook for access to their members' eyeballs and social graphs.[689] In this sense, the human users are really the workers, whose labor generates the massive data pool that Facebook then sells to its real clients. At best, the human members of the Facebook community are the product being sold.

"Silicon Valley consultants call it Web 2.0, as if it were a new version of some old software. But it's really a revolution," *Time* enthused.[690] Whether *Time*'s editors realized it, their willingness to acknowledge the power of Internet users everywhere hinted at corporate

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687 Grossman, 2006.
688 Rushkoff, 2007b.
689 Kirkpatrick, 2010, 267.
690 Grossman, 2006.

America's confidence that it had finally weathered the storm.

It was the same sort of language that has characterized the relationship between net analysts and the revolutionary technologies they believe they are introducing and explaining to the world. The works of most digital theorists in the public conversation accept the underlying premise of our corporate-driven marketplace as a precondition of the universe and, worse, as the ultimate beneficiary of their findings. If a "free" economy of the sort depicted by leading net analysts Chris Anderson (editor of *Wired* magazine) or Clay Shirky is really on its way, then books themselves are soon to be little more than loss leaders for high-priced corporate lecturing — as both have suggested — even gleefully.[691] In such a scheme how could professional writers and theorists possibly escape biasing their works towards the needs of the corporate lecture market on which they are now depending? In such a closed loop, the value of a theory or perspective rests solely in its applicability to the business sector.

Whether it's being done in honest ignorance, blind obedience, or cynical exploitation of the market, the result is the same: the ability to envision new solutions to the latest challenges is stunted by a dependence on market-driven and market-compatible answers. In this way, theorists — such as those writing for *Wired*, for John Brockman's Edge.org, or speaking at the TED conferences — are encouraged to apply the rules of genetics, neuroscience, or systems theory to the economy, and to do so in a determinist fashion. In their ongoing effort to define and the defend the functioning of the market through science and systems theory, some of today's brightest thinkers have, perhaps inadvertently, promoted a particularly corporatist mythology about commerce, culture, and competition. Not only is it biased toward corporate interests, but it might also serve to camouflage the net's potentially destabilizing impact on highly centralized commercial monopolies. Those who criticize the net, on the other hand, such as Nick Carr[692], Sherry Turkle[693], Mark Bauerlein[694] to name a few, tend to attack technologies and interfaces devoid of their market context. It is "Google making us stupid" and the "digital age stupefying young Americans."[695] By blaming technology, they enter into a false dialectic with their pro-market counterparts — leaving the landscape of corporatism utterly uncritiqued as an influencer of these trends and behaviors.

In short, a preponderance of net spokespeople are approaching the market from the very first level of play — that of a player completely unaware of the rules, and forced to accept them at face value. They behave as if they are unaware of the possibility of seeking "cheat codes" to market dogma because they do not see the rules of corporate capitalism as arbitrary. The only movable parts are the technologies built by or for that inviolable rule system.

The trend began on the pages of the digital business magazine, *Wired*, which served

691 Shirky, 2008.
692 Carr, 2010
693 Turkle, 2011
694 Bauerlin, 2008
695 Carr, 2010, and Bauerlein, 2008, respectively.

to reframe new tech innovations and science discoveries in terms friendly to disoriented speculators. Until *Wired*, net culture was chronicled by either the technical press (Byte) or playful, zeitgeisty publications such as *Mondo2000* and *BoingBoing*. The former gave programmers information on how to use their machines, while the latter promoted the cyberpunk ethos of playful hacking and cultural mutation. Both challenged corporatism, by offering new paths to decentralized, independent value creation, or by suggesting the values of centrist society were themselves suspect and subject to modification. In short, they were promoting the autonomy of geeks and freaks, respectively.

Wired, on the other hand, founded by neo-libertarian Louis Rosetto,[696] would not fundamentally challenge the market; it would provide bankers and investors with a map to the new territory, including the consultants they'd need to maintain their authority over the economy.[697] The play was over, and the "real" work of value creation – or at least speculative investment – was to begin, guided by a new class of prominent neo-libertarian intellectuals.[698]

The first and probably most influential among them was former Royal Dutch/Shell futurist Peter Schwartz, who, with Peter Leyden in a 1997 article and book entitled *The Long Boom*, forecast a "long boom" of at least 25 years of prosperity and environmental health fueled by digital technology and, most importantly, the maintenance of open markets. "Write it on your forehead: Open markets good, closed markets bad," they said.[699]

Their *Wired* colleague Kevin Kelly, in his own *Wired* cover story and subsequent book *New Rules for the New Economy:Radical Strategies for a Connected World* foresaw the way digital abundance would challenge scarce markets, and offered clear, if somewhat oversimplified, rules through which the largest companies could still thrive on the phenomenon.[700] In practice, however, Kelly's new rules are less radical than reactionary. "Follow the free" is based on the premise that networked technologies such as fax machines are worth more, not less, as they proliferate.[701] (If fax machines were rare, they would be worth very little since there would be no one to receive the faxes.) But the recommendations that follow this new rule are simple leverage of old rules. Giving away things — like beta software — can save a company money by getting the free labor of consumers who improve it before release.[702] He also implores those who cannot give away things to "act *as if* your product or service is free."[703] He cites magazine publishers, whose costs are barely met by subscribers anyway, and give away subscriptions as a way of increasing advertising revenue.

696 Lehr and Rossetto Jr., 1971.
697 The masthead of early Wired may as well have been culled from the personnel list of the Global Business Network, as I reported in *"Beware Faulty Wiring"* for the Guardian of London. (Rushkoff, 1997)
698 For a great description of Silicon Valley neo-libertarianism, see Barbrook and Cameron, 1995.
699 Schwartz and Leyden, 1997.
700 Kelly, 1997.
701 Kelly, 1999, 63.
702 Ibid.
703 Ibid.

Kelly's concept of "network externalities" is really just an updated version of the externalization of costs we saw employed by multinationals in chapter 2.

> The total value of the telephone system lies outside the total internal value of the telephone companies and their assets. Huge amounts of cash pour toward network winners such as Cisco or Oracle or Microsoft, and that makes everyone else nervous.[704]

He sets aside issues of monopoly, claiming that those who control networks cannot — would not — stifle innovation, since this is "intolerable in a network economy." Yet companies from Apple to Google to Microsoft, who do enjoy monopolies over their networks, regularly stifle innovation with impunity.[705] As Alex Galloway explained in *Protocol*, networking brings together previously untethered computers into systems of control, dictated by the protocols established by the corporations Kelly entrusts with monopoly power over externalities.[706]

Stewart Brand joined Schwartz and others in cofounding GBN, a futurist consulting firm whose very name Global Business Network, seemed to cast the emergence of a web economy in a new light.[707] An offshoot of Royal Dutch/Shell's scenario planning group, the Global Business Network sought to help the world's largest extant corporations predict and resist the destructive impact of change. What did it mean that everyone from William Gibson to Brian Eno to Marvin Minsky would now be consulting to the biggest corporations on earth, using tools developed by the oil industry to remain the dominant players in energy? Would they even be able to control their own messages?

For example, as the proponents of the supposedly radical, new, digital economy like to remind us, in 1984 Brand did famously argue, "information wants to be free."[708] But this is only the second half of a two-part syllogism, delivered at the first Hackers conference:

> On the one hand information wants to be expensive, because it's so valuable. The right information in the right place just changes your life. On the other hand, information wants to be free, because the cost of getting it out is getting lower and lower all the time. So you have these two fighting against each other.[709]

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[704] Ibid., 27.
[705] The lawsuits against these companies and documentation of their monopoly practices pile up every day, making this citation a moving target. For a cogent discussion of the relationship of monopolies, networks, and innovation, see Zittrain, 2008, or Carr, 2008.
[706] Galloway, 2004.
[707] Lohr, 1998.
[708] Tavani, 2004.
[709] Clarke, 2001.

Of course, the latter half of the statement is more effective at devaluing content – the result of thought and labor by humans – and refocusing the creation of value on those who have moved up a level toward indexing or contextualizing that content on the networks.

Brand's new partnership with big business raised many questions for the few who were still watching. Would his and others' work now be parsed for the tidbits most effective at promoting a skewed vision of the new economy? Would the counterculture be able to use its newfound access to the board rooms of the Fortune 500 to hack the business landscape, or had they simply surrendered to the eventual absorption of everything and everyone to an eternal primacy of corporate capitalism? The "scenario plans"[710] that resulted from this work, through which corporations could envision continued domination of their industries, appeared to indicate the latter.

Picking up on Kevin Kelly's "free" meme, economist and current *Wired* editor Chris Anderson has analyzed where all this is going, and — rather than offering up a vision of a post-scarcity economy — advised companies to simply leverage the abundant to sell whatever they can keep scarce. In his book *Free*, after explaining how the sellers of Jell-O generated demand for their gristle-extract by giving away cookbooks using it as an ingredient, Anderson states: "Free is a word with an extraordinary ability to reset consumer psychology, create new markets, break old ones, and make almost any product more attractive."[711] So in spite of its promising title, *Free* is not about freedom or even the free. It is not pointing us toward a new or infinite game, and does not question the premise or integrity of the non-free, closed source market.

If they remain oblivious to the underlying biases of the markets fueling the landscape on which they think and work - our leading public intellectuals are less likely to provide us with genuinely revolutionary axioms for a more highly evolved marketplace than reactionary responses to the networks, technologies, and discoveries that threaten to expose the marketplace for the arbitrarily designed poker game it is. They do not offer us new rules for a new economy, but new rules for propping up old economic interests in the face of massive decentralization. While we can find evidence of the corporate marketplace biasing the application of any field of inquiry, it is a limited economic perspective that prevents the mainstream press and media from supporting work that serves values external to the market. So, at least in the popular media, limit economic thought to the game as it is currently played, and to present these arguments with near-scientific certainty.

The sense of inevitability and pre-destiny shaping these narratives, as well as their ultimate obedience to market dogma also trickles down to writers and theorists less directly or consciously concerned with market forces. It fosters, both directly and by example, a

[710] Turner, 2008.
[711] Anderson, 2009, 10.

willingness to apply genetics, neuroscience, or systems theory to the economy, and of doing so in a decidedly determinist and often sloppy fashion. Then, the pull of the market itself does the rest of the work, tilting the ideas of many of today's best minds toward the agenda of the highest bidder.

So Steven Johnson in *Everything Bad is Good for You*, ends up leaning, perhaps more than he should, on the corporate-friendly evidence that commercial TV and video games are actually healthy, because they increase our capacity to deal with complexity.[712] (Think of how many corporations would hire a speaker who argued that everything bad — like marketing and media — is actually *bad* for you.) Likewise, Malcolm Gladwell, particularly in his book *Blink*, finds himself repeatedly using recent discoveries from neuroscience to argue that higher human cognition is more than trumped by reptilian impulse; we may as well be guided by advertising professionals, since we're just acting mindlessly in response to crude stimuli, anyway (see Chapter 3).[713] I myself sell more books and book more talks when my message can be construed as optimistic and market friendly. My business "how-to" book *Get Back in the Box* – though caustic - earned me far more money and accolades than my overt critique of the marketplace, *Life Inc.* I am much more often asked to speak about how the net promotes business than how it may restrict any aspect of human activity. Making a living as a public intellectual requires one constantly translate his theories into market-friendly or at the very least market-applicable terms. Everything becomes about business — and that's more than okay.

Authors are much less likely chronicle (or celebrate) the full frontal assault that new technologies and scientific discoveries pose to, say, the monopolization of value creation or the centralization of currency. Instead, they sell corporations a new, science-based algorithm for strategic investing on the new landscape. Higher sales reports and lecture fees serve as positive reinforcement for authors to incorporate the market's bias even more enthusiastically the next time out. Write books that business likes, and you do better business.[714]

In fact, thanks to their blind acceptance of a particular theory of the market, most of these concepts end up failing to accurately predict the future. Instead of 25 years of prosperity and eco-health, as predicted by the acclaimed bestseller *The Long Boom* we got the dotcom bust and global warming. As increasing data on memory loss, neural disorders, and sensory incapacitation indicate, immersion in media is not really "good" for us.[715] Contrary to the Gladwellian "Blink" hypothesis, people are capable of responding to a more complex call to action than the over-simplified and emotional rants of right-wing ideologues. Contrary to

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[712] Johnson, 2005, 24.
[713] Gladwell, 2005.
[714] Bestselling business writer, Seth Godin, meaning well, sat with me for over an hour, explaining to me that the path to successful writing is to figure out what wealthy businesspeople want to know, and then convince them you have the answer.
[715] See Klingberg, 2009; Jackson, 2008; Small and Vorgan, 2008.

Chris Anderson's prediction of increasingly free media content, the popularity of pay media in the United States, from iTunes downloads to Netflix subscriptions, is up, along with a paywall for the *New York Times*, a successful pay app for *The Guardian*[716], and unprecedented movie box office returns in 2010 and 2011 thanks, in part, to 3D glasses.[717] The "free" future Anderson was describing actually peaked just around the time of his own book's publication.

Meanwhile, the decentralizing effect of new media promised by Tim O'Reilly and John Batelle in prominent essays such as Web Squared[718] has been met by an overwhelming concentration of corporate conglomeration. New web companies are purchased by giants like Google, Facebook, and Microsoft as much for the programmers working within them as for whatever decentralized technologies they might be developing.[719] As a result, whatever visions or agendas these programmers may have had for starting their companies in the first place are subsumed by the conglomerates who acquire them, and their programming abilities are applied to wholly different projects.[720]

By focusing on concocting catch phrases (Long Boom, Web Squared, networked externalities) through which the premise of scarcity can be sustained and business audiences won, the net economists ignore the genuinely relevant question: whether the economic model, the game rules set in place half a millennium ago by kings with armies, can continue to hold back the genuine market activity of people enabled by computers.

If people, small businesses, and localities were to obtain through networking the means to create and exchange value again, they would introduce a "playability" into the market scheme that would otherwise be taken for granted as a condition of nature.

However, like artists of the Renaissance, who were required to find patrons to support their work, most scientists, mathematicians, theorists, and technologists today must find support from either the public or private sectors to carry on their work. This support is not won by calling attention to the Monopoly board most of us mistake for the real economy. It is won by applying insights to the techniques through which their patrons can better play the game. This has biased their observations and their conclusions. Like John Nash, who carried out game theory experiments for RaND in the 1950's, these business consultants see competition and self-interest where there is none, and reject all evidence to the contrary. Although he later recanted his conclusions, Nash and his colleagues couldn't believe that their subjects would choose a collaborative course of action when presented with the "prisoner's dilemma," and simply ignored their initial results.

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716 The Guardian news app for Apple's iOS was the first paid news application to sell over 100,000 downloads. (Bunz, 2010)
717 Thanks to *Avatar*, 3-D movies brought in $1.14 billion to US box offices in 2009. (Hatch, 2010)
718 O'Reilly and Battelle, 2009.
719 Rosoff, 2011.
720 As just one example, the purchase of Dodgeball by Google in 2005.

Likewise, the proponents of today's digital libertarianism exploit any evidence they can find of evolutionary principles that reflect the fundamental competitiveness of human beings and other life forms, while ignoring the much more rigorously gathered evidence of cooperation as a primary human social skill. The late archeologist Glynn Isaac, for one, demonstrated how food sharing, labor distribution, social networking and other collaborative activities are what gave our evolutionary forefathers the ability to survive.[721] Harvard biologist Ian Gilby's research on hunting among bats and chimps demonstrates advanced forms of cooperation, collective action, and sharing of meat disproportional to the risks taken to kill it.[722]

Instead, it is more popular to focus on the self-interested battle for survival of the fittest. Whether or not he intends his work to be used this way, Steven Pinker's arguments about decreasing violence among humans over time are employed by others as evidence of the free market's peaceful influence on civilization.[723] Ray Kurzweil relegates the entire human race to a subordinate role in the much more significant evolution of machines — a dehumanizing stance that dovetails all too well with an industrial marketplace in which most human beings are now relegated to the reactive role of consumers.[724]

In Chris Anderson's vision of the coming “Petabyte Age,” no human scientists are even required. “Forget taxonomy, ontology, and psychology. Who knows why people do what they do? The point is they do it, and we can track and measure it with unprecedented fidelity. With enough data, the numbers speak for themselves.”[725] Anderson believes the structures that emerge from multi-dimensional data sets will be self-organizing and self-apparent. The emergent properties of natural systems and artificial markets are treated interchangeably. Like Adam Smith's “invisible hand,” or Austrian economist Friedrich Hayek's notion of “catallaxy,” markets are predestined to reach equilibrium by their very nature. Just like any other complex, natural system.[726]

In short, these economic theories are selecting examples from nature to confirm the properties of a wholly designed marketplace: self-interested actors, inevitable equilibrium, a scarcity of resources, competition for survival. In doing so, they confirm — or at the very least, reinforce — the false idea that the laws of an artificially scarce fiscal scheme are a species' inheritance rather than a social construction enforced with gunpowder. At the very least, the

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[721] Isaac, 1978
[722] Gilby, 2006.
[723] Pinker, 1997.
[724] Kurzweil, 2005.
[725] Anderson, 2008.
[726] As Chris Anderson explicitly argues: “Now biology is heading in the same direction. The models we were taught in school about "dominant" and "recessive" genes steering a strictly Mendelian process have turned out to be an even greater simplification of reality than Newton's laws. The discovery of gene-protein interactions and other aspects of epigenetics has challenged the view of DNA as destiny and even introduced evidence that environment can influence inheritable traits, something once considered a genetic impossibility.” (Anderson, 2008)

language of science confers undeserved authority on these blindly accepted economic assumptions.

As a result, when a potentially destabilizing and decentralizing technology or principle such as shareware, viral media, or open source emerges, this half-true and half-hearted style of inquiry follows the story only until a means to arrest its development is discovered and new strategies may be offered. Like a radical garage band discovered by a record label, anything radical is neutralized before the CD gets to the mall.[727]

The open source ethos, through which anyone who understands the code can effectively redesign a program to his own liking, is repackaged by culture guru Jeff Howe as "crowdsourcing"[728] through which corporations can once again harness the tremendous potential of real people acting in concert, for free. My own concept of "viral media"[729] is reinvented by Malcolm Gladwell as "social contagion," or Tim Draper as "viral marketing" — techniques through which mass marketers can once again define human choice as a series of consumer decisions. My other main contribution to culture studies, the notion of "social currency[730] through which people develop non-monetary value," is now the name for an American Express Card rewards program: "The Social Currency." The decentralizing bias of new media is thus accepted and interpolated only until the market's intellectual guard or hired marketers can devise a new countermeasure for their patrons to employ on behalf of preserving business as usual.

Meanwhile, the same corporate libertarian think tanks using Richard Dawkins' theories of evolution[731] to falsely justify the chaotic logic of capitalism through their white papers[732] also advise politicians how to exploit the beliefs of fundamentalist Christian creationists in order to garner public support for self-sufficiency as a state of personal grace, and to galvanize suspicion of a welfare state. In short, the game of corporate capitalism and its arbitrary rule set are recast as a pre-existing reality and the laws of nature. And in the process, the public becomes ignorant they are even players.

It should not take a genius or a scientist to understand how the rules of the economic game as it is currently played reflect neither human values nor the laws of physics. As I have attempted to show in earlier chapters, this is basic history, to which the rather pedestrian functions of analysis and comparison really do apply. The market cannot expand infinitely like the redshifts in Hubble's universe. How many other species attempt to store up enough fat during their productive years so that they can simply "retire" on their horded resources? How could a metric like the GNP accurately reflect the health of the real economy when toxic spills

[727] Frank, 1997.
[728] Howe, 2006.
[729] Rushkoff, 1994b.
[730] Rushkoff, 2005a, 78.
[731] Dawkins, 1976.
[732] Shermer, 2006.

and disease epidemics alike actually count as short-term booms? The basic and accepted game rules of corporate capitalism as currently played do not coincide with the laws of nature as understood by biologists, physicists, nor the public at large. But widespread ignorance of the arbitrary and imposed nature of these rule sets may be at least partially responsible for preventing the playability otherwise offered by emerging net technology.

The internet may be very much like a rhizome, but it is still energized by a currency that is anything but a neutral or natural player. Most Internet business enthusiasts applaud Google's efforts to build open systems the same way their predecessors applauded the World Bank's gift of open markets to developing nations around the world — utterly unaware of (or unwilling to look at) what exactly we are opening our world *to* (advertising).

In terms of playability, the net offers people the opportunity to build economies based on different rules — commerce that exists outside the economic map that is mistaken for the territory of human interaction. Entrepreneurs can startup and even scale companies with little or no money, making the banks and investment capital on which business once depended obsolete. (I have argued in talks and papers that this was the real reason for the so-called economic crisis: there is less of a market for the debt on which the top-heavy game is based.[733]) People can develop local and complementary currencies[734], barter networks[735], and other exchange systems independently of a central bank, and carry out secure transactions with smart phones using add-ons and applications such as "Square." We will evaluate the relative playability such technologies offer shortly.

For now, however, we must acknowledge the fact that what playability the net might offer in this regard is not generally embraced or acknowledged. Yes, bloggers and YouTubers have had many successes, particularly against government. They have brought down a Republican senator, an attorney general, and even made headway against the repressive net censorship of the Chinese. WikiLeaks has released thousands of documents much to the consternation of the US government, and the people of Egypt and Syria have utilized technologies as corporate-driven as Facebook to organize resistance to repressive regimes. YouTube not only embarrassed then-candidate Barack Obama about his minister's race-toned rants; it also exposed political repression in Myanmar and FEMA incompetence in New Orleans.

But this activity is occurring on a platform that has almost nothing to do with the commons. The Internet may have been first developed with public dollars, but it is now a private utility. We create content using expensive consumer technologies and then upload it to corporate-owned servers using corporate-owned conduits, usually for a fee. More significantly, we are doing all this with software made by corporations whose interests are

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733 Rushkoff, 2009.
734 Croft, no date.
735 See Itex.com.

embedded in its very code. Maybe this is why governments, and rarely corporations, are the ultimate targets of most Internet activism.[736]

User agreements on most video sites require us to surrender some or all of the rights to our own creations. iTunes monitors our use of music and video files as keenly as marketers monitor the goings-on at Facebook and Penguin Cafe for insights into consumer behavior. Gmail's computers read our email conversations in order to decide which ads to insert into them. Facebook now re-publishes its users' posts in relevant ads called "Sponsored Stories."

Microsoft's operating system interrupts users attempting to play DVDs that the system suspects may not really belong to them by asking whether or not rights to the movie have been purchased and warning of the consequences of owning illegal files. Another provision in the system software allows the computer to "call home" and alert Microsoft of users' potential copyright violations. (Microsoft says they have since disabled this coded feature.) The iPhone was locked to prevent anyone from using a carrier other than AT&T or installing software that circumvents Apple's "App Store," the majority of purchased software is closed to user improvement, and most websites accept little input other than shopping preferences and credit-card numbers.

Had *Time* pronounced us Person of the Year back in 1995—before the shareware-driven Internet experience had been reduced for many of its mainstream users to an electronic strip mall and market survey—it might have been daring, or even self-fulfilling. Back then, however, the magazine was busy deriding the Internet with sensationalist and inaccurate stories of online child porn.[737] By 1998, Walt Disney and its fellow media conglomerates may have cleaned up Times Square, but on MySpace, owned by News Corp, teens were already stripping for attention and gifts off their "wish lists."[738] *Time*'s hollow celebration may simply indicate that corporate America was secure enough in the totality of its victory that it could now sell this revolution back to us as a supposed shift in media power. Participation is, supposedly, power.

But as Schäfer demonstrates in *Bastard Culture*, the participatory culture celebrated by *Time* is largely hype:

> Participation is first of all part of a rhetoric that advocates social progress through technological development, and which aims to create expectations and understandings for technology. It can be seen as an appendix in the struggle against exclusion from political decision-making processes, as well as exclusion from

[736] This ratio would be worth a study of its own.
[737] *Time Magazine* published a cover feature about net porn and children on July 3, 1995. The articles comprising the special feature were widely critiqued, discredited as sensationalist, and eventually largely retracted. But the damage was done.
[738] Mieszkowski, 2001.

ownership of the means of production, and the creation of media content.[739]

Yes, people are using media differently, sitting in chairs and uploading stuff instead of sitting on couches and downloading stuff - and paying a whole lot more to mostly the same large corporations for the privilege. In a self-reinforcing feedback loop, *Time*'s choice for Person of the Year was announced on Time-Warner-owned CNN, as a special program that may as well have been an infomercial for the user empowerment offered by Time-Warner-owned broadband services AOL and Road Runner. As Richard MacManus griped on ReadWriteWeb.com: "Gee, thanks Time. I'll just go and blog about my state of mind now... I'll leave the real journalism to the professionals."[740] He also criticized *Time*'s focus on American, Silicon Valley corporations as the very center of innovation and "where the action is." One way or another, each of us anointed Persons of the Year was still just a customer.

Our acceptance of this role along with its constraints is largely voluntary. We would rather be consumers of unalterable technologies that dictate the parameters of our behaviors than the users of tools with less familiar limits. In Jonathan Zittrain's terminology, "generative technologies" encourage user modification, while "sterile" technologies are locked down by their creators. The net came into being because of its generative properties – users and programmers from around the world built nodes, new platforms and applications. Meanwhile, Apple's iPad earns the company great profits because of the company's tight regulation of the device's potential uses. Sterile technologies are based on finite games; generative technologies depend on us to play infinite ones.

Technologies resistant to our modification tend to be easier and more dependable for users, but also safer for corporations. Who cares if we can't upload our own software into an iPhone as long as the software Steve Jobs has written for us already works well? Likewise, the early Macintosh computer worked so much more dependably than Windows for novice users precisely because Apple, unlike Microsoft, required its users to use only Apple peripherals. Windows tried to accommodate everyone, so incompatibilities and code conflicts inevitably arose. By attempting to accommodate all comers, Microsoft (the company we like to call monopolist) was actually permitting value creation from the periphery instead of monopolizing it all in the name of hardware compatibility.

Besides, on an Internet where an errant click might introduce a virus to your hard drive or send your banking passwords to a criminal in Russia, the stakes are high. Many would gladly surrender the ability to modify their computers or even illegally share music files for the seeming security of a closed and unalterable piece of technology. In exchange for such

[739] Schäfer, 2011, 21.
[740] MacManus, 2006.

safety and dependability, we can't use these closed devices in ways their manufacturers don't specifically want us to. We can't change the technologies we purchase to get value out of them that wasn't intended to be there. We can't provide applications for one another's Verizon or Apple cell phone without going to the phone operator's centralized online store and giving it a cut of the money. We cannot create value for ourselves or for one another from the outside in.

But value can still be extracted from the inside out. Technology providers maintain the ongoing ability to change the things they've sold us. Software can be upgraded remotely with or without users' consent; cable television boxes can have their functionality altered or reduced from the home office; the OnStar call-for-help systems in GM cars can be switched on by the central receiving station to monitor drivers' movements and conversations; cell phones can be locked or "bricked" by a telecom operator from afar. These sterile technologies generate less new growth, promote a less active role for users, and prevent anyone but the company who made them from creating additional value.[741]

In the long run, we surrender the ability to create new value with interactive technology for the guarantee of getting at least most what we want out of them as consumers. We then must use them as intended, rather than alter them to express our own intentions. Once we've signed on with a corporation, the company can attempt to extract even more value from us right up until the point we would decide its worth the inconvenience to walk away and start over with another corporation, instead. These sterile technologies do not invite user improvement, innovation, and experimentation. They generate less new growth, promote a less active role for users, and prevent anyone but the company who made them from making money off them in unexpected ways.[742] And while the distinction between generative and sterile technologies[743] may at first seem trivial to anyone but a computer programmer, it guarantees that value creation will be biased towards the corporations manufacturing our technologies rather than those of us using them.

The more people adapt to machines biased against active ingenuity and value creation, the less capable they become of altering the Industrial Age role exchange between corporations and humans. The internet provides human beings with an even more entirely virtual, controlled, and preconfigured landscape on which to work and live, while providing corporations with the equivalent of corporeal existence for the very first time. Out on the Web, people have no more substance or stature than any virtual entity — and in most cases, less.

Sometimes, the people may as well be the machines. Once high-tech security-minded employers in California and Cincinnati get their way in the courts, they'll be materializing this vision by implanting workers with the same kinds of RFID tags Wal-Mart puts in its

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[741] Zittrain, 2008, 86.
[742] Ibid.
[743] Zittrain calls them "fertile and infertile" technologies, in Zittrain 2008.

products.[744] A central-office computer monitors exactly who is where and when, opening doors for those who have clearance. While implantation isn't yet mandatory for existing laborers, the additional and convenient access to sensitive materials it affords makes voluntary implantation a plus for worker recognition and advancement.

Increasingly, we find ourselves working on behalf of our computers rather than the other way around. The Amazon Mechanical Turks program gives people the opportunity to work as assistants to computers.[745] Earning pennies per task, users perform hundreds or thousands of routine operations for corporate computers that don't want to waste their cycles. There are credits available for everything from finding the address numbers in photos of houses (three cents a pop) to matching Web-page URLs with the product that is supposed to appear on them (a nickel each).

Comments sections of web sites and community bulletin boards are overrun with machine-generated spam messages, forcing moderators to implement software designed to distinguish between human beings and computers. "Captcha" technology requests users prove their personhood by presenting them with blurry pictures of words and asking them to type the letters on their keyboard. It's an inconvenience, but for the most part it works, preventing computers from automatically signing up for accounts and then using them inappropriately or illegally. Spam companies, however, have learned to get around these captcha filters by employing real people to do what their computers can't. They post games that offer pornography to people who complete a simple "puzzle" for the computer. The program copies the blurry text it can't read at one location on the Internet and displays it for the user seeking free porn at another. The user completes the task for the computer, and the computer rewards the user with a titillating image – the same way a lab rat earns a piece of cheese for ringing a bell.

While this *artificial* artificial intelligence may nudge computers beyond their current limitations, it does so by assigning mechanical tasks to living people in the same way a microchip farms out cycles to its coprocessors.

In the 1950s, visionaries imagined that technology might create a society in which work would be limited to the few tasks we didn't want our machines doing for us. Vannevar Bush, Norbert Weiner, and Douglas Engelbart, alike, all saw our memex machines, computers and robots doing the rote tasks and memorization that freed our human minds and bodies for better things — at least for more choice over which tasks we took on ourselves.[746] The vast majority of our time was to be spent at leisure — not in boredom, racking up three-cent credits on our laptops, or performing rote operations on behalf of microprocessors in return for some

[744] McGreevy, 2007.
[745] Rushkoff, 2007c.
[746] See Wiener, 1954.
Engelbart, 1962.
Bush, 1945.

pixels representing a breast.

But these operations are big business – big enough to be outsourced. Workers in massive Chinese digital sweatshops perform the computer tasks that those of us in wealthier nations don't have time to do. A single factory may hold several hundred workers who sit behind terminals in round-the-clock shifts. Amazingly, this work is not limited to data entry, spam evasion, or crunching numbers. In one of the more bizarre human-machine relationships to emerge on the Internet, Chinese day laborers play the boring parts of online games that Westerners don't want to bother with — all the tiny tasks that a player's fictional character must perform in order to earn pretend cash within a game world. People who want to participate in online game worlds without actually *playing* the games will buy game money on eBay from these digital sweatshops instead of earning it. With millions of people now participating in games like Second Life and World of Warcraft, the practice has become commonplace. Current estimates number the Chinese labor force dedicated to winning game points on behalf of Westerners at over 100,000.[747] There are even published exchange rates between game money and U.S. dollars.

This, in turn, has motivated the players within many games to start pretend businesses through which real cash might be earned. The biggest business in the online game Second Life is prostitution.[748] Pretty female avatars engage in sex animations with other players in return for in-game money, which they exchange for real currency on eBay. When players get good or famous enough at this, they move up a level in the business hierarchy, construct bordellos or sex clubs, and then hire other players to do the actual online coupling. Finally Linden Labs, the corporation that owns Second Life, charges the bordello proprietors for the space and cycles they use on the web server.[749]

The point is not that virtual prostitution is immoral or even unseemly; it's that when we have the opportunity to develop a "second life" — a fantasy realm unencumbered by the same scarcity and tiered system of labor we endure in the real world — we end up creating a market infused with the same corporatist ground rules. If people *pretended* to be prostitutes in an online fantasy realm instead of providing the Internet equivalent of phone sex for money, it might at least indicate a willingness to use an entertainment medium — a play space — for play.

And Second Life is a mere microcosm of the Internet at large. The "open source" ethos encouraging people to work on software projects for free has been reinterpreted through the lens of corporatism as "crowd sourcing" — meaning just another way to get people to do work for no compensation. And even "file-sharing" — through technologies from bittorrentz to TOR — has been reduced to a frenzy of acquisition that has less to do with sharing music than

[747] Barboza, 2005.
[748] Lees, 2006.
[749] Ibid.

it does with filling the ever-expanding hard drives of successive iPods. This stealing is simply cheating — and, consistent with Huizinga's appraisal of the cheater — amounts to a confirmation of the value of the prize.

At least considered along this trajectory, cyberspace has become just another place to consume and do business. The question is no longer how browsing the Internet or engaging through social networks changes the way we look at the world; it's which browser and social network we'll be using to consume stuff in the same old world.

5.4 Commands and Controls

The bias of the Internet has shifted away from its decentralized roots, towards something entirely more typical of the Industrial Age from which it sprung and seemed to promise an escape. How did such a transition away from playability take place? How did a hackers playground become chiefly identified with doing business in some of most traditional, if technology accelerated, ways? The corporatization of the Internet wouldn't be the first time a medium failed on its promise to offer human beings a new level of understanding and agency. Like the participants of muted cultural eras before our own, the public at large has embraced the new technologies of this age without actually learning how they work and work *on* us.

Perhaps the first great renaissance in media after language itself, the invention of the alphabet, presented a terrific opportunity to ancient peoples to overcome belief systems set in stone, and instead write the rules for their own civilization. The alphabet unleashed new playability to writing. Previously, only priests could read and write hieroglyphs (*heiro-glyph* quite literally meaning "priestly writing"). The invention of the 22-letter alphabet opened the possibility for people to read or even possibly write, themselves, without memorizing thousands of glyphs.

As scholars from Walter Ong[750] to James Carey have chronicled[751], the Judeo-Christian tradition, monotheism, and the notion of ethical conduct all grew out of this ability to create words. The framers of this very first humanistic tradition were well aware of their dependence on text. In Torah myth, after liberating the Israelites Moses goes off with his father-in-law Jethro to write the laws by which an enslaved people could now live. Instead of simply accepting legislation and government as a pre-existing condition – the God Pharaoh – people would develop and write down the law as they wanted it. With access to the written word, people immediately sought to change their relationship with God. Like good

[750] Ong, 1982.
[751] Carey, 2008.

negotiators, they wanted to get his promises *in writing*, and crafted the Torah in the form of a "covenant" or contract. God even creates the world with a word.[752]

Access to language was to change a world of blind, enslaved rule-followers into a civilization of literate people. According to Rabbi Jonathan Sacks,[753] Torah scholar and Chief Rabbi of England, this is what is meant when God tells Abraham "you will be a nation of priests."[754] The patriarch's descendants are to be a nation of people who transcend heiro-glyphs or "priestly-writing" to become the world's first literate people. But this isn't what happened. Over the next thousand or so years, the people didn't read Torah — they gathered in the town square and listened as their leaders read it *to* them. Hearing — and knowing what they heard was written on paper by real people — was certainly a step up from simply following, but the promise of the new medium had not been seized. People remained one step behind those who understood how the medium truly worked.

Likewise, the invention of the printing press did not lead to a civilization of writers — it created a culture of readers. Gentlemen sat alone in their libraries reading books, while printing and distribution remained limited to those with enough money or power to access the presses.[755] Readers were individuals; each one entitled to feed back his opinion through voting or eventually consuming — but not through the same media they were reading. The people again remained one step behind the technology, and the elite who controlled it. Broadcast radio and television were really just extensions of the printing press: expensive, one-to-many media that promote the mass distribution of the stories and ideas of a small elite at the center. We don't make TV; we watch it.

Computers and networks finally offer us the ability to write. And we do write with them. Everyone is a blogger or Tweeter, now. (Everyone with enough money and education to get online and start a blog, anyway.) Likewise, everyone can make and post photos to Flickr and videos to YouTube. We can all publish. But writing or publishing as a capability — as a level of playability as defined earlier — is still a step behind the one being offered by the technology.

The underlying capability on offer in a computer era is *programming* — which almost no one knows how to do. We simply use the programs that have been made for us, and enter our blog text in the appropriate box on the screen. This begs a new understanding of media literacy – a *new* media literacy. While computer classes once taught high school students how to program computers,[756] they now teach them how to use Microsoft Excel or Adobe Acrobat. The number of public schools in America offering computer programming is

[752] See my own *Nothing Sacred* for more on the literary origins of the Judeo-Christian tradition, legal system, and mythology. (Rushkoff, 2003)
[753] Sacks, 2002, 134.
[754] Exodus 19: 3-8.
[755] Crothers, 2007, 83.
[756] Computer Science Teachers Association, 2011.

decreasing by 20 percent each year, according to the Computer Science Teachers Association,[757] even though the number of computers deployed in classrooms is increasing. Students learn how to use software to write, but not how to write software itself. This means they have access to the capabilities given to them by others, but not the power to determine the capabilities of the technology for themselves.

Like video game players who never learn cheat codes, authoring, or programming, those of us who don't understand the capabilities of computers are much more likely to accept the limits with which they are packaged. Instead of getting machines to do what we might want them to do, the machines and their programmers are getting us to do what *they* want us to do. Writing text instead of just reading text is certainly a leap forward — but when web publishing is circumscribed by software and interfaces from Amazon and Google, these companies are free to limit our creations and the value we hope to derive from them, and in ways we are not even aware. And we have not even consented, as players do, to cross the line into the sacred circle of their definition.

This brings us back to questions that media ecology seeks to raise. How does the 140-character limit characterize the communications made on Twitter? Does Blogger give a person the ability to post something every day, or does the bias of its daily journal format compel a person to write shorter, more frequent and superficial posts at the expense of longer, more considered pieces? Do electronic trading sites encourage certain kinds of trades, at certain frequencies? Does ETrade's trading platform give the company the opportunity to observe its users trades before they are executed, and then "front run" the trades for a profit at the trader's expense? (Yes, and the company has been fined more than once for this practice.)[758] What does it mean that a person's name and picture in Facebook is posted next to how many "friends" he has accumulated? Why would Facebook choose to highlight this particular number? What are the defaults, what can be customized easily, and what can't? The more automatically we accept the metrics and standards assumed by a program, the more tied we are to its embedded values. If we don't really understand how arbitrarily computer programs have been designed, we will be more likely to look at software as something unchangeable — as the way things are done rather than just one way to do things.

This is just as true on a metaphorical level as an actual one. For all the strides made against government corruption by the leading political blogs, they remain a form of commentary and feedback. As far as modeling a new behavior, the opportunity here is not to write about the world's problems (or, more likely in the blogosphere, link to and comment on what someone *else* has written about them). The deeper opportunity is to rewrite the very rules by which society is organized — to *reprogram* the underlying codes by which we live.

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[757] Ibid.
[758] Reuters, 2009.

Herein lies the net's capacity to turn scarce markets into what Carse would call an "infinite game."

At least this is how the Internet's early pioneers and developers saw their network being used. They envisioned the interactive revolution as the opportunity to rewrite the very rules by which society was organized — to reprogram the underlying codes by which we live. In contradiction to popular mythology about them — these researchers had less allegiance to the Defense Advanced Research Projects Agency (DARPA) and the U.S. military than they did to the pure pursuit of knowledge and the expansion of human capabilities. Although their budgets may have come partly from the Pentagon, their aims were decidedly nonmilitary. As seminal essays by World War II technologists Vannevar Bush[759], Norbert Weiner[760], and JCR Licklider[761] made clear, the job before them was to convert a wartime technology industry into a peacetime leap forward for humanity.[762] Bush, FDR's former war advisor, wrote of a hypothetical computer or "Memex" machine he intended as an extension of human memory.

> Presumably man's spirit should be elevated if he can better review his shady past and analyze more completely and objectively his present problems. He has built a civilization so complex that he needs to mechanize his record more fully if he is to push his experiment to its logical conclusion and not merely become bogged down part way there by overtaxing his limited memory. His excursion may be more enjoyable if he can reacquire the privilege of forgetting the manifold things he does not need to have immediately at hand, with some assurance that he can find them again if they prove important.[763]

Ted Nelson, who coined the word "hypertext," founded the Xanadu project in 1960, in the hopes of bringing the world's knowledge into a giant searchable set of links — a hypertext library with credit and lineage.[764] This "transliterature" was meant to be "a humanist format for re-usable documents and media."[765] Nelson saw the development of his hypertext library as a turning point for a civilization incapacitated by its inability to share:

> All these obstructive oddities, I think, have developed as separate ideals because of the grand preposterosity of Professionalism that

[759] Bush, 1945.
[760] Wiener, 1954.
[761] Licklider, 1965.
[762] Copies of all these essays, and more, are collected in Packer and Jordan, 2001.
[763] Bush, "As We May Think," quoted from Packer and Jordon, 2001, 153.
[764] See Xanadu.com
[765] Ibid.

has created a world-wide cult of mutual incomprehensibility and disconnected special goals. Now we need to get everybody together again. We want to go back to the roots of our civilization- the ability, which we once had, for everybody who could read to be able to read everything. We must once again become a community of common access to a shared heritage.[766]

Licklider's work for DARPA (then called ARPA) was based entirely on making machines more compatible with human beings.

> In the anticipated symbiotic partnership, men will set the goals, formulate the hypotheses, determine the criteria, and perform the evaluations. Computing machines will do the routinizable work that must be done to prepare the way for insights and decisions in technical and scientific thinking. Preliminary analyses indicate that the symbiotic partnership will perform intellectual operations much more effectively than man alone can perform them.[767]

As chronicled by journalists such as Johnny Ryan in *A History of the Internet and the Digital Future*,[768] and Katie Hafner and Matthew Lyon in *Where Wizards Stay Up Late*,[769] the Internet itself developed around new models of resource sharing. This is why the code was written allowing computers to "talk" to each other in the first place: so that many different researchers could utilize the precious operational cycles of the few early computers in existence at that time. This ethos then extended naturally to the content those researchers were creating. The more access people had to the ideas, facts, and discoveries of others, the better for everyone. It was a pervasive societal norm, yet one so contrary to the dictates of corporatism that AT&T actually turned down the opportunity to take over the early Internet in 1972. A medium based on sharing access and information was anathema to an economy based on central authority, hoarding, and scarcity. AT&T saw "no use" for it.[770]

Of course, thanks to public money, university interest, and tremendous social desire, the internet came into being. The software created to run it was developed almost entirely by nonprofit institutions and hobbyists. The urge to gain and share the ability to communicate directly with others was so great that students and researchers wrote software for free. Pretty

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[766] Nelson, 2001, 161.
[767] Licklider, 2001.
[768] Ryan, 2010.
[769] Hafner and Lyon, 1996.
[770] Abbate, 2000, 135.

much everything we use today — from email and web browsers to chat and streaming video — came out of the computer labs of places like the University of Chicago, Cornell, and MIT.[771]

Meanwhile, the emergence of interactive technology was beginning to change the way everyone experienced broadcasting and other top-down media. A device as simple as the remote control gave television viewers the ability to deconstruct the media they were watching in real time. Instead of sitting through coercive commercials, they began to click away or even fast-forward through them. Camcorders and VCRs gave people the ability to make their own media, and demystified the process through which the media they watched was created. Stars lost some of their allure, commercials lost their impact, and newscasters lost their authority.[772]

As computer technology eventually trickled down to the public via consumer-grade PCs, people found themselves much more engaged by one another than with the commercial media being pumped into their homes via cable. The Interactive Age was born. People shared everything they knew with one another. And since computers at that time were still as easy to program as they were difficult to use, people also shared the software they were writing to accelerate all this sharing. Programmers weren't in it for the money, but for the value they were able to create for their fellow netizens, and perhaps the associated elevation in their reputation and social standing.

An early study showed that the Internet-connected home watched an average of nine hours less commercial television per week than its non-connected counterparts.[773] A people that had been alienated from one another through television and marketing were now reconnecting online in a totally new kind of cultural experience.

Mainstream media corporations began by attempting to absorb the assault and assimilate the new content. It wasn't easy. When bloggers like Matt Drudge released salacious news about the president, traditional news gatekeepers struggled to keep up or lose their exclusive authority over the coverage of current events.[774] Major media circled the wagons and became hyper-centralized, debt-laden bureaucracies. The more media empires merged and conglomerated, the less control they seemed to have on the independently created media that trickled up through their empires.[775]

Crudely drawn animations like THE SIMPSONS, BEAVIS & BUTTHEAD, and SOUTH PARK began as interstitial material or even independent media, but became so popular that they demanded prime-time slots on networks and cable. Although the profits still went to the top, the content flowing through the mainstream mediaspace seemed to be beyond the control of its corporate keepers. Gary Panter, an artist and animator for PEE-WEE'S PLAYHOUSE, wrote a

771 Ibid., 57.
772 See my *Playing the Future* for more on these changes. (Rushkoff, 1996)
773 Rushkoff, 2005a.
774 McChesney, 2010, 89.
775 Ibid., 39.

manifesto arguing that the counterculture was over; artists should simply make use of the market — turn the beast against itself by giving it entertainingly radical content that it couldn't help but broadcast. His friend Matt Groening followed the advice and sold THE SIMPSONS to Fox, making the brand new, otherwise money-losing TV network a tremendous success.[776] The fact that this may have single-handedly funded FoxNews notwithstanding, it appeared that a marriage between radical content and the mainstream media infrastructure might be in the making.

As much as it frightened movie studios and protective parents, a radical content revolution didn't really threaten media conglomerates, as long as they owned the conduit on which all the content was broadcast. BEAVIS & BUTT-HEAD's wry commentary may have undermined MTV's music-video business, but there was always more content for the network to put in its place. As media barons from Barry Diller to Rupert Murdoch continually explained to industry periodicals such as *Media Week* and *Wired*, perhaps the Internet could become an adjunct to the media market rather than its competitor.

To make markets, however, speculators had always sought to exploit or create scarcity. Nothing seemed to be scarce about the Internet. It was an endless and ever-growing sea of data, which everybody shared with everybody else, for free. Abundance wasn't just a byproduct; it was the net's core ethos. But that early study showing how Internet households watched less TV revealed a scarcity that corporate media hadn't considered before: the limits of human attention. Sure, the Internet might be infinite — but human beings only had so many "eyeball hours" to spend on one medium or another. The precious real estate in the Internet era was not server capacity or broadcasting bandwidth, but human time.

At last, there was a metric compatible with the scarcity bias of corporatism. *Wired* magazine, which had already established itself as the voice of business online, announced that we were now living in an "attention economy"[777] in which success would be measured by the ability to garner users' eyeball hours with "sticky" content. The trick would be to develop websites that people found hard to navigate away from — virtual cul-de-sacs in which users would get stuck. A web marketing company called RealMedia took out full page ads in net business magazines such as Fast Company showing Internet users hanging helplessly from a giant strip of flypaper. The caption read: "Nothing Attracts like RealMedia." So much for empowering users. Corporations would mine the attention real estate of users the same way mined the colonies for gold centuries earlier.

Coinciding with all this attention on attention was a profound increase in the (over)-diagnosis of attention deficit disorder. In the decade following the *Wired* story on the attention economy, articles about the formerly rare childhood disorder increased by over 400

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[776] Panter, 2010.
[777] Goldhaber, 1997.

percent.[778] At best, the deployment of a new arsenal of attention-getting weapons by media companies triggered an adaptive strategy to avoid getting caught. The kids were responding to an environmental assault on their attention; their resistance was pathologized and these potential player-cheaters were medicated into passivity. Ritalin and Adderal prescriptions also increased in lock step with expanding media coverage on attention denial. It appeared corporations would mine the attention real estate of users the same way mined the colonies for gold centuries earlier.

The new mantra of the connected age became “content is king.”[779] The self-evident reality that the Internet was about connecting people was conveniently replaced with a corporatist fantasy that it was about engaging those people with bits of copyrighted data. Users weren’t interested in speaking to each other, the logic went; they were interested in downloading text, pictures, and movies made by professionals. At least this was something media companies could understand, and they rushed to go online with their books, magazines, and other content.

What they hadn’t taken into account was that people had gotten used to enjoying content online for free. By rushing to digitize and sell their properties, corporations ended up turning them from scarce resources into infinitely reproducible ones. Along came Napster, Bit Torrents, and other technologies that gave former consumers the ability to “rip” movies off DVDs, music off CDs, and TV off their TiVo and then share it anonymously over the Internet. Anything digital, no matter how seemingly well protected or encrypted, was capable of being copied and shared. The bias of the Internet for abundance over scarcity appeared to be taking its toll.

Hollywood studios and record companies began lobbying Congress for laws and enforcement to prevent their entire libraries from becoming worthless. Comcast, a cable company that offers broadband Internet service, began blocking traffic from peer-to-peer networks in an effort to prevent losses to its corporate brethren and subsidiaries.[780] Other corporations lobbied for changes to the way Internet access is billed, making it easier for large companies to support fast content distribution, but much harder for smaller groups or individuals to share their data.[781]

The content wars redrew the battle lines of the net revolution. It became a struggle between consumers and producers: customers fighting to get the products they wanted for free, and doing it by investing in a host of other products that, all told, probably cost them more money anyway. What does it matter if one’s iPod contains 80,000 hours of music? This recontextualization of the net revolution reduced the very definition of winning the game. The

[778] Rushkoff, 2010.
[779] Cassidy, 2011.
[780] Hansell, 2008.
[781] Ibid.

Internet era became about what we could get as consumers rather than what we could create as people. The notion of creating value from the periphery was surrendered to the more immediate gratification of getting products *to* the periphery — ideally for free.

While corporations could no longer make the same kind of money off their digital content, the massive flow of entertainment and files from person to person was a lot easier to exploit than genuine conversation between people. Every website, every file, every email, every web search, was an opportunity for promotion of a brand. The “media virus,” a metaphor I had developed in the early 90’s to communicate the cultural contagion fostered by social networking, was mistranslated by advertising agencies into a new bottom-up promotional industry called “viral marketing.” I had written about the way the Rodney King tape and Camillagate spread through the newly interactive mediaspace, promoting formerly repressed cultural agendas; marketers wanted to know how to make the same thing happen for underwear, tires, and hair conditioner (and filled my inbox with inquiries).

Advertisers competed to make pictures, videos, and jokes that were funny, weird, or appalling enough to create an online buzz. Paris Hilton washed a car in her bikini — as a viral marketing promotion for Hardee’s. They didn’t sell any more burgers but thousands of teenage boys sent links of the raunchy video to their friends.[782] Viral marketing was a bomb, because the marketers promoted their products with sensational media bits that had nothing to do with the products, themselves. Other marketers, as we’ve already seen, hired people to log onto chat rooms and pretend they loved certain bands and products.

Genuinely social spaces, from Friendster to Facebook, looked for ways to cash in on all this activity, too. Millions of people were already posting details about themselves on these social networking sites, linking up with others, and forming affinity groups. Although corporations couldn’t make too much money giving away web space to people, they could try to dictate the metrics people used to describe themselves — and then sell all this information to market researchers.

On social networking sites — where real hugs can never happen — people compete instead for love in the form of numbers: how many “friends” do you have? The way to get friends, other than inviting people, is primarily to list one’s favorite books, movies, bands, and products. This results in a corporate-friendly identity defined more by what one consumes than what one does. Moreover, in cyberspace brands could create pages as human as any person’s. And just like people inhabiting these social spaces, they compete for the highest numbers of friends. Do you want to be the “friend” of Chase bank? What if it enters you into a sweepstakes where you might make some money?

Non-profit groups and social activists got into the act as well, sending out invitations pressuring “friends” to support one another’s favorite issues. These issues, in turn, become

[782] Noe, 2005.

part of the users' profiles, better defining them for everyone. The ability to attract a hundred thousand fans online goes a long way toward convincing record labels that an independent band may have what it takes to earn a "real" contract. People, companies, brands, and rock groups are all "friends" on the network, even though most of them aren't people at all. The ultimate representation of individuality online, though, has to be Microsoft's "MyLifeBits" project, through which users are encouraged to model the behavior of researcher Gordon Bell. Dr. Bell has scanned, recorded and uploaded everything he can about himself — lectures, memos, letters, home movies, phone calls, voicemail — in an effort to create a database of himself.[783] With Microsoft, he is developing search software that would help him access anything he has done or seen, at any time in his life. The promise is that through computers, we gain a perfect "memory." In reality, the project models and publicizes a mode of behavior that would make a market researcher drool. Moreover, on a subtler level, it uses computer to heighten the sense that we are what we perceive and experience as individuals — and that the recordable bits of information about ourselves reflects who we are.

Of course, each of the social networks where all this activity occurs is itself ultimately for sale. MySpace sold to Murdoch for $580 million. YouTube went to Google for $1.65 billion in stock. Facebook turned down a billion-dollar offer from Yahoo and, as of June 2011, has earned a valuation of $70 billion.[784] These numbers do more than make the head spin, they confirm the mythology underlying the frenzy of Internet investment and activity by corporations: that interactive media technology is the surest path to growth in an era when most everything else is pretty well used up.

While some playful activity may be occurring on these sites, they are founded on pure financial speculation, and faith in the same universally "open markets" corporations have been advocating through the World Bank and the IMF. As the Global Business Network co-founder Peter Schwartz argued vociferously in the media, and also in print along with his co-authors in their pre-dotcom crash book, *The Long Boom*, "open markets good. Closed markets bad. Tattoo it on your forehead."[785] The infinite growth and expansion required by credit-fueled corporate capitalism found a new frontier in the theoretically endless realm of cyberspace.

The myth was enough to fuel the speculative dot-com bubble, which Alan Greenspan belatedly called "irrational exuberance," but which went on long enough to convince investors to lift high-tech issues on the NASDAQ stock exchange beyond even the most optimistically speculative valuations. This was a "new economy," according to Wired editor Kevin Kelly, a "tsunami," echoed publisher Louis Rossetto — one that would rage over culture and markets like a tidal wave.

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[783] Bell, 2000.
[784] King, 2011.
[785] Leyden, Schwartz, and Hyatt, 1999.

More than simply costing millions of investors their savings, the movement of the Internet from the newspaper's technology section to the business pages changed the way the public perceived what had once been a public space — a commons. The truly unlimited potential for the creation of value outside the centralized realm of Wall Street had been all but forgotten. In its place was an untrue perception that the way to get rich online was to invest in a stock exchange, come up with a compelling business plan, or sell a half-baked enterprise to a venture capital firm and wait for the IPO.

Cyberspace is not infinite or free, argues Jimmy Wales, the founder of user-created Wikipedia, one of the most utilized resources on the Internet.[786] As part of a non-profit foundation, Wikipedia is struggling to pay its bills. Yes, everyone writes and edits for free; but server space and bandwidth still cost money. So many millions of people are hitting on Wikipedia every hour without offering even the smallest donation in return that Wikipedia is unable to pay for its server space. The only solution may be for Wikipedia to begin serving ads — at least to non-paying members.[787]

Places, people, and value again become property, individuals, and money. The evolution of the Internet recapitulates the process through which corporatism took hold of our society. Eyeball hours served as the natural resource that became a "property" to be horded. People and groups became "individuals," all with their own web pages and MySpace profiles to be sold to market researchers. Computers — once tools for sharing technological resources — mutated into handheld iPods and iPhones that reduced formerly shared public spaces to separate bubbles of private conservation and entertainment. And value creation — which in cyberspace could have potentially come from anywhere and be measured in units other than dollars – became subject to the rules of the same centralized marketplace that favors existing sectors of wealth. Yes, some people became millionaires or even billionaires, but they did so by entering the game of central capital, not by creating an alternative.

This first level of effort to challenge corporatism might best be equated with the video game player's first level of interaction: that of the regular player trying to "win" by following the rules. The object of the game, as well as the rules of that game, are accepted at face value as pre-existing and unchangeable conditions.

A few did try to work through this approach. PayPal may have come the closest. Online users of sites like eBay needed an easy way to pay each other. They weren't real businesses, and weren't set up to accept credit cards. Besides, some of the exchanges were for such small amounts that a credit-card company's minimum service fees could as much as double the total. PayPal's original plan was to offer its alternative payment service for free. The company would charge nothing, but make money on the "float" by holding onto the cash

[786] Wales, 2011.
[787] CmdrTaco, 2010.

for three days and keeping the interest earned. This made sense for most users anyway, since PayPal could then even serve as an escrow account — releasing the money only after the product was shipped or received. But the right to make money *from* money was reserved, by corporate charter, to the banking industry. Its representatives demanded that regulators step in and define PayPal's activity as a violation of banking law,[788] at which point Paypal was forced to charge its users a traditional service fee instead. Their original vision dashed, PayPal's owners nonetheless made their millions by selling the whole operation to eBay for $1.5 billion. PayPal, as originally conceived, was outside the rule set of corporate capitalism. Rather than press with litigation to change those rules (an uphill battle, no doubt) the company and its investors opted to work within the system.

In another effort — this one to transcend the polarizing battle over digital content — legal scholar Larry Lessig's *Creative Commons* project helps content creators redefine how they want their works to be shared; and many authors, artists, and musicians seem to value getting credit for their contributions over getting paid for them. Traditional publishers still kick and scream, however, forcing some authors and musicians to choose between making money and making an impact – earning central currency or creating social currency. While authors and rock groups who have already succeeded in the corporate system – such as Radiohead or Stephen King – can give away their content for free online and still sell plenty of physical copies, most up-and-comers have much less luck. Without the existing brand recognition generated by the traditional publishing, television, and advertising industries, most creative professionals cannot earn a living off voluntary donations from downloaders. Rather than reworking or resisting copyright law, Lessig's plan was for artists to waive one set of legal rights in order to adopt these new ones — and then try to make old-fashioned money this way.

The battle to unleash the potential of the Internet to promote true decentralization of value may not be over yet. Even on a playing field increasingly tilted toward centralized and moneymaking interests, there are people dedicated to using it for constructive, creative, and common causes. For every bordello in Second Life there is also a public library; for every paid strip show there is a free lecture. Branded "islands" are proving to be a waste of advertising money, while university-sponsored spaces now offer seminars to nonpaying students from around the world.[789] For every company developing a digital-rights-management strategy to prevent its content from being copied, there is a researcher posting his latest findings on Wikipedia for all to learn from and even edit or contest, for free.

On the other hand, for every community of parents, Christians, or environmentalists looking to engage with others about their hopes, doubts, and concerns, there is a media

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[788] Bloomberg News, 2011.
[789] Hendrickson, 2007.

company attempting to brand the phenomenon and deliver these select eyeballs to the ads of their sponsors. For every disparate community attempting to "find the others" on the Internet, there is a social-networking site attempting to sell this activity in the form of a database to market researchers. For every explosion of young people flocking to a new and exciting computer game or virtual world, there's a viral marketer or advertiser attempting to turn their creativity into product placements and their interactions into word-of-mouth promotions. Even a technology that seemed destined to reconnect people to one another instead ends up disconnecting them in new ways, all under the pretense of increasingly granular affinity.

Most of the people at companies exploiting these opportunities — certainly all of the many dozens I've spoken with for this study — believe they are ultimately promoting, not exploiting, social activity. They may even be dedicated to the constituencies they're serving, and simply looking to subsidize their communities' activities with a business plan. But well meaning or not, these companies are themselves bounded by a corporatist landscape that works against their own best sentiments. The platforms they create are built on borrowed money, and conform to the logic of centralized value creation. Sooner or later, value must be taken from the periphery and brought back to the center. Unless, of course, they transcend the rules of the game altogether.

So far in this chapter, we have evaluated the claims made by early net visionaries against some of the actual opportunities offered by the net, specifically in the context of increased access to markets. Finding them falling short of leveling the playing field, we then developed a framework through which to determine the scale on which playability was occurring, and the corresponding level of disruption and access taking place.

Although we found many people and companies employing new, net-enabled approaches to business and commerce, they almost universally reinforced the values and power structures underlying corporate capitalism as it is currently played. Such limitations, we argued, may stem less from a paucity of means than a lack of awareness of how these media work, and the environments they create – in short, the sort of new media literacy that a media ecology approach would demand.

Applying this frame, however, has revealed the majority of the net's market disruption either limited in vision and scope, or quickly undermined by existing corporate powers. In all of these cases, failure to penetrate or upend existing rule sets results from an inability or unwillingness to play at a deeper level, or the mere inattention to the boundaries imposed by the logic of the game.

Moving forward, we will be focusing on efforts to reach beyond the entirely bounded approach of the rule-follower, and consider how the cheater, modder, and eventually the programmer might introduce new access or even new games.

5.5 Resistance and Playability — Cheaters and Authors

The muting of the net's greater potential for playability reduces it from a peer-to-peer medium back to something more like a broadcast medium, at least insofar as its potential to shift the relationship of people to the corporations with and through which they transact and make meaning. True playability, as we're defining it following Carse, Kücklich, and others, involves access to the playing field itself, and even the ability to rewrite those rules or transcend the game altogether. While such examples exist (and we will get to them at the close of this chapter) most resistance to corporatism still occurs on the bigger stage - created and dominated by the corporate players, themselves. The unique potential of interactive technologies to undermine the dominance of the single, "closed source" reality of the corporate-sponsored spectacle is left untapped. Instead, the media environment informing resistance and would-be extra-corporate activity is that of television and other closed source, top-down media. Speaking "truth to power" seems more important than sharing truth with one another.

A real return to a human-scaled society would be predicated by a disconnection from corporatism and its dehumanizing, delocalizing, depersonalizing and devaluing biases. As some of the following examples should show, blaming corporations for corporatism or trying to unseat their leaders through shareholder revolts provides only temporary relief for the most superficial symptoms and leaves the fundamental rule sets in place. Mainstream media tends to frame such activities as a resentful leftist reaction to successful business; or, in the current melee, the knee-jerk reaction of would-be interventionists to a healthy, if painful, market correction.

Meanwhile, this agonistic style of play[790] adds to corporate entrenchment by continuing to credit these institutions with running and ruining our world, rather than allowing human beings to take responsibility for actively ceding to corporations the landscape on which they operate. It also focuses attention on the names of artificial entities — particular corporations — and distracts from the real people making decisions on their behalf and against collective human interests.

This second level of resistance might best be equated with the "cheater" stage of gaming. It is not so advanced as to challenge the landscape, rewrite the game, or even acknowledge the operating system underlying the game. But it is about breaking rules and defying the expectations made on consumers and employees. Boycotts, strikes, protests, malicious hacks (as opposed to functional ones) and civil disobedience all constitute this second level of play.

It usually occurs right on the corporate-branded playing field, which is why it rarely gains the traction its organizers hope for. Boycotts and media campaigns take place on the

[790] Caillois, 1961.

generic, non-local landscape where corporations have much more power and grounding than humans. Even a protest against a corporation is usually more of a photo-op than a street action, and still taking place in corporate media biased toward corporatist agendas. Instead of reconnecting people to their local communities, to one another, or to the value that they might be able to create for one another, many well-meaning efforts against corporate power connect people to abstract ideals and highly centralized organizations. This may give people the ability to attack particular offenders, but only disconnects people further from the truly bottom-up networks through which they can restore human-scaled activity.[791]

Applying the infinite game logic of Carse, the true “enemy” is not the corporate opponent, anyway, but the way commerce, government, and culture have been reconfigured to the corporatist purpose. Bringing down a company — when it can even be achieved — doesn’t change that landscape; it only creates a vacuum for a competitor to fill. Chances are, that competitor was an invisible ally to the activists all along. Besides, by blindly following the rules of corporatism that they once fought for, many corporations do *themselves* in. The system — the game — is bigger than they are.

Consider General Motors. Once a corporation capable of writing legislation to rezone cities, it is now in a struggle for survival against more efficient manufacturers (of more efficient cars) from Japan. A victim of its own corporatist bias, GM defaulted to short-term solutions and government favoritism. Addicted to a system in which companies would rather fight against a restriction than calculating its long-term cost or benefit, often spending more on lobbying than they would on any actual change, GM encouraged its favorite members of Congress to water down mileage-standards legislation in 2007.[792] Moreover, Toyota — whose Prius car gets 50 miles per gallon — joined with GM in lobbying Congress *against* the tougher fuel standards. These regulations would not effect Toyota, which has already beat the proposed standards well into the future. No, Toyota was lobbying to keep U.S. standards much lower than its own — and to keep GM uncommitted to competing on that score. While advertising its own commitment to energy efficiency, Toyota was actively lobbying to help the rest of the industry maintain worse fuel standards.[793] What GM didn’t get — what, as a corporatist program, it *couldn’t* get — is that industry-wide regulation makes it easier, not harder, for it to create value in the long run. Adhering to fuel-efficiency standards and doing the necessary research and development to meet future targets may cost money in the short-term — but when those costs are mandated by legislation, they end up costing all competitors roughly the same amount.

[791] We must, of course, distinguish between today’s anti-corporate activity and the large movements of the 20th Century, such as the Women’s Movement, The Civil Rights Movement, and the Anti-Vietnam-War Movement. Those mid-to-late 20th Century movements occurred in a different media environment, and prior to the collapse of community and civic organizations over the 70's, 80’s and 90’s. Americans were still energized by leaders, and news media less reluctant to air this activity non-cynically.
[792] Friedman, 2007.
[793] Edmunds AutoObserver Staff, 2007

This should be the most compelling logic behind the concept of the labor union, as well. By negotiating with an entire industry, unions can win a certain salary or a limit on the length of the workweek without costing any single company its competitive edge. The limits on what workers can reasonably request are based on the value their labors create, not the extent to which competitors are willing to go to undermine another company's bottom line. It's a humane conspiracy, with great precedents. Ancient Sabbath traditions and more modern "blue laws"[794] gave stores and workshops a way to close for a day without losing out to some crazy competitor willing to work all the time. It was a positive conspiracy through which everyone got a day off.

Not surprisingly, however, as corporatism's bias toward colonialism took hold of the automobile industry, companies that once benefited from industry-wide labor agreements began to fight for open markets through which to undercut them. By outsourcing vehicle and parts manufacturing to non-union laborers in developing (or, preferably, non-developing) countries, American automobile companies could now compete with one another in a new way. The problem is, it was by reducing costs and quality, as well as the population of ready consumers. Instead of accepting a universally civil and humane floor on how poorly workers could be treated, the industry would now compete against itself for how low it could go.

It was a doomed strategy. As the countries to which manufacturing was outsourced gained more skill and experience, they learned to make and market these goods by themselves. Numerous companies in Asia are now directly marketing goods made in the same plants as major U.S. and European brands — not copies, but the very same products.[795] Their corporations now exploit the same open markets that were once used to exploit them, and cut out (or eventually buy) the middleman.

Thanks to self-defeating competitive strategies like these, many companies are themselves as damaged by the faulty logic of corporatism as their customers and employees. While the actions of certain companies in certain situations are deplorable or even actionably illegal — explicitly rule-breaking — they are both supported and demanded by the larger corporatist systems to which they belong. In most cases, the corporatist government refuses to intervene or even actively patronizes the offenders. These are not blameless crimes, but they are perpetrated by large sets of people who rarely understand the effects of their own actions and refuse to consider the big picture. Corporatism now defines the landscape, the activity, and the players, as well as the people and institutions charged with keeping them beneficial to society. While the marketplace may not be a natural system, is a systemic phenomenon with great inertia and capacity for self-preservation. Plus, it has access to every sector of human activity. Resistance, at least on its own terms, is futile.

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[794] Drawing from Puritan values, now repealed American blue laws were designed to enforce religious standards, particularly the observance of Sunday as a day of rest. (Laband and Heinbuch, 1987)
[795] Chu, 2010.

Big Energy, Big Agra, Big Pharma, Big War, and Big Government are not easy targets for activists and reformers. They neutralize or absorb efforts to change their practices, leaving would-be resisters and rule-breakers confused, weary, or downright cynical. An Al Gore movie and rising gas prices finally bring the struggle to break Big Oil to public attention. Big Agra seizes on the opportunity to sell corn-based ethanol. Farmers in the depressed Corn Belt cheer. Long-ignored environmentalists and alternative-energy advocates praise the effort, too, until they realize that corn is almost as bad a pollutant as oil, and not a particularly efficient substitute fuel. Instead of leading to better land management or a more diversified crop, evidence of corn's poor performance gives oil-industry lobbyists leverage to push for the opening of more drilling lands.

All this gets so confusingly self-reinforcing that citizens concerned about energy don't know quite who to protest against or what to ask for. So they do their part instead by buying organic food and maybe a higher-efficiency car. But, as Michael Pollen explains in his books on American Big Agra, the term "certified organic" has itself been commandeered by industrial agriculture firms, who have successfully lobbied government to develop regulations that make it nearly impossible for the small and strictly organic farmer to comply. [796] Under current law favoring Big Agra, however, local farms aren't in a position to meet the demand for additional organic food anyway. The only way for them to produce additional fruits and vegetables would be to start using or renting fields that have been designated for subsidy crops like corn and soy. Farmers planting forbidden crops would lose more than their government subsidies. Thanks to a law written for the national fruit and vegetable growers in California, Florida, and Texas who feared competition from small local farmers, violators would also be penalized for the full value of the forbidden fruits and vegetables.[797] Like the indigenous population of a colonial territory, they are prohibited by law from competing with chartered corporate suppliers who operate from a distance. They may not create value locally, for locals.

Big Pharma is no different. Having spent $855 million between 1998 and 2006, the pharmaceutical lobby is the largest of any single industry.[798] Politicians depending on its contributions have voted to weaken the regulatory powers of the Food and Drug Administration (FDA), block importation of generic drugs, stop post-market safety studies of already approved medications, and prevent clinical drug studies from going public. And that was all in just one month of 2007. University researchers, meanwhile, receive millions in donations and consulting fees to tilt their findings in favor of drugs' safety and efficacy. In one recent example, two Harvard professors whose studies endorsed the use of certain powerful

[796] Pollan, 2006, 136.
[797] Hedin, 2008.
[798] Dilanian, 2007.

antipsychotic drugs neglected to disclose the $1.6 million apiece they received from the drugs' manufacturers.[799]

Amazingly, for all of Big Pharma's lobbying to loosen standards, it never seeks to altogether end the system through which drugs must be tested for approval. Not only can the FDA seal of approval relieve them of legal liability for bad drugs, it keeps smaller competitors from bringing drugs to market or, worse, unpatented substances from getting approved to treat real diseases.[800] When it takes upwards of $200 million and 100,000 pages of reports to get approval for a single medication, only the largest corporations can afford to engage in the process.[801] The immense cost then helps justify long patent terms and high prices. With its health care subject to such a restrictive centralization, it's no wonder that while the U.S. spends over $7000 per person a year on medical care, its infant mortality rate, maternal mortality rate, and longevity are among the worst in the industrialized world.

In industry after industry, sector after sector, the same sorts of systems rule, making direct intervention challenging or impossible. Pulling on existing levers or making adjustments to default settings usually just triggers a mechanism through which the entire system manages to maintain its overall inertia. Corporations can't help but resist any maneuvers that threaten the status quo, even if it means sacrificing long-term profitability in order to protect the authority under which they operate. The maintenance of the chartered monopoly system is of greater importance. Like a new form of life, the corporate culture fights for dominance against the humans who created it. It is willing to bring down its host organism for the sake of growth.

Sometimes the battle over life and death is literal. As the U.S.-U.K. descent into Big War demonstrates, corporatism drives not only military logistics but also foreign policy. When war is outsourced to corporations, short-term profitability ends up trumping long-term regional stability and national interests. Early chartered corporations actually wanted to win the territories they were fighting for in order to exploit their resources. Most of today's chartered military operatives have a bigger stake in keeping the war going; they simply want to make money through their no-bid contracts. Halliburton has arrangements with the government that are structured so that the more it spends, the more it earns.[802] Concerned citizens inside and outside government appear impotent. When Pentagon contract manager Charles Smith confronted Kellogg, Brown & Root, at the time a Halliburton subsidiary, about an extra billion dollars of unexplained war billings, he was summarily replaced by an

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799 New York Times Editorial Board, 2008.
800 Johnson & Johnson Services, Inc. obscured evidence that its Ortho Evra birth control patch delivered dangerous amounts of estrogen, but has successfully argued that FDA approval pre-empts legal liability for deaths and injuries associated with the path. (Voreacos, 2008)
801 Ward, 1992.
802 Greenwald, 2006.

outsourced auditing company.[803] The more expensive war gets, the less is available for social services and infrastructure at home. The poorer people get, the more easily they can be persuaded that foreign enemies greedy for oil profits and obsessed with religious violence are the real problem. The daily toll of bodies begins to feel less relevant than the escalating price at the pump.

As Naomi Klein amply demonstrated in her book on the extension of war profiteering to other industries, *The Shock Doctrine*, human life is no longer even a valid component of the global business plan. She observes that while in Iraq the people and infrastructure have been devastated by weapons and trade embargoes, "in many other parts of the world, including the United States, they have been demolished by ideology, the war on 'big government,' the religion of tax cuts, the fetish for privatization."[804]

A management consultant named John Robb, a former Delta Force commander for the US military, wrote a highly circulated manifesto for *Fast Company*, in which he argued, optimistically, that the end result of the war on terror will be:

> [A] new, more resilient approach to national security, one built not around the state but around private citizens and companies….Wealthy individuals and multinational corporations will be the first to bail out of our collective system, opting instead to hire private military companies…to protect their homes and facilities and establish a protective perimeter around daily life.

He predicted that the middle class would eventually develop its own version of "armored suburbs" to defray the costs of security.[805] The more we contemplate Robb's vision of suburban apartheid, the less hopeful we are about developing alternatives.

Larry Lessig began a new chapter in his legal career by starting an organization dedicated to exposing the dangerous liaisons between the government and its chartered corporations. His website, change-congress.org, publicizes the distorting influence of money in Washington. While we might all wish for his success, who among us is unaware of the distorting influence of money in Washington? Besides, exposure doesn't really mean anything if people are too concerned with their own short-term assets to care. The transparency Lessig seeks to create will either destroy the corruption it exposes or prove that not enough people care about it to prevent it. Fifty-eight percent of Americans already believe that government corruption is widespread.[806] The major media already report on corporate corruption. But

803 New York Times Editorial Board, 2008.
804 Klein, 2007.
805 Ibid., 420.
806 CBS News/New York Times, 2006.

they can't consistently offer an account of *why* so much of our business is corrupt and prone to criminality. They are even less likely to pay attention to the ways in which we might change things through collective action. Will more lobbyists photographed in handcuffs activate a new generation of democratic participants, or further alienate them from the process? And how do we generally seek to change a system we believe to be corrupted by the influence of money? By raising money of our own to counter that influence. Furthermore, by choosing to tangle with corporatism on its own, highly branded, emotionally driven landscape, these efforts are at the very least compromised. They do not serve to reengage people with the reality they have left behind, but to push them further into the ethereal realm of satiric YouTube videos that feed the corporations they think they are resisting.

The Fourth Estate is made up almost entirely of large corporations. As of 2011, six mega-corporations control nearly every major American media outlet.[807] And media companies cannot make any distinction between the market value of information and its importance. Britney Spears's latest breakdown and the invasion of Iraq are both treated as major media events deserving of equal time and space. In the face of all this, the hippest way out is to adopt the attitude of amused and quizzical cynicism worn by Stephen Colbert and Jon Stewart.

The problem with fighting "Big Blank" on its own turf and terms is that it has more money, more access to the government and media through which the battle takes place, better command of the symbols and semantics that sway public sentiment, and much time to spend waiting for the results it wants. Real people working against it, on the other hand, need to keep alive, employed, and motivated. Humans need to steer clear of actionable copyright violation and libel, shield themselves from the emotional damage caused by Internet "trolls" paid to insult or lie about them online, and still manage to maintain an audience willing to listen to what they have to say and then to actually *do* something about it instead of just nodding, passing on a link, and closing the computer for the night.

On the other hand, the corporate-scaled media environment makes certain kinds of participation easier. National campaigns, organizations, and movements allow anyone to get involved with the issues that matter to them — sometimes with as little effort as clicking "like" on a Facebook link. While joining a big cause or a national political campaign may feel good for a moment, it can easily turn immediate, local, and actionable problems into great big abstract ones. The pollution leaching out of the local factory is hard to confront directly, and easier to address instead as part of a bigger environmental movement. Racism in one's own community can be addressed more painlessly by donating to a black candidate or a scholarship fund online. Carbon offsets, through which a person can pay an online company

[807] FreePress, 2011.

to counteract the effects of his air travel or air-conditioning,[808] provide a virtual path to personal virtue — and a way for frequent fliers to recontextualize their actions right on their blogs for all to see.

As we saw in chapter three, brands were invented to substitute for the real connections we had to people, places, and value. The brand was meant to disconnect, so branded movements and ideologies by their very nature tend toward polarization and extremism. Antiabortion and pro-choice constituencies are pushed to the edges by their highly branded, hotly worded campaigns, and thus less likely to rally around their common cause — reducing the number of unwanted pregnancies. While Saatchi & Saatchi's "loyalty beyond reason" might be great for a cereal's "consumer tribe," it's the surest path away from a reasonable engagement with real life's pressing issues. Activists on Facebook compete for numbers of "friends" willing to become associated with a particular cause, even though signing on to a social cause is accomplished with the same mouse click as signing on to be a friend of the Nike Swoosh. The medium becomes the message as Big Activism becomes just another Big Blank. By attempting to beat them at their own game, would-be activists become part of the very thing we they be dismantling. After all, the cheat codes were really written by the authors of the game. As Huizinga would remind us, they only confirm the game's original objectives and hierarchies.

The next level of participation for the gamer would be authorship. After playing, and then "cheating," the author-player downloads authoring tools through which he can rewrite the content or "skin" of the game over the existing platform. Of course, the results of this rewriting are dictated by the underlying premise and biases of the game engine. So, too, are the results of most efforts at "re-writing" the corporate narrative without access to the underlying code.

The main strategy employed by this category of net-era corporate reformers is to turn the massive power of corporations toward the public interest. They befriend the managers and shareholders of corporations in order to get the corporations to shift their priorities — and often the language of their "mission statements" — to do things that are good for the world. By the end of the dot-com boom, the sustainable business philosophies of thinkers such as Paul Hawken[809], combined with a fervent faith in the power of the market, led many entrepreneurs to conclude that they could have their cake and eat it, too. As Hawken explained in his bestseller, *The Ecology of Commerce*,

> While much of our current environmental policy seeks a 'balance' between the needs of business and the needs of the environment,

[808] See Web sites like Carbonfund.org.
[809] Hawken, 1993.

> common sense says there is only one critical balance and one set of needs: the dynamic, ever-changing interplay of the forces of life. The restorative economy envisioned and described in this book respects this fact. It unites ecology and commerce into one sustainable act of production and distribution that mimics and enhances natural processes. It proposes a newborn literacy of enterprise.[810]

High-tech entrepreneurs had cashed out of their original hi-tech businesses and were hungry for some meaningful work. These young Silicon Valley entrepreneures were wealthy but disillusioned with how they became that way – especially since the net innovations that made them so rich were inspired by the ideas of true cultural hackers and visionaries like Ted Nelson, author William Gibson, and futurist Bruce Sterling. Why not take over or even create real companies that make real profits by addressing genuine global needs? The world needs wind power, Internet connectivity, private schools, and cures for diseases. There are certainly enough causes that can be addressed by a traditional corporate structure, if only the corporation were purposefully created to do so.

For our purposes evaluating opportunities for playability in the net era, transforming an existing corporation into a do-good company, or starting a corporation intended to do good from scratch, both constitute authorship – not programming. While the latter seems to be more an act of creative genesis, both approaches betray the same absolute dependence on the corporate model to get anything done. Corporatism as platform is the unacknowledged and unchangeable software engine on which any of these plans to do social good are to be authored.

Admittedly, and at first glance promisingly, a relatively new species of corporation, called the fourth-sector company (meant to combine the best of the public, private, and voluntary sectors), rose in the United States to meet the combined challenge of social purpose and financial promise.[811] It would adhere to the new "triple bottom line" of making money, caring for the environment, and treating labor humanely. The problem is, all corporations – even fourth-sector ones - are guided by the same strict tax and legal rules limiting their investment in anything that can't be tied directly to revenue. Fourth-sector companies are taxed a bit more leniently, but their core code is exactly the same as any other for-profit. While the socially responsible policies of fourth-sector companies might save money in the long run, a lot of the savings are external to the bottom line of the company itself, or too far in the future to be readily quantified.

[810] Ibid., 3.
[811] Strom, 2008.

For example, the directors of "And 1," a successful shoe company in Pennsylvania, decided that their small corporation could be turned toward the good of the world and grow at the same time. They committed to maintaining the health of their employees and giving back to their community by funding after-school programs. The company shunned sweatshop practices, provided a gym for its employees, and even hired an independent auditor to monitor its charitable donations. Though the company was privately held, its directors were still under a fiduciary responsibility to its investors and shareholders to maximize their returns. As the company grew too big for its original management to handle effectively, they were obligated to sell the business to a larger company that ended most of And 1's fourth-sector activities.[812]

Ben & Jerry's ice cream, another company started by entrepreneurs who genuinely sought to do good by re-authoring the corporate model, faced an even steeper set of challenges. The owners intended to promote social responsibility with their corporation, first and foremost. This was to be the true content of their new use of the corporate medium. They committed to using organic ingredients, grown in a sustainable manner, from local farmers wherever possible, and with continuous monitoring of environmental impact. The company's "social mission coordinator" oversaw an employee-led grant-making program, and the human resources department was one of the most lauded in any industry.[813]

Growth was good, and the original investors sought to make some return on all the cash and good will. By opting to become a publicly traded company, however, the ice-cream maker was at the mercy of shareholders with different agendas than its founders. Growth slowed, and shareholders voted to sell the company to the food giant Unilever. Voicing widespread sentiment of the company's home territory, Governor Howard Dean told Reuters: "It would be a shame if it were sucked into the corporate homogenization that's taking over the planet."[814] Ben and Jerry's attempted to reassure their remaining fans, explaining that theirs would remain a separate company with its own governing board. Unilever—an international conglomerate — by necessity discontinued the vast majority of Ben and Jerry's local and sustainable mechanisms, and now uses what is left of the brand's integrity to strengthen its public image.[815] (Of course, the very notion of operating an ice cream company as a way to improve the social conditions of an obese nation struggling with runaway diabetes[816] raises questions of its own.) Undermining their foundational premise, corporations that succeed in their initial missions of creating socially responsible but

[812] Rushkoff, 2005a.
[813] Ben and Jerry's, 2005.
[814] Rapoza, 1999.
[815] Rushkoff, 2005a.
[816] In America, 64.5 percent of the adult population is overweight, 30.5 percent are obese, and type II diabetes is at an all-time high, according to Obesity.org, February 2005. (Obiesity Society 2011) Ben and Jerry's chocolate-dipped waffle cones each pack 320 calories and 10 grams of fat before any ice cream is added.

financially profitable enterprises are soon weighed down by their own success. The money has a bias and an agenda of its own.

Wealthy entrepreneurs who understand this seek instead to donate their personal winnings to worthy causes. Extending our playability metaphor, the cash profits of the corporation then become the palette through which the player authors a new story about the impact of the corporation itself.

Without damaging the company's balance sheet, well-meaning directors can contribute their own shares to charitable organizations and even take a tax deduction for the value of the gift. As a result, tax revenues go down. So in some cases these donations allow the donors to profit, while reducing the tax base for regular social services. Less total funding goes to those who need it. A study by the Stern School of Business at New York University revealed that corporate executives often make large gifts of their company's stock to their family foundations shortly before the stock drops.[817] Exploiting a loophole that applies to charitable donations but not to regular stock sales, executives can "backdate" their donations to a moment in recent history when the stock value was high. This allows them to take a tax credit much higher than the real value of the stock at the time they parted with it. According to the study, which covered about a quarter of all donations made by CEOs and corporate chairmen, these are not isolated incidents but a standard practice. This may constitute re-authoring, but it is entirely consistent with the original biases of the corporate program.

Likewise, corporate donations are often just a component of a much larger spending strategy, with aims that have much more to do with public relations than with community service. In one year, Philip Morris spent $60 million on charitable programs and then another $108 million advertising about the fact that they had done so.[818]

Specialty firms have arisen to help match corporate donors with charities that meet their specific public-relations needs. Such "context-focused" giving allows corporations to counteract the negative perceptions associated with their particularly noxious behaviors. Companies with bad labor practices can support education, those with bad environmental records can sponsor trash-pickup days, and those making products that make people sick can support disease research.[819] When ExxonMobil pays for a park or Wal-Mart supports a K-12 education program, some of the environmental or social damage their companies create is indeed mitigated. But it is not outweighed. Our sense that "it's better than nothing" just camouflages the underlying causes of the corporation's irresponsibility.

Even the best-intentioned family foundations often find themselves working against their stated purpose when their level of play is limited to the authorship of capital expenditure games. The philanthropic strategy is to siphon off a portion of a family's corporate winnings

[817] Strom, 2008.
[818] Dorfman, 2000.
[819] Miller, 2006.

and invest them in a nonprofit foundation that lasts essentially forever. Bill Gates stunned the world when, after a few decades of low-profile donations, he launched the Gates Foundation and endowed it with 35 billion of his own dollars. As the ultimate software entrepreneur and sometimes-richest man in the world, he restored the nonprofit sector's faith in an entire generation of newly rich dot-com executives. The foundation's work fighting disease in Africa almost makes our suffering through the Windows operating system seem worth it.

Still, the problem with setting aside $35 billion in cash is that it has to be invested to retain its value. The 95 percent of Gates Foundation holdings that aren't spent on charities each year often work against the very causes the foundation tries to champion. A study by *The Los Angeles Times* revealed that 41 percent of Gates Foundation investments have been in companies that counter the foundation's charitable goals or socially concerned philosophy.[820] These include investments in companies such as Dow Chemical, ConocoPhillips, and Tyco, which are excluded from mutual funds that screen for irresponsible behavior or poor environmental stewardship. As Paul Hawken explains, "Foundations donate to groups trying to heal the future, but with their investments, they steal from the future."[821] The Gates Foundation invests significantly more money in the darkest regions of the corporate sphere than it donates to all its charities combined. It holds $1.5 billion of stock in the very drug companies whose pricing policies are restricting the flow to Africa of medicines that the foundation is supposedly trying to get there.

This is not a mere kink in the system that can be ironed out with a bit more thought. The problem is that amassing a huge wad of cash and then doling it out through a centralized foundation is structurally biased toward exacerbating corporatism, not reducing it. As we discovered in Chapter Four, money isn't real, but at least once removed from the labor, people, services, and goods that earned it. It is not a generic store of energy, but an extremely biased, nationalized, and costly means of exchange. The capitalization and maintenance of a multi-billion-dollar foundation is not a neutral event, but one with tremendous impact on both the economy and the social ecology from which the value has been extracted. Not even the most diligent "triple-bottom-line" approach to corporate and foundation governance takes the biases of operating this way into account.

Instead of participating directly, as human beings, in the restoration of the social fabric, most corporate charities participate by proxy through money, and from a great distance. Even when they're not intended as cynically devised tax breaks or public relations stunts, these funds function as modern institutional indulgences, offsetting ongoing sins with cash. Like energy and environmental offsets, they give corporations a way to remain as they are.

[820] Piller, Sanders, & Dixon, 2007.
[821] Ibid.

Corporations may simply be the wrong tools for the job. The way they operate — their embedded bias — is itself the problem. The Bible's proto-activist, Isaiah, told us to turn our swords into plowshares,[822] but this involves melting them down and transforming them into completely different objects with very different functional biases. Corporations help people and communities create value about as well as swords till the soil. It's not what they were built for. The corporation excels at extracting value from communities and reducing their ability to take care of themselves.

New authors with new personalities writing new narratives for corporate investing don't change this basic fact. The Google corporation may tell its workers that the company lives by the credo "Do no evil," but its operations and business model are classically corporatist and singularly opportunistic. The company's main claim to virtue is that it fights for "open systems" in all media and on all platforms. Technologically, this means preventing cell-phone companies from locking their phones, Internet providers from blocking certain activities, and wireless carriers from restricting downloads. Practically speaking, open systems mean keeping systems open to Google and its millions of advertisements, biasing all net content in the process.

Just as the U.S. and Europe used the "charity" of the World Bank to open markets for their corporate activity, Google uses its goodwill and industry dominance to open systems for its corporate activity. While the rhetoric of open markets seemed to promote an ideology of democracy and equal opportunity, it actually promoted an agenda of resource and labor exploitation. Likewise, Google's push for all competitors to create open systems is really just a way for Google to leverage its existing monopoly into each and every emerging technology. An open system means open to Google.

Free market advocates believe such inconsistencies will eventually be revealed and corrected in a transparent web-based commercial landscape. In an opinion piece on Mashable.com, PorterNovelli social media expert John C. Havens argues that the net has turned "social accountability" into a corporation's greatest asset, and that only those who are able to act in a socially positive way will be able to generate positive dialogue from social media influencers.[823] Combine this with the inappropriate equivalence of market churn with biological evolution (explored in previous chapters) and the net becomes seen as a new corrective for any of the market's previous ills: Now that consumers are increasingly aware of the impact of their purchases and willing to vote with their dollars, any corporation behaving inconsistently with market demand is to change, get "restructured," or perish. Then, new management, new shareholders, or an altogether new and smarter company is to rise in its place, like a phoenix from the ashes, to address the unmet or newly articulated needs. These

[822] Isaiah 2:4
[823] Havens, 2011b.

new managers are then to author a new corporate compact with the community that accomplishes what the community really wants. Extending Schumpeter's notion of "creative destruction," those celebrating the replacement of one corporation with another see nothing but efficiency, growth and improvement.[824] What this analysis leaves out is the collateral damage that may have occurred in the meantime.

For example, after Big Media successfully lobbied for the Telecommunications Act of 1996, the limit on how many radio stations one corporation could own went from 40 to no limit at all.[825] Over the next five years, the radio industry consolidated,[826] and Clear Channel Communications emerged as the biggest player with over 1200 radio and 39 TV stations.[827] Clear Channel is five times bigger than its closest competitor, and reaches 100 million listeners daily. It uses this leverage to market over 30 million tickets each year to shows in its 44 amphitheaters across the United States.[828]

Clear Channel exercised highly centralized control over what had been a highly local form of media.[829] Its central office chose the play lists, wrote the news, and even provided studio space for some of the disk jockeys, who began to broadcast their shows from locations thousands of miles away from the cities where their voices supposedly originated. Diversity of music decreased by every measure, stations lost their local character, songs were chosen for their ability to influence ticket sales, and the culture of radio deteriorated.[830] With no more authority over their play lists and no hope for a direct connection with their constituencies, DJs who weren't already fired left the industry. FM radio stations sold their extensive libraries of music, laid off their staffs, and became remote-broadcasting hubs for content replicated across the country. But radio could not successfully scale this way.[831] As stations became bland, redundant, and delocalized, listeners turned away. Advertising revenues went down, and Clear Channel began selling off its radio assets. [832]

Once dismantled, however, radio's culture can't simply reform from the ground up. Radio had developed slowly over the course of close to a century.[833] In the single decade that Clear Channel dominated radio, the industry's collective capital and expertise was spent or dismissed. The seasoned staff of an FM music station can't be reassembled any more easily than its collection of out-of-print records came. An audience that may have taken decades to develop cannot simply be called back.

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[824] James Derbyshire and Garry Haywood "Schumpeterian 'Creative Destruction' and Strengthening the Business Stock Through Firm Formation." No. 1007/39, Research Paper Series. Management School, University of Liverpool. 2007.
[825] Cave, 2004.
[826] For more on the consolidation of radio, see DiCola, 2006, Sedman, 2001, and Ditingo, 1995.
[827] Clear Channel, 2006.
[828] Nowlin, 2007 and Thomson, 2006.
[829] Future of Music Coalition, 2002.
[830] Siklos, 2006.
[831] Wexler, 2005.
[832] Cave, 2004.
[833] DiCola, 2006.

The Clear Channel story, like that of the failed record or automotive industry, reveals the flaw in thinking that the damage caused by corporatism can be corrected once market activity is authored by different people with different agendas. Business is just one part of the social ecology in which it operates. Once destroyed, social capital can't simply be borrowed from the bank by the next corporation.

The corporatist game, as currently played and even won by superficially new sorts of companies, only exacerbates the deleterious effects of the corporatist media environment. Whether it is Google or, as of this writing, Facebook enjoying the fruits of its conquests through stock market offerings, these Internet and social media companies are no more changing the landscape than they are a part of it. As we have seen, money is a medium with its own biases and agendas. As even the most net-savvy companies agree to be defined by the terms of capital investment, the more consistently with the rules of money they behave. Only then, if they are still thinking about it, will they come to realize that instead of seizing the opportunity to rewrite the operating system on which human activity takes place, the simply acquiesced to the bigger operating system on which their companies were really running all along.

Our analysis of the playability of the corporatist media environment clearly reveals where the system is intentionally closed, how the Internet can be made to create the illusion of new interactivity, and how the Internet can also generate a media environment that allows for both a gamer's perspective on corporatism's rule sets as well as the beginnings of access to the rules themselves.

And so, in a logic that strikes us as a bit more circular than we may have liked, our media ecological perspective on the relative playability of the corporatist landscape leads us to the conclusion that the ability to experience any such playability is dependent on our ability to see it in the first place. Seeing the media environment is a prerequisite to playing it.

In the conclusion, we will consider what might constitute such digital awareness, and thus enable the beginnings of genuine participation on the formerly closed game board of corporate capitalism.

Conclusion: Program or Be Programmed

In Chapter 5, we considered playability as a capability that can occur on one or more of four levels: that of the player who accepts the rules, often blindly; that of the cheater, who may choose whether to follow or break the rules; that of the author, who may create new situations within the game's greater framework; and finally that of the programmer, who can alter the fundamental premises of the game or write a new game altogether.

As yet, as Chapter 5 also revealed, activity challenging corporatism and its media environment is occurring primarily on the first three levels of gamesmanship. People trade online, they use corporate profits to donate to charities, they use Internet to invest in social ventures, or they create new media companies within the greater context of the corporatist media environment. In our conclusion, we'll consider the prospects for engagement on the fourth level. For the digital media environment does offer one more level of playability to the would-be architect of the social and commercial landscape: that of programmer.

Biased toward production over consumption, the net reconnects media consumers with their own creative capacity. New forms of data transfer and security are permitting peer-to-peer transactions through alternative currencies and metrics. Decentralized technologies like the low-cost 3D printers distributed by Makerbot reconnect people with their productive capability, and suggest new models of production that no longer require highly centralized factories or capital.

Digital technology, unlike the broadcast and electronic media that went before it, is biased toward production over consumption. We make stuff with our computers, and share or even sell it over networks. This, at least potentially, undoes the disconnections perpetrated by industrial age corporatization: it reconnects the worker with the value of his creations; the consumer with the producer; and consumers with one another. And while such production is often co-opted as fodder for advertising or even recontextualized as a new form of corporate consumption, this activity can also change the fundamental dynamics guiding commercial activity.[834]

I contend that the extent to which that any of these innovations represent "game changers" to corporatism is directly proportional to their ability to participate on the last level of playability: that of the programmer.

[834] See Rushkoff, 2010 and Rheingold, 2000.

As we have already seen, highly corporatized people tend to enact their social and environmental rehabilitation from within their roles as employees, consumers, and shareholders. Like corporations, people tend to prefer to express their charitable and community impulses from afar. The few who do actively participate in addressing the problems wrought by corporatism are considered heroes because their selfless contributions reach far beyond most people's capacity to act. *Doctors Without Borders* volunteers donate their time and risk their lives to fly to war zones, disasters, and refugee camps to save lives. Likewise, computer hackers started an organization called *Free Geek* to wire up schools and refurbish cast-off computers for underprivileged communities, and *VolunteerMatch* connects people with communities who require their skills to repair infrastructure, provide childcare, or deliver meals to the homebound. These efforts are largely web-enabled, but simplify amplify the good intentions of those who are ready to take what for most members of corporatized society is a tremendous personal leap into community service.

Some innovative approaches to charity, largely inspired by the playability offered by the net, have emerged that provide money where it is needed while still catering to this impulse for disconnected giving. Kiva.org lets donors lend money to entrepreneurs from the developing world. Visitors to the site can scroll over pictures of craftspeople, bakers, and fishmongers from Mali, Togo, or Bolivia, read their stories, and lend money in $20 increments. The micro-loans really go to the fledgling businesspeople who need them, and the donor gets a sense of connection to a real human being without ever getting up from the laptop. The loans are almost inarguably beneficial to the developing world, but the whole, heartwarming, electronic process caters to a lifestyle characterized by rushed and disconnected activity. It doesn't stop the way the donor's day job might be causing the problem; it only mitigates a bit of the effect and assuages a bit of the guilt.

DonorsChoose.org has achieved terrific success getting money to the classrooms that need it. Teachers post requests for supplies and visitors to the site can choose which pleas to answer. While it's less efficient than simply taking donations and doling them out, first come first served, it gives donors the experience of picking the priorities, objects, and faces that appeal to them. More constructively, DonorsChoose lets users search by location to find out what might be needed in their own or a neighboring community. Still, even local needs are kept at a distance. When I searched for my own neighborhood on the site, I found a teacher somewhere in the county looking for funds to start a comic library at her elementary school. I have a few hundred comics I'd like to donate. But because the site keeps the requesters' identities anonymous, I've been unable to figure out who she is. My disconnection from the community is perpetuated; dollars are my only way of helping.

Fittingly, the first real instance of a website configured to let potential donors choose between the causes they wanted to support came from the satirical corporate activist group rTMark in the late 1990s. Exploiting a “market system” comprised of activist “mutual funds” and individual “projects,” the agitprop performance group let users anonymously support real and imaginary guerrilla activism of sometimes questionable legality, such as disassembling the Statue of Liberty and sending it back to France, or organizing people to shout at movie screens while advertisements play. The distance created between “investors” and pranksters was deliberately calculated to protect donors from repercussions, and to satirize the way the Internet promotes social action by proxy. To the surprise of rTMark’s founders,[835] serious social-action networks have adopted their market-driven methodology as a valid form of participation. If people are given the power to choose their causes, the most important ones are supposed to naturally rise to the top of the heap.

Those of us content to work through proxy certainly have plenty of options available to us, and the net is offering more every day. We can vote with our dollars or donate to the political-action groups who we think might restore the social balance. Today’s brands will have us believe that we save the rain forest through our choice of cereal and preserve endangered species with our choice of parka. As of this writing, Ogilvy, the advertising agency, has teamed up with the Buckminster Fuller Institute to implement a version of Fuller’s “World Game”[836] where major brands can win points by doing good things for the world. Websites and magazines teach us how to consume our way to a green world, without acknowledging that their promotion of consumption is itself a core problem. And all of these options offer us the vicarious thrill of contributing to an effort we believe in without disrupting the underlying structures maintaining the status quo — or our own busy schedules.

These are all a start, in that at the very least they introduce the public to the notion of playability, revealing that there are rule sets in play, and that socio-economic conditions can be addressed through “gamification.” Still, a growing number of activists and engineers seem to believe that the net can do more than offer a new way of engaging with, through, and about the corporations and currencies through which corporate capitalism is currently played. And it is these activists, programmers, and entrepreneurs who — to varying degrees — reconstitute the social operating system with top-level commands other than the corporatist agenda. Some of these efforts are explicitly net-enabled. Others, as we’ll see, may be products of the greater digital media environment and its bias towards playability, even though they have no digital components at all.

Clearly the net offers new possibility for decentralized resistance, true playability. The object of these efforts is rarely to get on “big screen” (last century’s payoff) but to make substantive change, reconnecting people to each other and to real world, and promoting the exchange and retention of value between them. The objective of game is changed along with

[835] TheYesMen, 2009.
[836] Fuller, 2010.

the rules. This is why it is the programming community — and generally those who have maintained a good distance from corporate structures — who have developed the most promising challenges to existing centralized powers and financial hierarchies.

As we have seen, when alternatives to corporatism are developed within the media environment of corporatism, they tend to operate on the corporate scale, with corporate-sized objectives. When resistance is contextualized beneath the corporate landscape, it is no longer confined by the rule sets of 20th-century corporatism or mass media. Just because it is not appearing in the national news media does not mean it is not happening, or that it is not effective.

Real world activism of this latter sort is characterized by new understandings of value creation and exchange, and an awareness of the extractive bias of non-local business entanglements. In just one striking example, before her talk at the prestigious 2007 TED conference (an invitation-only event where industry leaders and visionaries talk to wealthy ticket holders about technology and design) an environmental activist from the South Bronx approached Al Gore. She wanted to know how activists like her were going to be included in his campaign to promote the environmental agenda. He responded that he was developing a grant program. She calmly explained that she wasn't asking for funding – she was making *him* an offer to come to the table and participate in the decision-making process.

The woman, the environmental activist Majora Carter, has the direct experience of revitalizing her own polluted ghetto and its forgotten community.[837] Through her group, Sustainable South Bronx, she created opportunities for people to grow vegetables at home, to get paid to do environmental cleanup, and to work through local government to stop New York from using the neighborhood as a dumping site for 25% the city's waste. Her main innovation was to develop a new method of rooftop gardening that provides high yields of organic vegetables for urban dwellers and local restaurants.

Carter engages in sustainable, bottom-up activism, through which ex-convicts, gang members, and the elderly work together to lower asthma rates among children, strengthen the local economy, and reduce residents' exposure to toxic materials. Once trained in landscaping, ecological restoration, green-roof installation, or hazardous waste clean up, they can find work elsewhere doing these necessary jobs. Perhaps surprisingly, people who go through the program and then find gainful employment do not move out of the neighborhood. They become the next set of teachers and investors in the Sustainable South Bronx community.[838] Efforts like these scale up in two ways. First, they are shared with or copied by other groups in other communities around the world. Rooftop gardens can work in any city to lower energy bills and clean the air while providing food and jobs. Sharing the wealth is not a matter of the

[837] See Majoracartergroup.com.
[838] Craytor, 2009.

Sustainable South Bronx franchising patented techniques to other cities — there's enough work for them to do in the South Bronx, and they don't need to extract value from other cities in order to achieve sustainability for themselves. By modeling what they do for others, they develop a network through which they too can learn new techniques.

More significantly, the impacts of their highly local efforts trickle up in profound ways. Less pollution means fewer children with asthma, lower medical and insurance costs, and more time in school. Good job opportunities for convicts and gang members means less recidivism and expensive jail time — as well as lower profits for the corporations now providing prison services and less speculative investment encouraging incarceration. Pushing toxic waste out of one neighborhood forces the dumping corporations to find a new place for it; prices on processing garbage go up, and corporations are encouraged to make less trash in order to preserve their bottom line.

Rewriting the rules on a local level and reconnecting to place unwinds the centuries of successive abstraction and disconnection. The process described in Chapter 2 slowly reverses itself. This is playability applied to terra firma, and takes the form of everything from Community Supported Agriculture — where members of a community purchase subscriptions to a local farm and disintermediate Big Agra — to locally formed credit unions where people pool economic resources so that they may lend and borrow from one another without losing value to a privately owned, usually non-local bank. The spirit of do-it-yourself activity engendered by the Internet, as well as its networking and organizational capabilities, is at least partly responsible for the surge in this sort of activity. In 1990, there were just 50 CSAs in the United States. By 2000 there were over 1000, and in 2011 there were over 12,000, according to the US Department of Agriculture.[839] The World Council of Credit Unions hired social media expert Tara Hunt, author of *Whuffie*, as its conference keynote for 2010,[840] recognizing the way the net has both reconnected members of communities and encouraged a more direct involvement with formerly obscure processes. By 2011, an unprecedented 70 million Americans had joined one of over 11,000 credit unions popping up across the country. A national credit union industry organization that had in the early 90's hired me as a consultant to discuss how to transition their members out of their "dying" operations and into traditional banks, was now coping instead with how to manage the swelling ranks of new member institutions and people.

Meanwhile, the connection between workers and value, consumers and producers, and consumers to one another (whose destruction and replacement by corporatist institutions and spectacle was chronicled in chapter 3) is now being restored by individuals choosing to turn to their local and extended communities for support from other real people. This

[839] United States Department of Agriculture, 2011.
[840] Credit Union Magazine, 2010.

constitutes more than a re-authoring of the game as it currently exists. In the case of, say, capitalizing a new business, re-authoring the game would involve going to the bank with a new business plan, or with a proposal for something the bank does not usually fund. Re-programming the game — the fourth dimension of play, or in McLuhan's parlance, play "flipped" to its extreme — means recapitalizing in a whole new way, if capitalizing is even a prerequisite at all.

For just one immediate example, a tiny organic café in my community called Comfort had decided to expand to a second, larger location. John, the chef and owner, had been renovating the new space for a year, but — thanks to the credit crisis — was unable to raise the cash required to finish and finally open. With currency unavailable from traditional, centralized money-lending banks, he turned instead to his community, to us, for support. Granted, this is a small town. Pretty much everybody goes to Comfort — the only restaurant of its kind on the small strip — and we all have a stake in its success. Any extension of Comfort would bring more activity, vitality, and commerce to a tiny downtown (commercially devastated in the 1970s by the chain stores and malls on the auto-friendly main strip).

So John's idea was to sell VIP cards, or what he eventually came to call Comfort Dollars. For every dollar spent on a card, the customer receives the equivalent of $1.20 worth of credit at either restaurant. If I buy a thousand-dollar card, I get twelve hundred dollars worth of food: a 20 percent rate of return on the investment of dollars. John gets the money he needs a lot cheaper than if he were borrowing it from the bank — he's paying for it in food and labor that he has in ample supply. Meanwhile, customers get more food for less money.

The entire scheme reinvests a community's energy and cash locally. Because our money goes further at our own restaurant than at a restaurant somewhere else, we are biased toward eating locally. Since we have a stake in the success of the restaurant in whose food we have invested, we'll also be more likely to promote it to our friends. By using its own currency, a local business can even undercut the corporate competition. It's not complex or even communist. It's just local business, Late Middle Ages style.

We publicized what we had achieved in a post to BoingBoing.net,[841] which was then picked up by local media, and then a business news program on national television. A young Goldman Sachs analyst — dissatisfied with the process through which he was "making" money — quit his job and developed an online utility through which the Comfort Dollars process could be replicated easily by anyone. His new company, "Common Equity,"[842] is dedicated to:

> Building technology that helps foster sustainable local economies. Our platforms help communities make meaningful

[841] Rushkoff, 2008.
[842] See Common-equity.com.

> investments in their own small business. As large corporations focus on reducing costs, and governments take on unsustainable levels of deficits and debt, global unemployment has ballooned and the world is in recession. Today, building sustainable local economies is critical to the stewardship of global economic health. Our platforms empower communities to develop local prosperity.[843]

Or, as perhaps only a Goldman Sachs executive could describe the platform on which something like Comfort Dollars could take place: "SocStock is a web-based platform that allows small businesses to raise working capital by selling structured, prepaid loyalty programs to their best customers and supporters." The company plans to develop ways through which people can become investors and shareholders in their friends' local businesses as well — once they can hack the legal restrictions on investment hampering such communal pooling of resources.[844]

Decentralizing technologies such as the net empower and inspire correspondingly decentralized approaches to commerce. For example, the development of local and alternative exchange and currency systems has always been hampered by the inability to establish trust and security without a central manager or bank of some kind. The value of the local currencies of the Late Middle Ages was dependent not only on the store of grain that the currency might represent, but the trustworthiness of the person issuing the currency and storing the grain. In modern times, local currencies have depended on similar trust and personal relationships — both in short supply on the disconnected corporatist landscape. Enabled by interactive technologies from the net and reputation bulletin boards to data encryption and smart-phone-driven credit card swiping, local currencies are now used by several thousand communities across the United States and Europe,[845] giving people the chance to buy and sell goods and services from one another no matter what the greater economy might be doing. The transactions occur on an altogether different operating system, written by player-programmers who seek to embed a different bias into the playing field. Instead of favoring large, centralized corporations, local currencies favor businesses and the community members who own them.

There are two main types of local currency employed today. The simplest type, like Comfort Dollars, have an exchange rate for central currency. Once example would be the

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843 Common Equity, 2011.
844 Currently, Security and Exchange Commission law states that only "qualified" investors may invest for shares in businesses of non-family members. Qualifications include over two million dollars in liquid assets, counting out most private citizens.
845 As of 2009, there were over 100 alternative currencies in over 15 countries. (Schwartz, 2008)

BerkShares[846] created for the entire Berkshire Hills region in Massachusetts. The BerkShares themselves can only be spent at local businesses that accept them, which keeps the currency circulating close to home. Local currencies such as these encourage local buying, put large corporations with no real community involvement at a disadvantage, and circulate much more widely and rapidly through a community than conventional dollars. Further, the nonprofit bank issuing Berkshares is not an extractive force; no one needs to get rich or pay anyone back. Businesses that refuse to accept the local currency do worse than just brand themselves as apathetic to local development; they cut themselves off from the ability to collect revenue.

But even townspeople with their own money systems still need conventional currency. The three automobile repair shops in Great Barrington that accept BerkShares must still buy auto parts from Mopar or BMW with U.S. dollars. But they are willing to break down their bills into two separate categories, selling parts at cost in U.S. dollars, and markups and labor in the local currency. The object is not to replace centralized currency altogether, but to break the monopoly of centralized currency and the corporations it supports over transactions that keep money circulating locally. This is why many advocates now call local currency "complementary" currency[847] — because it complements rather than replaces centralized money. The corporatist bias to conquer and replace any alternative to itself does not exist.

Larger businesses have begun to embrace alternative currency systems, as well. In October 2008, as the credit crisis paralyzed business lending, companies started signing onto barter networks in droves. One system called ITEX, which allows businesses to trade merchandise, reported a 37 percent increase in registrations for the month of October alone.[848] Utilizing more than 250 exchange services now available through the Internet, companies can barter directly with each other, or earn US-dollar-equivalent credits for the merchandise they supply to others. According to BarterNews.com, business-to-business bartering already accounts for 3 billion dollars of exchanges annually in the United States. As the credit crisis continues, this figure is growing exponentially.

An even more promising variety of complementary currency, like the grain receipts of ancient times, is quite literally earned into existence. "Life Dollars," such as those used by the Fourth Corner Exchange in the Pacific Northwest, are not exchanged for traditional currency. Instead, members of the Fourth Corner Exchange earn credits by performing services or providing goods to one another. There's always enough money, because money is a result of work exchanged, not an existing store of coin. There can't be too much money, either, since every service provided is a service someone else was willing to be debited for.[849]

[846] See Berkshares.com.
[847] See Complementarycurrency.org, for example.
[848] Meece, 2008.
[849] Greco, 2001.

The whole premise for Fourth Corner Exchange, however, is the web-based bulletin board on which users may post their offerings, confirm delivery, and rate the transaction. Emphasis is shifted from faith in the bank issuing the currency, to trust in the counterparty to the transaction. As such, in the new game, the currency itself becomes a utility for exchange rather than an end in itself.

These local or "complementary" currencies, and many others, are as easy to begin as visiting the websites for local economic transfer (LETS) systems or Time Dollars.[850] A local currency system can be as informal a babysitting club, where parents earn credits for babysitting one another's children, or robust enough to serve as the primary currency for an entire region or sector.

In 1995, as recession rocked Japan, unemployment rose and currency became scarce. This made it particularly difficult for people to continue to take care of their elderly relatives, who often lived in distant areas. Everyone had time, but no one had money. The Sawayaka Welfare Foundation developed a complementary currency by which a young person could earn credits for taking care of an elderly person. Different tasks earned different established credit awards — bathing someone earned more than shopping, and so on. Accumulated credits — Fureai Kippu or "elderly care units" — could then be applied to the care of one's own relative in a distant town, saved for later, or traded to someone else. Independently of the centralized economy — which thanks to bad speculation and mismanaged banking was no longer supporting them — people were able to create value for themselves and one another.

Although that particular financial crisis has passed, the Fureai Kippu system has only grown in popularity. By 2009, the alternative currency was accepted at 372 centers throughout Japan; and patients surveyed said they like the care they get through the Fureai Kippu system better than what they get from professional service agencies. Thanks to the success of the Fureai Kippu and other pioneering models, over one thousand alternative currencies are now in use in Japan.

The net has inspired and facilitated the development of dozens of utilities designed to promote direct exchange and group sharing over transactions between individuals and corporations. To varying degrees and in different ways, they each exhibit the playability suggested by the programmer's perspective, as well as the qualities of zero-sum "infinite" games favored by Carse.

Community car sharing, orchestrated through websites such as, Zipcar, Getaround, WhipCar, Mobility, Streetcar, goget, and RelayRides, give people the opportunity to share the costs of car ownership, and maximize the efficiency of drop-offs and pickups using GPS to

[850] Learn more about them through:
LETSystem: gmlets.u-net.com
Time Banks: timebanks.org
Transaction.Net: transaction.net/money/timedollars

locate and match vehicles with those needing a car. The language on these sites evokes the hacker ethos. As the Getaround.com “about us” page explains:

> Imagine a world with fewer cars, without traffic jams, and with less pollution. We are a team of successful entrepreneurs, hackers, and business people passionate about using mobile technology to create sustainable transportation solutions. We want to empower people to travel more efficiently and cause a shift from personal to shared transport.[851]

A new “world” is imagined, and the “hackers” responsible are conscious of the intention to “cause a shift” through the implementation of the new technology.

An extension of the online car-sharing communities is a new movement toward net-enabled ride sharing. A much more challengingly up close and personal activity for people who have adopted “fear” as a default social setting, ride sharing involves utilizing a website to find commuters, shoppers, and church goers with similar routes who can give one another lifts. Examples of ride sharing utilities include Zimride , NuRide , liftshare , GoLoco , and yRides. Again, the degree to which the programmers of these utilities have envisioned new realities varies. NuRide offers points for every mile a user shares his vehicle with someone else. The points are then redeemable for merchandise at one of several hundred participating retail chain stores. GoLoco and yRides, on the other hand, encourage drivers to accept fees from the people with whom they share their rides – and take a fee for handling the transaction. The programmers in these cases have limited the scope of playability to the vehicle sharing process, and proven incapable or unwilling to consider alternatives to the traditional “business plan” through which value is extracted. Liftshare.com, on the other hand, encourages riders to share expenses but does not allow its users to charge for rides or make a profit. As their site explains:

> *lift*share is a social enterprise – mission-driven rather than profit-driven. That’s why you don’t pay a penny to join.
> We help people to travel more sustainably by sharing their journey. Our online network matches people with similar journeys so they can travel better together – saving money, cutting their carbon footprint, having fun and making the world a better place.
> We are able to fund our free services by providing individual car-share schemes to councils, businesses, hospitals,

[851] Getaround.com, 2011.

universities, events and business parks – such as BBC, Tesco, Virgin and the Environment Agency - helping them with parking issues, saving them money and reducing local pollution and congestion.[852]

The programmers of Liftshare have liberated themselves from the need to profit by operating as a "social enterprise," and chosen to restrict their revenue sources to the companies and organizations that might otherwise be extracting value from their participants. Most importantly, and consonant with information age values, they are not selling the connections they make between people, but rather the knowledge that they have gained in making those connections.

This distinction is key: Corporations learned to monopolize commerce and currency in order to profit off all transactions and obsolesce the requirement to innovate. As a result, the value of any transaction ended with the transaction itself. The exchange of cash was not only the goal of the game; the monetary credit was the only value retained from the transaction. Liftshare gets below this game into the very operating system of transaction, reaping a non-extractive value from its customers: that of the experience gained by people engaging in ride-sharing, building trust, sharing expenses, and so on. Each successful Liftshare is information and expertise that can then be sold by Liftshare to its paying institutional clients.

Following in their tire tracks are the bicycle sharing websites, BIXI, B-cycle, Smartbike, and OYBike. B-cycle and BIXI users carry special chip-enabled plastic cards that they swipe or scan at bike stations wirelessly connected to the company's servers. The rental company owns all the bikes, and charges rental fees of about $50/year to use them. Smartbike has gone "meta" on this process, offering cities and companies the bicycles and technology required to manage a bike system, but leaving it up to the municipality or business whether and how much to charge. Finally, OYBike — in an effort to keep things free — lets people rent their bikes for 30 minutes for no charge at all, but then charges for longer rides. The requirement to maintain a fleet of vehicles makes bike sharing more difficult to develop into a sustainable cashless business than car-sharing, which can be more easily orchestrated as a peer-to-peer shared activity (more than one person rides in a car, and the cars are owned by the participants rather than the organizer, or game master).

That's why gifting sites like Freecycle and GiftFlow, as well couchsurfing sites like couchsurfing.org, Place2Stay, The Hospitality Club, and GlobalFreeloaders, resource sharing services like — NeighborGoods, ecomodo, Share Some Sugar, and thingloop or even — most dramatically — land-sharing networks such as Landshare and SharedEarth have an easier

[852] Liftshare.com, 2011.

time staying true to the peer-to-peer, no-cost values of the freeware and open source software communities from which they emerge. They game the corporatist system more profoundly, too, because they allow for high-worth exchange without impacting the GNP. Landshare.net, for just one example, connects its community of 55,000 landowners to growers capable of farming their land and sharing in the harvest and, if any, profits.

All this transacting amounts to largely non-economic economic activity, not simply off the radar of taxation and corporate extraction, but off the map of the game as it is traditionally played. They are new and, in some cases, revived operating systems for sustainable economic activity that is no longer based in the zero-sum game of the balance sheet, the monopolist extraction of value, or the forced centralization of profit. As such, it depends not on the continued isolation of people from one another fostered by broadcast media, but the ongoing reconnection of people with one another fostered by digital networks.

Perhaps the "purest" play is being initiated by those attempting to reprogram the money system itself, and quite consciously and publicly challenge the underlying assumptions of centralized, debt-based cash. Unlike Comfort Dollars or Berkshares, these are not ad-hoc currency solutions to particular local divestment struggles, but meta-solutions that their founders hope will find applicability across a wide range of markets. These are tools to enable a new sort of play, and allow their users in doing so to enable a new economic order, predicated on values other than those embedded into today's dominant currencies.

As New School University media theorist and hacktivist Venessa Miemis explains it: "We're really talking about *The Superfluid Economy*,[her emphasis] the set of tools and behaviors that are developing to make economic exchange, transactions, payments, commerce, distributed collaboration, resource allocation, and social enterprise formation as frictionless and fluid as possible."[853] (Interestingly, and typical of this younger generation of net enablers – Meimis is in her 20's - she assigns intentionally to the tools themselves — indicating an assumption of technology so embedded with purpose as to "want" something. See Kevin Kelly for more on this.[854])

The Metacurrency Project, by former operating system programmer Arthur Brock, defines currency intentionally broadly as "a formal system used to shape, enable or measure currents." Beyond mere money, currency for Brock is a form of social DNA which shapes flows of attention, trust, participation and value. He seeks to build the technology platforms and protocols that would allow people to transact directly with each other with no segment of that interaction relying on a centrally controlled system. In Brock's words: "We will not have an equitable nor a healthy economy in an information age, until we have information technology

[853] Miemis, 2011.
[854] Kelly, 2010.

which empowers us equitably — that is decentralized, peer-to-peer and operates by mutual agreement."[855]

The programmers at Community Forge started with LETS architecture, then coded it into the Drupal platform, CommunityForge enables communities to create free digital currencies in order to barter, coordinate activities within an organization, exchange value, and build local resilience.[856] Having gone "meta" on the nature of economic play, the founders of Community Forge are trying to create armies of player-programmers who then reprogram their own economic operating systems. In their own words: "By offering economic tools, to enable real-world and virtual communities to declare their own localised currencies, and to trade in them using open source software, thus building a more sustainable economy for the 21st century."[857]

Bitcoin is an open source project currently in beta development stage, being used by tens of thousands of people around the world. Based on a rather complex algorithm through which processors, the people behind Bitcoin are attempting to replace the managed artificial scarcity of central bankers with the unmanaged artificial scarcity of computer processers. By limiting the money supply to the number of bits that can be processed into existence by participating computers, Bitcoin seeks to create a stable and scarce currency. As the founders explain it: "Bitcoin is a peer-to-peer digital currency. Peer-to-peer (P2P) means that there is no central authority to issue new money or keep track of transactions. Instead, these tasks are managed collectively by the nodes of the network."[858] Of course, Bitcoin is accepting the logic of central currency as its basic premise — it is simply removing institutional treasurers capable of acquiring the debt of borrowers. And it is conferring the veil of anonymity onto its users. This is why Bitcoin's chief use, so far, has been the illicit markets of drugs and other contraband, as well as hiring of digital employees outside the view of tax agencies.

PaySwarm is a patent and royalty-free micropayment and content distribution platform. It's programmers are hoping it will become an official World Wide Web Consortium (W3C) standard. The purpose of Payswarm is to make it easier for digital content to be promoted, distributed, and purchased. "The PaySwarm web platform is an open standard that enables web browsers and web devices to acquire licenses, distribute micropayments and perform copyright-aware digital media distribution." PaySwarm's programmers plan for the utility to be currency-agnostic, allowing any of the alternative currencies in development to be compatible and even interchangeable.

Finally, and in some ways a central banking system "flipped" to its extreme, Ripple — ripplepay.com — is a payment system designed to turn each player into his own bank. In a

[855] Brock, 2011.
[856] See Communityforge.net.
[857] Community Forge, 2010.
[858] Bitcoin, 2011.

sense, in this model each person is the issuer and programmer of his own currency system. The different currencies then interact over the social network through a myriad of negotiations between nodes. People can exchange value with people they do not know by proxying their credits and debits through the people in the network they *do* know until they reach the counterparty. In their own words: "Ripplepay.com is a payment system where everyone is a banker. Connect to your friends, family, and associates and your credit with them becomes a fully-functional currency."[859] Inspired by the LETS system, Ripple tracks obligations between individuals in a social network, routing value as it transfers from person to person. So instead of collecting and hoarding cash, users seek to maintain an equilibrium of credits and debits over their entire social network. This, in turn, biases the system toward sustainability and trust rather than growth and profit. Instead of working for money, the website explains in an elegant reversal: "You'll make money work for *you*."

For some, such gaming of contemporary corporate systems – from automobile ownership to banking – represents a form of wish fulfillment. Listeners of right wing radio personalities such as Glenn Beck[860] and Sean Hannity[861] are told to purchase gold, military MRE's ("Meal Ready to Eat," dehydrated meal replacements with extremely long shelf life) and bomb shelters in preparation for the coming apocalypse. Such pronouncements are mixed with a subtle sense of glee and hope. Both Beck and Hannity throw celebratory rallies with country bands, balloons and food. Beck explains that the meals his sponsors sell are "delicious" and "gourmet." Hannity sees the coming disaster as a way to finally flush out and expose socialism for the "evil" it is based on.

Widespread pessimism about the state of the American economy and social fabric has led to an almost counter-phobic fascination with disaster. Recommendations from local authorities to store a week's worth of water, food, duct tape, and medical supplies call to mind long-forgotten TWILIGHT ZONE episodes in which families fight over access to bomb shelters. Nightmarish movies and television shows in which human survivors hole up in abandoned buildings to weather zombie or vampire pandemics regularly lead in the ratings, while feed the paranoid fantasies of a growing survivalist movement. Websites and radio shows instruct people to buy gold for savings, and smaller silver denominations to trade for food after the economy completely collapses. (Bloggers on the subject also suggest owning several handguns for self-defense and a motorcycle to cut through the traffic jams surrounding our metropolitan areas.)[862]

This delight in detail indicates that the apocalypse is less a looming fear than a secret wish. Like Y2K enthusiasts, who predicted that planes would fall from the sky when

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[859] Ripple, 2011.
[860] Beck, 2010.
[861] Hannity, 2010.
[862] Survive The Apocalypse, 2011.

computers attempted to register four-digit years, the apocalypse fans appear almost giddy at the thought of our dehumanizing infrastructure crumbling under its own weight. For better or for worse, real people would be called upon to create real value.

This morbid obsession with doom may hint at something entirely less apocalyptic — something that people hope to gain from a world suddenly devoid of corporatism. If the complex supply chains and economic schemes people use to feed, clothe, shelter, and care for themselves stopped working, might they possibly develop the ability to provide even some of these basic needs for ourselves and one another? Are we good enough friends with a farmer to ask him for some crops? Do we have anything, as members of his extended community, to offer in return?

The current financial meltdown brings such scenario planning out of the world of fantasy and into the realm of possibility. Financial websites are already advising consumers how illiquidity could affect the ability of a supermarket chain to stock its shelves, a gas utility to keep heating fuel in the pipes, or a medical insurer to make good on its promised reimbursements. Having grown so absolutely dependent on corporations and their debt for our daily functioning and sense of continuity, it's not surprising that our first reaction to Wall Street's implosion is to fund the companies in trouble. So, the public borrows more money from the central banks in order to feed the private sector's credit-vanquished corporations. Instead of merely having value extracted from us in the present, we volunteer our future earnings to keep the system running. Either that, or let the other shoe drop and expose the credit-based, artificial economy and its faulty premise of infinite expansion. The debate on whether or not to refund the corporate sphere has so far fallen along familiar battle lines. Conservatives see themselves as free market advocates, and adopt a posture of non-intervention. Regulation and impediments to free trade are what hampered corporations' ability to stay profitable in the first place, they argue. Those arguing for government bailouts and federally sponsored work programs, on the other hand, see this crisis as the opportunity to return corporations to public control, offer funds in return for more socially beneficial products, keep people employed and restore the corporate sphere to health. They say the free market has finally been "disproved."[863]

But the distinctions are false. The free market is itself already sloped — highly regulated, in a sense — toward the interests of corporations and away from labor, small businesses and local activity. If conservatives got their open marketplace and maintained a truly hands-off approach, most of the corporations they seek to liberate from government control would cease to exist. They couldn't survive on a level playing field, because corporations are themselves a byproduct of regulated government favoritism and subsidies. Meanwhile, liberals who promote government investment in corporate debt might as well be

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[863] Madrick, 2011.

arguing for privatizing social security. Bailouts, even in the form of recoupable investments, just tie us further to the fortunes of the corporate sphere. We end up with a stake in restoring their future ability to extract value from our society while providing as little as possible in return. These supposedly polarized policy positions are mirror images of the very same corporatism.

The alternative is to transcend this game altogether. The playability introduced into the transactional reality by interactive technologies and the p2p mindset they promote may portend the emergence of a mechanism and ethos as transformational as the chartered corporation and central currency were in the Late Middle Ages.

As I have posed elsewhere[864], the past few decades have witnessed a series of innovations that mirror the kinds of innovations that characterized the Renaissance, and may constitute a "renaissance" of a different sort. Here, I am defining renaissance as a series of co-reinforcing innovations that constitute something like what Thomas Kuhn called "paradigm shift" in *The Structure of Scientific Revolutions* (1962) only applicable to society at large, including culture and economics. [865] For our purposes, I am exploring renaissances are dimensional leaps, akin to the leaps of perspective experienced by the gamer as he moves from player to cheater, cheater to author, and author to programmer. These are best understood as *dimensional* leaps, where perspective shifts so dramatically as to change one's fundamental perception of and relationship to the landscape of human experience.

As we reviewed in Chapter 2, the Renaissance involved numerous innovations of this kind. While in Chapter 2 we were concerned with how these innovations abstracted awareness and activity, here we are considering them more in the context with how they simultaneously increased dimensionality and perspective.

Most obviously, perspective painting itself constitutes a leap in dimensional capacity. Artists developed the technique of the "vanishing point" and with it ability to paint three-dimensional representations on two-dimensional surfaces. The character of this innovation is subtle, but distinct. It is not a technique for working in three dimensions; it is not that artists moved from working on canvas to working with clay. Rather, perspective painting allows an artist to relate between dimensions. It is a way of representing three-dimensional objects on a two dimensional plane.

Likewise, calculus – an arithmetic advancement of the Enlightenment, really, but which finds its foundations in Renaissance-era math discoveries[866] – is a mathematical

[864] Rushkoff, 2005b.
[865] Kuhn, 1970.
[866] Luca Pacioli's "Summa de Arithmetica, Geometria, Proportioni et Proportionalità" (English: "Review of Arithmetic, Geometry, Ratio and Proportion") was first printed and published in Venice in 1494. It clearly depicts the mathematical relationships between two- and three-dimensional objects which informs the basis of calculus. It also contains long sections on financial bookkeeping, and how ledgers can be managed with these same mathematical tools.

system that allows us to derive one dimension from another.[867] It is a way of describing curves with the language of lines, and spheres with the language of curves. It allowed us to understand the relationship between speed and acceleration, as well as work, power and energy. The leap from arithmetic to calculus was not just a leap in our ability to work with higher dimensional objects, but a leap in our ability to relate the objects of one dimension to the objects of another. It was a shift in perspective that allowed us to orient ourselves to objects from beyond the context of their own dimensionality.

The Spenserian sonnet, a new standard form of poetry, brought with it the first use of extended metaphor[868] — itself a way of creating dimensionality. Instead of just describing a thing or mood, the sonnet used one idea — such as a sunset or a dying flower — as a way of describing another one — like old age. Instead of describing something literally, the sonnet could describe it dimensionally through an extended comparison.

Circumnavigation of the globe changed our relationship to the planet we live on as well as the maps we used to describe it. The maps still worked, of course — only they described a globe instead of a plane. Anyone hoping to navigate a course had to be able to relate a two-dimensional map to the new reality of a three dimensional planet. Meanwhile, in more popular culture, people stopped thinking of the world as something one falls off, and instead seeing it as something that can be encircled — even conquered.

Similarly, the invention of moveable type and the printing press changed the relationship of author and audience to text. The creation of a manuscript was no longer a one-pointed affair. (Well, the creation of the first manuscript still was — but now it could be replicated and distributed to everyone.) It was still one story, but now it was subject to a multiplicity of individual perspectives. This lattermost innovation, alone, changed the landscape of religion in the Western World. Individual interpretation of the Bible promoted the decline of Church authority and the unilateral nature of its decrees.[869]

Most importantly to our discussion, each of these innovations encouraged people to experience a very particular shift in their relationship to and understanding of dimensions. Understood this way, a renaissance is moment of reframing. We step out of the frame as it is currently defined, and see the whole picture in a new context. We can then play by new rules. The great Renaissance might best be understood as a simple leap in perspective. Instead of seeing everything in one dimension, we came to realize there was more than one dimension on which things were occurring. Even the Elizabethan world picture, with its concentric rings of authority — God, king, man, animals — reflects this newfound way of contending with the simultaneity of action on many dimensions at once.

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[867] Derivatives and integrals, as we should remember, are equations that go from x^2 to x^3 or back down again.
[868] Kermode and Hollander, 1973.
[869] McLuhan, 1962.

The current era brings us corollaries to each of these Renaissance innovations — and correspondingly greater dimensional awareness and opportunities for play. The 16th century saw the successful circumnavigation of the globe via the seas. The 20th century saw the successful circumnavigation of the globe from space. The first pictures of earth from space changed our perspective on this sphere.[870] In the same century, our dominance over the planet was confirmed not just through our ability to travel around it, but to destroy it. The atomic bomb (itself the result of a rude dimensional interchange between submolecular particles) gave us the ability to destroy the globe. Now, instead of merely being able to circumnavigate "God's" creation, we could actively destroy it. This is a new perspective.

We also have our equivalent of perspective painting in the invention of the holograph. The holograph allows us to represent not just three, but four dimensions on a two-dimensional plate. When the viewer walks past a holograph, she can observe the three-dimensional object over a course of time. A bird can flap its wings in a single picture. But, more importantly for our renaissance's ethos, the holographic plate itself embodies a new renaissance principle. When the plate is smashed into hundreds of pieces, we do not find that one piece contains the bird's wing, and another piece the bird's beak. No, each piece of the plate contains a faint image of the entire subject, albeit a faint one. When the pieces are put together, the image achieves greater resolution.[871] But each piece contains a representation of the totality — a leap in dimensional understanding that is now informing disciplines as diverse as brain anatomy and computer programming.

Our analog to calculus is the development of systems theory, chaos math, and the much-celebrated fractal. Confronting non-linear equations on their own terms for the first time, mathematicians armed with computers are coming to new understandings of the way numbers can be used to represent the complex relationships between dimensions. Accepting that the surfaces in our world, from coastlines to clouds, exhibit the properties of both two and three-dimensional objects (just what is the surface area of a cloud?) they came up with ways of working with and representing objects with fractional dimensionality.[872] Using fractals and their equations, we can now represent and work with objects from the natural world that defied Cartesian analysis. We also become able to develop mathematical models that reflect many more properties of nature's own systems – such as self-similarity and remote high leverage points. Again, we find the current renaissance characterized by the ability of an individual to reflect, or even affect, the grand narrative. To write the game.

Finally, our renaissance's answer to the printing press is the computer and its ability to network. Just as the printing press gave everyone access to readership, though, the computer and Internet give everyone access to authorship and distribution. The first

[870] Brand, 1999, 133.
[871] Bohm, 1981, 184.
[872] Gleick, 1987.

Renaissance took us from the position of passive recipient to active interpreter. Our current renaissance brings us from a position of active interpretation to one of authorship and, if we rise the occasion, programming.

If we are in the midst of a renaissance on the order of the last one, then what values and institutions might be "reborn" in this new context? If our tetradic analysis remains intact, then the current, chiefly net-enabled renaissance should obsolesce the values spawned by the last renaissance, and retrieve those left behind by it. So the centralization, corporatization, and abstraction inherent to the Renaissance are obsolesced, as distribution, decentralization, and localization are retrieved. The peer-to-peer transactional nature of the town market are revived in forums eBay to Burning Man, while the pre-individualistic social landscape of the Late Middle Ages is revived in the social media of the net, where one's value is measured in terms of his connections to others. Renaissance measures and values of ownership and acquisition are replaced by those of sharing and access.

As a result of this study, and the extent to which I found corporatism to be embedded in the language, behaviors, media, culture, economics, and operating systems of our world, I conclude that such a leap forward in our relationship to commerce would be predicated on the adoption of the player-programmer mentality I have identified in Chapter 5 and this conclusion. This is the shift I believe Jos de Mul is describing between "narrative identity" and "ludic identity" — the reader of story as opposed to the formation of identity informed by video game play.

> The world itself is no longer conceived of from a sheer historical perspective, but rather as a database, a playing field that enables us to (re)configure all kinds of different worlds. The evolution of life on earth is no longer a narrative in the sense that it is a causal chain of events, but rather a database full of genes that can be recombined in an infinite number of possible worlds.[873]

In other words, the human narrative is no longer simply experienced, but written; life is not merely lived, but programmed. And all of this in the ludic context — that of play, not the "work" that has defined Western, or certainly at least American culture, since the Puritans.

The spectacular triumph of corporatism is a story that was written by an elite: the same elite that owned the presses, chartered the corporations, managed the factories, designed the schools, created the money, and programmed the media. Interactive media doesn't simply invite more people into the creation of this narrative, but — as de Mul reminds

[873] de Mul, 2005, 262.

us — offers the chance to create new forms and new worlds. It may just do that, if we learn to see the immutable landscape of corporatism as the playing field it really is.

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Summaries

Summary in English

This dissertation was inspired by a simple mugging. I had been held up at gunpoint in front of my Brooklyn apartment house, and thought to post the time and location of the event to a local online bulletin board. The reaction of my neighbors was profound: they were upset that my actions may have negatively effected real estate values, making their own homes harder to sell or refinance. How had people come to worry more about the asset value of their properties than the quality of life in their own community?

I set out on a ten-year investigation, mainly to determine whether the tools I had been developing as a media theorist - or, more specifically, a media ecologist - might be applied to the process through which society adopted the ethos of a speculative, abstract economic model, disabled the civic mechanisms that stood in its way, and seemingly lost the ability to recognize that this had ever happened. I uncovered the deeper logic of that process by applying a media ecological approach to the inventions, institutions, technologies, media and resulting environments of corporatism.

This thesis explores how the rather limited rule sets and metrics of corporatism became the accepted operating principles of not only our economy but our society — so far embedded into the cultural landscape as to become accepted as pre-existing truths. By utilizing the media ecological framework, I become capable of exposing and critiquing the way in which the corporate model — an invented medium — became naturalized as an environment. I then explore the way more explicit forms of media — mass media in particular — promoted, amplified, and sustained this corporatist worldview, while discouraging or even obscuring the possibility for peer-to-peer mechanisms. After that, I look at the invention of central currency as an operating system that promoted the corporate program, as well as - by its very design - discouraged broad participation in value creation and exchange. Finally, I explore the emergence of the internet and interactive technologies as potentially disruptive forces to the corporate landscape, and evaluate the factors responsible for adding playability (in the sense that James Carse describes and Julian Kücklich developed) to the marketplace.

The introduction defines media ecology as an open field of inquiry defined by the activities and research of a distributed and multidisciplinary network of researchers, writers, and educators who have shared a common interest in the practice of historicizing, evaluating and critiquing the relationships between human societies and their technologies. It represents an approach to media and cultural theory, and has been applied to media from cave paintings to satellites, technologies from clocks to I Ching coins, games from poker to "speed seduction," and cultures from the Hassidim of Williamsburg to the player-characters in World of Warcraft. Though Media Ecology explores the implications of media environments, the extension of this metaphor of "environment" does not imply a naturalization of the marketplace. On the contrary, I argue that studying economics through the lens of Media Ecology informs new perspectives on the systemization, rule-sets, biases, and potential playability within the commercial marketplace.

The introduction concludes by asserting that the social and economic landscape can be understood as being bounded by three interrelated forces, which can all be understood as aspects of a media environment: first, the legal and economic rules governing behavior and interaction; second, the mass media representations of those rules and the values they promote: and, third, people's access to the creation and modification of both the fundamental rule sets and the media representations. In the process, this media ecological study will reveal the way the rules of corporatism were developed and implemented, the ways mass media and other cultural institutions supported its tenets in the form of a spectacle, and measure our relative access to and awareness of the economic operating system through which our value creation and transaction take place.

Chapter One begins the inquiry to the media environment of corporatism by conducting a tetradic analysis on the corporation, in the fashion of Marshall McLuhan. The purpose of this analysis is to reveal unquestionably the invented nature of the corporation. Like fish swimming in water, it is hard for those of us living within the corporate sphere to behold corporatism from within. The tetrade is McLuhan's foundational approach to analyzing a medium in terms of what it amplifies, what it makes obsolete, what it retrieves, and what happens when it is pushed to the extreme. This is a fundamental tool of the media ecologist, helping codify an approach to a medium as an environment. To submit corporatism to this form of analysis helps support the contention that corporatism was actually a human invention and not a feature of nature.The elegance of this approach is that it forces us to define the corporation as a specific invention, promoting certain powers and functions while suppressing others.

The tetradic analysis conducted in this chapter concludes that the corporation *obsolesced* peer-to-peer commerce and the rise of the middle class, while *amplifying* the power of centralization. Analyzing the corporation's development along this first axis of the tetrad reveals its propensity to *retrieve* the values of abstraction and distance. Finally, the structure and function are pushed to extremes, the entity *flips* toward a recapitulation of personhood, itself. That flip has in turn motivated the second aspect of corporate extremism: the re-invention of peer-to-peer networking and localism, and the seeds of its own destruction.

In less media-centric terms, this analysis reveals how in their writing of the first corporate charters, monarchs and mercantilists not only stopped their own decline from power; they locked in place a set of priorities that to this day have not significantly changed. The emphasis of business shifted from the creation of value by people to the extraction of value by central authorities. With its biases toward abstraction, extraction of value, and dehumanizing centrality, the charter was not created in a vacuum. Rather, the significant inventions and innovations of the time (e.g. the clock, the printing press, perspective painting) were all contributing to an environment — a media ecology — of abstraction and individualism, of uniformity and standardization. In the context of this environment, the abstract and independent nature of the corporation gave it an individualistic life and agenda of its own. The more such fabricated corporations came to dominate business and finance, the more that legal and social systems developed to serve them and their biases, creating a positive feedback loop. The corporation is a particularly archetypal and influential medium in that it did not simply imply and reinforce, but actively required the concurrent reproduction of a new environment in order to survive and prosper.

In Chapter Two, I explore how as businesses and states alike adopted the rules and strategies of corporatism, corporatism itself began to function like a medium – a lens through which they saw the world. Like any medium, this new corporatist eyepiece was responsible for making them see and relate to many phenomena quite differently: places became territories, people became laborers, money became capital, and laws became game rules.

For this analysis, I depend heavily on the notion that "the map is not the territory," put forth by general semantics founder Alfred Korzybski and, subsequently, psychologist Gregory Bateson. Using their frameworks - as well as the levels of abstraction described by both Baudrillard and Barthes - I show how maps allowed for successive distancing of people from the places they inhabited.

Maps and ledgers came to promote the same biases as the corporation: abstraction, extraction, and centralization. The map became the medium through which charters were defined and thus enforced. If it couldn't be represented on the map or the balance sheet that derived from those maps, then it didn't exist. But if finance could map even the realm of the future, then it too could be transformed along the pre-drawn contours of extraction and profit. The world itself becomes a media environment, existing as it is mappable, and changing its nature when signified differently. In step-by-step abstraction, place became property, property became a mortgage, and mortgages became derivative investments. The more abstract our relationship to home and hearth, the more dependent we became on metrics such as speculative real-estate appraisals to gauge our happiness and social station. The appraisal map became the territory.

In the case of the American real estate market and related economic derivatives crises, even authorities such as US Federal Reserve Chairman Alan Greenspan were eventually forced to admit that they had come to mistake the models and representations (maps) for reality. The representations articulated by the maps end up embedded in the culture itself, defining the political and economic realities of real places - to the extent that it became impossible for even those creating those maps to distinguish them from an increasingly divergent reality on the ground.

In Chapter Three, I explore how the destruction of a peer-to-peer economy and culture and their replacement with centralized institutions required more than disconnection from place; it required that people disconnect from one another, and replace an identity defined by relationships and community with an identity determined by the corporate map. In many cases, the institutions and ideologies that emerged were the natural outgrowth of corporatist biases, agendas and requirements.

For instance, mass production led to branding practices that defined and redefined individuals as subjects, citizens, workers, consumers, and eventually shareholders and branded selves, always counting on the power of image and myth to stir people's hearts more effectively than other people ever could. Building on the work of the Frankfurt School and, most specifically, Adorno, I show how the mass media spectacle, a central product of this sequence, itself produced an audience of individuals silently engaged with the projected images instead of with one another, but to function efficiently it required a population that had already accepted corporate scripts.

I show how through Americanism, post-war corporations would enact a new kind of social control to accomplish what fascism failed to do for them. It would be characterized by voluntary participation, the absence of any visible oppression, and the appearance of a bottom-up economy driven by real people – all the while preventing any civic sensibility from polluting the free market. Corporations made themselves over as the best friends people could ever have: they were empowering people, through their consumption, to become more themselves, but as a medium, brands amplified individuality, obsolesced community, and retrieved fascism. By creating the environment in which people project their sense of identity, corporations – through their contemporary brands – assert control over the ways people both become and project themselves, aligned in the familiar diagram of extraction and centralization.

The chapter recontextualizes branding as a way to treat people as a mob, only individually. The profitable territory advertisers and their consultants are able to map has expanded with the sophistication of their instruments. Algorithms write future purchases by demographic, tailoring each person's individual corporate environment. The computer program adjusts and improves learning to predict the human's next evasive maneuver and then presenting them with a product, a brand, or even a candidate that embodies their resistance. The brand and the self coevolved while simultaneously being influenced by and components of the greater environment of corporatism. As both get pushed to their extremes, we see them begin to merge into a single media entity: the branded individual. The form reaches its apotheosis in the contemporary gospel of wealth (The Secret, Joel Osteen, etc.) that preaches a tripartite axis of individuality-accumulation-salvation.

Chapter Three concludes by summarizing how human beings went from subjects to citizens, citizens to workers, workers to consumers, and consumers to brands. Corporatism's environment depended on a closed platform for its growth and development and the rules by which the game is actually played remain inaccessible to a vast majority of would-be participants. If the corporation, as medium, could be considered software, the underlying platform would be its operating system. In order to evaluate any effort toward restoring human agency in the corporate environment (or in changing that environment altogether), we must disinter that operating system, determine what it was coded to do, and then figure out if and how it can be rewritten.

Chapter Four looks more closely at the operating system itself and, most specifically, its closed nature. After reviewing the hopes and dreams of early open source technologists, I apply the values of open source culture to the medium of central currency in order to determine its own biases and restrictions on participation. In doing so, I show how the medium of central currency took hold and dominated transactional life. Further, I demonstrate how - by force - it became the operating system for the corporate economy, favoring certain actors and activities over others.

The analysis demonstrates how one cannot understand the impact of a medium without contending with the environment created by its various biases: The currency system in use by most members of the international economy today was invented (and is still controlled) to promote the power of central authorities and the assets of the already wealthy, while reducing the ability of smaller groups and local regions to create value for themselves. The rules of the currency create a slope of value and authority toward the center. Those on the periphery owe while those in the center grow. There were once other kinds of money with very different slopes, different biases to them, and they were only extinguished and blotted from the history books by projected force. Now centralized currency is an undifferentiated enveloping medium with no outside perch from which to observe it.

I conclude the chapter by showing how - by assuming the money we use to be neutral, without bias, and without alternatives - we condemned ourselves to the agendas of Renaissance-era financiers whose goals we have long since forgotten. The environment created by central currency and depicted in intellectual frameworks like Game Theory and pop economics is biased toward the central authority of its issuers and against the lateral production and movement of value and information. By their own admission, we are supposed to be greedy. It's no wonder a landscape defined by a closed source operating system will promote self-interested behavior. This is not magic money; it's simply biased toward the interests of those in a position to make money by storing it rather than spending it. It's money for capitalists.

The modern central currency system was instated to benefit corporate interests and adjusted over time to do it ever more efficiently and automatically at higher levels of abstraction while simultaneously camouflaging its own operation. As wealth is sucked out of real economies and shifted into the speculative economy – and its few smooth operators' deep pockets – people's behavior and activities can't help but become more market-based and less social. This coerced participation in turn powers the positive feedback loop reproducing the coercion.

In Chapter Five, I show how by unpacking the inventedness of central currency and the arbitrary nature of the media environment it generates, we may also envision the potential for a negative example – an alternative to its logic and functioning. Just as the example of an open source operating system helps elucidate the artificially embedded primacy of a monopoly currency, the actual existence of open source models and truly interactive technologies, like the Internet at its best, may create the possibility for participation in the formerly closed games of corporatism. In one sense, the Internet breaks all the rules imposed by centralized currency and the speculative economy. The Internet allows competition to spawn anywhere, more like the peer-to-peer market of the Late Middle Ages than the highly controlled landscape of chartered monopolies that would follow.

Building on the work of Kücklich and others, I evaluate the playability offered by the Internet, specifically in regard to the marketplace. Analyzing media environments in terms of their playability reveals the ways in which people engage with them, denaturalizing the nearly unplayable corporate game and freeing users to act outside the rules – to cheat – or even author the rules themselves.

I then develop a model of my own, utilizing four stages of player participation: the player, the cheater, the author, and the programmer. Only the fourth level of programmer enjoys true parity with a system's elite players.

Using these four levels of playability, I begin my analysis of the playability of the corporate sphere with what I consider to be false or limited forms of playability. However horizontal its structure, the Internet rhizome is activated by old-fashioned, top-down, centralized currency. As a result, what occurs online is biased toward the very authorities that the Internet's underlying network structure might seem predisposed to defy. Things can feel — or, some cases, be *made* to feel — playful, participatory and even revolutionary, even though they still constitute business as usual. YouTube, Facebook, and Wikipedia do constitute a fundamental change in the way content is produced. But for the corporations profiting off all this activity, it's simply a shift in the way entertainment hours are billed to consumers. We create content using expensive consumer technologies and then upload it to corporate-owned servers using corporate-owned conduits, usually for a fee. At best, the human members of the Facebook community, as abstracted into demographic mapping data, are the product being sold. Eyeball hours serve as the natural resource that becomes "property" to be horded. Even digital fantasy environments like World of Warcraft and Second Life, supposedly tools to escape market life, end up reproducing the same cycles of labor, extraction, and profit.

Likewise, most online trading sites create the illusion of full participation in markets, when in fact they are biased toward extracting fees and capital from non-professional participants. They are intentionally developed to make people feel more informed and in control of their financial destiny and decision-making than they are.

Finally, Chapter Five does look at the potential for true playability, and a return to bottom-up value creation. I explore and evaluate examples of small businesses and localities who - through networking - assume the means to create and exchange value again. These include sharing networks, trading websites, and even alternative currencies. The net offers people the opportunity to build economies based on different rules — commerce that exists outside the economic map that is mistaken for the territory of human interaction.

In the Conclusion, I consider how our relationship to digital technology must change if we are to fundamentally alter our relationship to the corporate sphere, and enjoy any measure of the playability offered by these new tools. I show how the underlying capability on offer in a computer era is *programming*. Not the exemplary play of a Zuckerberg or Brin, not even the cheating of Napster and Bit Torrent, but the rewriting of the very codes by which we live. True playability involves access to the playing field itself, and even the ability to transcend the game altogether. But the ability to experience any such playability is dependent on our ability to see it in the first place; seeing the media environment is a prerequisite to playing it.

Digital technology, unlike the broadcast and electronic media that went before it, is biased toward production over consumption. We make stuff with our computers, and share or even sell it over networks. This, at least potentially, undoes the disconnections perpetrated by industrial age corporatization: it reconnects the worker with the value of his creations; the consumer with the producer; and consumers with one another. Decentralizing technologies like the net empower and inspire correspondingly decentralized approaches to commerce and production, which produce and are in turn reproduced by tools like complementary currencies and peer-to-peer architectures. The past few decades have witnessed a series of innovations that mirror the kinds of innovations that characterized the Renaissance, and may constitute a "renaissance" of a different sort.

If our tetradic analysis remains intact, then the current, chiefly net-enabled renaissance should obsolesce the values spawned by the last renaissance, and retrieve those left behind by it: The centralization, corporatization, and abstraction inherent to the Renaissance are obsolesced, as distribution, decentralization, and localization are retrieved. The peer-to-peer transactional nature of the town market are revived in forums eBay to Burning Man, while the pre-individualistic social landscape of the Late Middle Ages is revived in the social media of the net, where one's value is measured in terms of his connections to others. Corporatist values of ownership and acquisition are replaced by those of sharing and access. Interactive media offers the chance to create new forms and new worlds. It may just do that, if we learn to see the immutable landscape of corporatism as the playing field it really is.

Samenvatting in het Nederlands[874]

Deze dissertatie is geïnspireerd door een simpele overval. Een pistool werd op mij gericht voor mijn appartement in Brooklyn, en ik bedacht me het tijdstip en de locatie van de gebeurtenis te plaatsen op een lokaal online bulletin board. De reactie van mijn buren was diepgaand: zij waren ontdaan omdat mijn acties de vastgoedwaarde negatief zou kunnen beïnvloeden, waardoor het moeilijker zou worden hun eigen house te verkopen of te herfinancieren. Hoe is het zo gekomen dat mensen zich meer zorgen zijn gaan maken over de vermogenswaarde van hun eigendommen dan de kwaliteit van het leven in hun eigen gemeenschap?

Ik startte een 10-jarig onderzoek, voornamelijk om vast te stellen of de tools die ik had ontwikkeld als een mediatheoreticus- of, meer specifiek, een media-ecologist – toegepast kunnen worden met betrekking tot het proces waardoor de maatschappij het ethos van een speculatieve, abstract economisch model adopteerde, die de maatschappelijke mechanismen die in de weg stonden uitschakelde, en ogenschijnlijk de mogelijkheid tot het herkennen dat dit is gebeurd verloor. Ik heb een diepere logica ontdekt van dat proces door het toepassen van een media-ecologische benadering met betrekking tot de uitvindingen, instituties, technologieën, media en de hieruit resulterende omgevingen van corporatisme.

Deze thesis onderzoekt hoe de enigszins beperkte regelsets en metriek van corporatisme de geaccepteerde opererende principes werden van niet alleen onze economie maar onze maatschappij – zo diep ingebed in het culturele landschap zodat het geaccepteerd

[874] Translated by Samuel Zwaan

wordt als reeds bestaande waarheden. Door het gebruiken van een media ecologisch raamwerk, wordt het voor mij mogelijk om kritiek te uiten en bloot te leggen de manier waarop het bedrijfsmodel – als uitgevonden medium – genaturaliseerd werd als omgeving. Vervolgens onderzoek ik de manier waarop meer expliciete vormen van media – massa media in het bijzonder – dit corporatistisch wereldbeeld promoot, versterkt en staande houdt. Daarna zal ik kijken naar de uitvinding van een centrale valuta als een opererend systeem dat het corporatistisch programma promoot, als ook – door het design er van – brede participatie in waarde creatie en uitwisseling ontmoedigde. Tot slot onderzoek ik de opkomst van het internet en interactieve technologieën als potentiële verstorende krachten met betrekking tot het corporatistische landschap, en evalueer de factoren die verantwoordelijk zijn voor het toevoegen van speelbaarheid (in die zin zoals beschreven door James Carse en Julian Kücklich) aan de markt.

De introductie definieert media ecologie als een open veld van exploratie gedefinieerd door de activiteiten en onderzoeken van een gedistribueerd en multidisciplinair netwerk van onderzoekers, schrijvers en onderwijzers die een gemeenschappelijk belang hebben gedeeld in de praktijk van het historiseren, evalueren en bekritiseren van de relaties tussen de menselijke samenleving en hun technologieën. Het vertegenwoordigt een benadering van media en culturele theorie, en is toegepast op media van grotschilderingen tot satellieten, technologieën van klokken tot I Ching munten, van spellen als poker tot "speed verleiding", en culturen van de Chassidiem van Williamsburg tot aan de speler-karakters in World of Warcraft. Hoewel Media Ecologie de implicaties van de media-omgevingen onderzoekt, veronderstelt de uitbreiding van deze metafoor van "milieu" op geen enkele wijze een naturalisatie van de markt. Integendeel, ik beweer dat het bestuderen van de economie door de lens van media ecologie nieuwe perspectieven biedt over de systematisering, regelsets, vooroordelen, en potentiële speelbaaarheid binnen de commerciële markt.

De introductie sluit af met te stellen dat het sociale en economische landschap kan worden begrepen, zijnde begrensd door drie onderling verbonden krachten, die alle kunnen worden gezien als aspecten van een media-omgeving: ten eerste, de juridische en economische regels voor het gedrag en de interactie; ten tweede, de massamedia representaties van deze regels en de waarden die ze bevorderen: en, ten derde, de toegang voor mensen tot het ontwerpen en aanpassen van zowel de fundamentele regelsets en de media representaties. In het proces zal deze media-ecologische studie de manier onthullen waarop de regels van het corporatisme werden ontwikkeld en ingevoerd, de manieren waarop massamedia en andere culturele instellingen zijn principes steunden in de vorm van een spektakel, en meet onze relatieve toegang tot en besef van het economisch besturingssysteem waardoor onze waardecreatie en transactie plaatsvinden.

In hoofdstuk één begint het onderzoek met het uitvoeren van een Tetradische analyse van de corporatie, in de geest van Marshall McLuhan, met betrekking tot de media-omgeving van corporatisme. Het doel van deze analyse is om zonder enige twijfel de uitgevonden aard van de corporatie te onthullen. Net zoals vissen zwemmen in water, is het moeilijk voor degenen onder ons die leven binnen de corporatistische sfeer om van binnenuit naar het corporatisme te kijken. De Tetrade is McLuhan's fundamentele benadering om een medium te analyseren in termen van wat hij versterkt, wat het overbodig maakt, wat het terugbrengt, en wat er gebeurt wanneer het tot het uiterste wordt gedreven. Dit is een fundamenteel instrument van de media ecoloog, het helpt een benadering van een medium te codificeren als een omgeving. Door corporatisme aan deze vorm van analyse te onderwerpen, wordt de stelling ondersteunt dat corporatisme eigenlijk een menselijke uitvinding was en niet een kenmerk van de natuur. De elegantie van deze aanpak is dat het ons dwingt om het corporatistische te definiëren als een specifieke uitvinding, die bepaalde machten en functies promoot terwijl het andere onderdrukt.

De Tetradische analyse uitgevoerd in dit hoofdstuk wordt afgesloten met de conclusie dat de corporatie peer-to-peer commercie en de opkomst van de middenklasse rudimentair maakt, en tegelijkertijd de kracht van centralisatie versterkt. Het analyseren van de ontwikkeling van de corporatie langs de eerste as van de Tetrade onthult haar neiging om de waarden van abstractie en afstand terug te halen. Ten slotte worden de structuur en functie tot het uiterste gedreven, de entiteit draait in de richting van een recapitulatie van persoonlijkheid, zichzelf. Die draai heeft op haar beurt het tweede aspect van corporatistisch extremisme gemotiveerd: de her-uitvinding van peer-to-peer-netwerken en het lokale, en de zaden van haar eigen vernietiging.

In minder mediagecentreerde termen laat deze analyse zien hoe in het schrijven van de eerste corporatistische charters, vorsten en mercantilisten niet alleen hun eigen verval van macht stopten; ze stelden een aantal prioriteiten vast die tot op de dag niet in belangrijke mate zijn veranderd. De nadruk van zaken doen verschoof van het creëren van waarde door mensen naar de winning van waarde door centrale autoriteiten. Met zijn vooroordelen in de richting van abstractie, extractie van waarde, en ontmenselijkende centraliteit, werd de charter niet in een vacuüm gecreëerd. In plaats daarvan droegen de belangrijke uitvindingen en innovaties van die tijd (bijvoorbeeld de klok, de drukpers, perspectief schilderen) bij aan een omgeving - een media-ecologie - van abstractie en individualisme, van uniformiteit en standaardisatie. In de context van deze omgeving, gaf de abstracte en onafhankelijke natuur van het corporatistische het een individualistische leven en eigen agenda. Hoe meer dergelijke gefabriceerde corporatieszaken en financiën domineerden, des te meer dat de juridische en sociale systemen zich ontwikkelden om hen en hun vooroordelen te dienen, met als gevolg het creëren van een positieve feedback loop. De corporatie is een bijzonder archetypisch en invloedrijke medium in dat het niet gewoonweg impliceert en versterkt, maar actief de overeenkomende weergave van een nieuwe omgeving vereiste om te overleven en te bloeien.

In hoofdstuk twee onderzoek ik hoe de bedrijven en staten zowel de regels en de strategieën van corporatisme adopteerden, corporatisme zelf begon te functioneren als een medium - een lens waardoor zij de wereld zagen. Net als elk medium, was deze nieuwe corporatistische lens verantwoordelijk voor het hen laten zien en relateren van en aan problemen op uiteenlopende wijzen: plaatsen werd gebieden, mensen werden arbeiders, geld werd kapitaal, en de wetten werden spelregels.

Voor deze analyse ben ik sterk afhankelijk van de idee dat "de kaart niet het grondgebied is", naar voren gebracht door de algemene oprichter van de semantiek Alfred Korzybski en, vervolgens, psycholoog Gregory Bateson. Met behulp van hun kaders - en de niveaus van abstractie beschreven door zowel Baudrillard en Barthes - laat ik zien hoe kaarten opeenvolgende vergroting in afstand mogelijk maakten van mensen, uit de plaatsen die ze bewoonden.

Kaarten en grootboeken begonnen dezelfde vooroordelen te promoten zoals de corporatie deed: abstractie, extractie, en centralisatie. De kaart werd het medium waardoor charters werden gedefinieerd en dus afgedwongen. Als het kon niet worden weergegeven op de kaart of op de balans die afkomstig is van die kaarten, dan bestond het niet. Maar wanneer het financiele zelfs het domein van de toekomst in kaart kon brengen, dan kon het getransformeerd worden langs de vooraf getekende contouren van extractie en winst. De wereld zelf wordt een mediaomgeving, bestaande want het is in kaart te brengen, en veranderd zijn natuur wanneer anders ‘signified’. In stap-voor-stap abstractie proces werd plaats het onroerend goed, eigendom werd een hypotheek, en hypotheken werden afgeleide investeringen. Hoe meer abstract onze relatie met huis en haard, des te meer afhankelijk werden we van de metriek, zoals speculatieve onroerend goed taxaties om ons geluk en sociale status te meten. De beoordeling kaart werd het grondgebied.

In het geval van de Amerikaanse vastgoedmarkt en daarmee samenhangende economische derivaten crises, werd zelfs een autoriteit zoals de Amerikaanse Federal Reserve voorzitter Alan Greenspan uiteindelijk gedwongen om toe te geven dat ze uiteindelijk de modellen en representaties (kaarten) voor de werkelijkheid verwarren. De representaties verwoord door de kaarten eindigen uiteindelijk ingebed in de cultuur zelf, daarmee definiërend de politieke en economische realiteiten van echte plaatsen - in de mate dat het zelfs onmogelijk werd voor diegenen die de kaarten creëren om ze te onderscheiden van een steeds meer uiteenlopende realiteit op het terrein (de daadwerkelijke grond).

In hoofdstuk drie, onderzoek ik hoe de vernietiging van een peer-to-peer-economie en cultuur en hun vervanging door gecentraliseerde instellingen meer vereiste dan het uitschakelen van plaats; het vereiste dat mensen los werden gekoppeld van elkaar, en een identiteit vervangen gedefinieerd door de relaties en de gemeenschap met een identiteit bepaald door de corporatistische kaart. In veel gevallen waren de instellingen en ideologieën die ontstonden de natuurlijke uitgroei van corporatistische vooroordelen, agenda's en eisen.

Bijvoorbeeld, massaproductie leidde tot branding praktijken die individuen als onderdanen, burgers, werknemers, consumenten, en uiteindelijk aandeelhouders en 'branded selves' definieerde en herdefinieerde, altijd rekenend op de kracht van beeld en mythe om de harten van mensen effectiever te raken dan andere mensen ooit zouden kunnen. Voortbouwend op het werk van de Frankfurter Schule, en zeer in het bijzonder, Adorno, laat ik zien hoe de massamedia spektakel, een centraae product van deze reeks, zelf een publiek van mensen produceerde in stilte geëngageerd met de geprojecteerde beelden in plaats van met elkaar, maar om efficiënt te functioneren was er een bevolking nodig die de corporatistische scripts al had geaccepteerd.

Ik laat zien hoe door middel van Amerikanisme, na-oorlogse corporaties een nieuw soort van sociale controle vaststelden om te bereiken wat het fascisme niet voor hen niet kon. Het zou gekenmerkt worden door vrijwillige deelname, het ontbreken van een zichtbare onderdrukking, en de verschijning van een bottom-up economie gedreven door echte mensen – en al die tijd voorkomend enige maatschappelijke bewustwording om de vrije markt te vervuilen. Bedrijven maakten zich op als de beste vrienden van mensen die ze ooit zouden kunnen hebben: ze stelden mensen in staat, door hun consumptie, om meer zichzelf te worden, maar dan wel als een medium, merken versterkten individualiteit, maakten gemeenschap overbodig, en bracht fascisme terug. Door het creëren van de omgeving waarin mensen hun gevoel van identiteit projecteren, nemen corporaties - door hun eigentijdse merken - de controle over de manieren waarop mensen zowel zichzelf worden en projecteren, in lijn met het bekende schema van extractie en centralisatie.

Het hoofdstuk re-contextualiseert branding als een manier om mensen te behandelen als een bende, maar dan individueel. Het winstgevende grondgebied wat adverteerders en hun adviseurs in kaart brengen, is uitgebreid met de verfijning van hun instrumenten. Algoritmes schrijven toekomstige aankopen door demografie, op maat van de corporatistische omgeving van het individu. Het computerprogramma past aan en verbetert het leren om de volgende menselijke uitwijkmanoeuvre te voorspellen en vervolgens presenteren ze hen met een product, een merk, of zelfs een kandidaat die hun weerstand belichaamt. Het merk en het zelf co-evolueerden en werden tegelijkertijd beïnvloed door en onderdelen van de grotere omgeving van corporatisme. Aangezien beide tot hun extremen werden geduwd, zien we ze beginnen samen te voegen tot een enkele media-entiteit: het branded (of gemerkte) individu. De vorm bereikt zijn apotheose in de hedendaagse evangelie van rijkdom (The Secret, Joel Osteen, enz.) die een tripartiete as van individualiteit-accumulatie-redding predikt.

Hoofdstuk drie eindigt met een samenvatting van hoe de mens ging van onderdaan naar burger, van burger naar werknemer, van werknemer naar consument en van consument naar merk. De omgeving van corporatisme hing af van een gesloten platform voor de groei en ontwikkeling en de regels waarmee het spel daadwerkelijk wordt gespeeld blijven ontoegankelijk voor een overgrote meerderheid van de would-be deelnemers. Als de corporatie, als medium, kan worden beschouwd als software, zou het onderliggende platform zijn besturingssysteem zijn. Om enige inspanning in de richting van het herstel van menselijk handelen in de zakelijke omgeving te evalueren (of in het veranderen van die omgeving in totaal), moeten we dat besturingssysteem opgraven, bepalen wat het was gecodeerd om te doen, en dan erachter te komen of en hoe het kan worden herschreven.

Hoofdstuk vier gaat nader in op het besturingssysteem zelf, in het bijzonder naar zijn gesloten natuur. Na het bestuderen van de hoop en de dromen van de vroege open source-technologen, pas de waarden van de open source cultuur toe op het medium van de centrale munt om zijn eigen vooroordelen en de beperkingen met betrekking tot participatie te bepalen. Daarbij laat ik zien hoe het medium van de centrale munt het transactionele leven in zijn greep nam en domineerde. Verder heb ik laten zien hoe - met geweld – de centrale munteenheid het besturingssysteem voor de corporatistische economie werd , leunend naar bepaalde actoren en activiteiten en weg van anderen.

Ik sluit het hoofdstuk door te laten zien hoe - door aan te nemen dat het geld dat we gebruiken om neutraal te zijn, zonder vooringenomenheid, en zonder alternatieven - we veroordeeld worden tot de agenda's van de Renaissancetijdperk-financiers wiens doelen we al lang zijn vergeten. De omgeving gemaakt door de centrale valuta en afgebeeld in intellectuele frameworks zoals Game Theory en pop economics is bevooroordeeld richting de centrale autoriteit van degene die regelen en tegen de laterale productie en beweging van waarde en informatie. Door hun eigen zeggen, moeten we gulzig zijn. Het is geen wonder dat een landschap gedefinieerd door een closed source besturingssysteem eigenbelang zal promoten. Dit is geen magisch geld, het is gewoon bevooroordeeld in de richting van de belangen van degenen die in een positie zijn om geld te sparen in plaats van het uit te geven. Het is geld voor kapitalisten.

Het moderne centrale munt systeem werd in het leven geroepen om de corporatistische belangen ten goede te komen en werd na verloop van tijd aangepast om dit steeds efficiënter te doen en automatisch op een hoger niveau van abstractie en tegelijkertijd zijn eigen werking camoufleren. Naarmate de welvaart uit de reële economie wordt gezogen en duidelijk verschuift naar de speculatieve economie – met enkele gladde exploitanten met diepe zakken – kunnen het gedrag van mensen en activiteiten het niet helpen om maar meer op de markt gebaseerd te worden en minder sociaal. Deze gedwongen deelname op zijn beurt versterkt de positieve feedback loop welke dwang reproduceert.

In hoofdstuk vijf laat ik zien hoe door het blootleggen van het uitgevonden karakter van centrale valuta en de arbitraire natuur van de media-omgeving die het genereert, we ook de mogelijkheid van een negatief voorbeeld kunnen voorstellen - een alternatief voor zijn logica en werking. Net als het voorbeeld van een open source-besturingssysteem helpt de kunstmatig ingebedde voorkeursbehandeling van een monopolie valuta laat zien, kan het werkelijke bestaan van open source-modellen en echt interactieve technologieën, zoals het internet op zijn best, de mogelijkheid creëren voor participatie aan de voorheen gesloten spellen van corporatisme. In zekere zin breekt het internet alle regels die worden opgelegd door de centrale valuta en de speculatieve economie. Het internet staat concurrentie toe om overal uit de grond te spruiten, meer zoals de peer-to-peer-markt van de Late Middeleeuwen dan het zeer gecontroleerde landschap van gecharterde monopolies die volgden.

Voortbouwend op het werk van Kücklich en anderen, evalueer ik de speelbaarheid die het internet biedt, met name met betrekking tot de markt. Het analyseren van de media-omgevingen in termen van hun speelbaarheid onthult de manieren waarop mensen met de omgevingen engageren; denaturaliseren het bijna onspeelbare corporatistische spel en het bevrijden gebruikers om niet te handelen volgens de regels - om vals te spelen - of zelfs de auteur van de regels zelf te zijn.

Vervolgens ontwikkel ik zelf een model, met behulp van vier stadia van speler participatie: de speler, de valsspeler, de auteur, en de programmeur. Alleen het vierde niveau van de programmeur heeft echte pariteit met elite spelers van een systeem.

Met behulp van deze vier niveaus van speelbaarheid, begin ik mijn analyse van de speelbaarheid van de corporatistische sfeer met wat ik beschouw als vals of beperkte vormen van speelbaarheid. Hoe horizontaal de structuur is, het internet rhizome wordt geactiveerd door ouderwetse, top-down, gecentraliseerde valuta. Als gevolg hiervan is wat er online gebeurd bevooroordeeld richting de autoriteiten die de onderliggende netwerkstructuur van het internet voorbestemd lijkt te trotseren. Dingen kunnen voelen als - of, soms, worden gemaakt om te voelen - speels, participatief en zelfs revolutionaire, hoewel ze nog steeds zaken vormen zoals gewoonlijk. YouTube, Facebook en Wikipedia vormen wel degelijk een fundamentele verandering in de manier waarop content wordt geproduceerd. Maar om voor de corporaties te kunnen profiteren van al deze activiteiten, is er gewoon een verschuiving naar de manier waarop entertainment uren worden gefactureerd aan de consument. We creëren content met behulp van dure consument technologieën en vervolgens uploaden we dat naar corporate-owned servers met corporate-owned leidingen, meestal tegen betaling. In het beste geval zijn de menselijke leden van de Facebook-gemeenschap, geabstraheerd in de demografische mapping data, het product dat wordt verkocht. Eyeball uren dienen als natuurlijke hulpbron die ‘eigendom’ worden om te plunderen. Zelfs digitale fantasie omgevingen als World of Warcraft en Second Life, vermoedelijk instrumenten om de markt te ontsnappen, reproduceren uiteindelijk dezelfde cyclus van arbeid, extractie, en winst.

Ook de meeste online handelssites creëren de illusie van volledige participatie aan markten, terwijl ze in feite bevooroordeeld zijn richting het extraheren van kosten en kapitaal van niet-professionele participanten. Ze zijn met opzet ontwikkeld om mensen zich beter geïnformeerd te laten voelen en in controle van hun financiële toekomst en de besluitvorming dan ze zijn.

Ten slotte wordt er in hoofdstuk vijf gekeken naar de mogelijkheden voor echte speelbaarheid, en een terugkeer naar bottom-up waardecreatie. Ik onderzoek en evalueren voorbeelden van kleine bedrijven en gemeenten die - door middel van netwerken - de middelen aannemen om te creëren en opnieuw waarde uit te wisselen. Deze omvatten het delen van netwerken, de handel in websites, en zelfs alternatieve valuta's. Het net biedt mensen de mogelijkheid om economieën op te bouwen op basis van verschillende regels - commercie, die bestaat buiten de economische kaart die misplaatst wordt aangezien voor het gebied van menselijke interactie.

In de conclusie, bedenk ik me hoe onze relatie met digitale technologie moet veranderen als we onze relatie fundamenteel willen veranderen ten opzichte van de corporatistische sfeer, en kunnen genieten van elke maat van de speelbaarheid die door deze nieuwe instrumenten wordt aangeboden. Ik laat zien hoe de onderliggende mogelijkheid die er nu is in een computer tijdperk *programming* is. Niet het voorbeeldige spel van een Zuckerberg of Brin, zelfs niet het valsspelen van Napster en Bit Torrent, maar het herschrijven van die codes waardoor we leven. Echte speelbaarheid betreft de toegang tot het speelveld zelf, en zelfs de mogelijkheid om het spel helemaal te overstijgen. Maar de mogelijkheid om iets van dergelijke speelbaarheid te ervaren, is afhankelijk van ons vermogen om het in de eerste plaats te zien; het zien van de media-omgeving is een voorwaarde om te spelen.

De digitale technologie, in tegenstelling tot de uitzending en de elektronische media die eraan vooraf ging, is bevooroordeeld richting productie boven consumptie. Wij maken dingen met onze computers, en delen of verkopen dit zelfs via netwerken. Dit, op zijn minst potentieel, maakt de afsluitingen ongedaan gepleegd door industriële tijdperk *corporatization*: het verbindt de werknemer opnieuw met de waarde van zijn creaties; de consument met de producent; en de consument met elkaar. Decentraliserende technologieën zoals het internet versterken en inspireren navenant gedecentraliseerde benaderingen van commercie en productie, die produceren en zijn op hun beurt gereproduceerd door tools zoals complementaire valuta’s en peer-to-peer architecturen. De afgelopen decennia zijn getuige geweest van een reeks van innovaties die de aard van de innovaties, die de Renaissance kenmerkten, spiegelen, en kan een "renaissance" van een ander soort vormen.

Als onze Tetradische analyse intact blijft, dan moet de huidige, voornamelijk net-enabled renaissance de waarden voortgebracht door de laatste renaissance verouderd maken, en moet ophalen diegene die er door zijn achter gebleven: De centralisatie, verzelfstandiging, en abstractie die inherent zijn aan de Renaissance worden verouderd gemaakt, wanneer distributie , decentralisatie, en lokalisatie worden opgehaald. De peer-to-peer transactionele natuur van de stad markt wordt nieuw leven ingeblazen in forums van eBay tot aan Burning Man, terwijl het pre-individualistische sociale landschap van de late middeleeuwen nieuw leven wordt ingeblazen in de sociale media van het net, waar je waarde wordt gemeten in termen van je verbindingen met anderen. Corporatistische waarden van eigendom en acquisitie worden vervangen door die van delen en toegang. Interactieve media bieden de kans om nieuwe vormen en nieuwe werelden te creëren. Het kan dat allemaal doen, als we leren om het onveranderlijke landschap van corporatisme te zien als het speelveld dat het werkelijk is.

Acknowledgements

This process began shortly after I was invited to Utrecht to speak about my book *Playing the Future* to a group of professors and graduate students like none I have ever met. The community of scholars at Utrecht University's School of Media and Communications Studies are special, brilliant, friendly and, most of all, playful. Their spirit and enthusiasm for media studies convinced me to follow in their footsteps and attempt to bring academic rigor to my work.

Joost Rassens – who saw in my investigations something more than I did, myself - became my champion and challenger. He was indefatigable through my months and sometimes years of pause and self-doubt. He is the living model of the sort of academic I would hope to become, and his example served as a goal that motivated me to press through the harder parts of this process. I owe him great thanks for inviting me to step up and become his true colleague, and for emphasizing to me why this process would be so good for me as a media theorist. "You will see," he kept telling me. And now I do.

Frank Kessler not only agreed to take me on as a student, but also made deeper readings of my work than it sometimes deserved. He gently but firmly distinguished between the narrative thread of a trade non-fiction author and the genuine through line of an academic scholar. Without his repeated reiteration of this distinction, I may never have learned the difference. For his time, his attention, and his patience, I am forever grateful.

I am deeply grateful to Mirko Schäfer, who brought his own perspectives to this work, and forced me to either adopt new perspectives myself or fight better for the ones I held. He is a tenacious and unrelenting intellectual force whose full impact has yet to be felt by society at large (it will), and whose honesty, candor and integrity have been inspirations to me.

I am also deeply thankful to the rest of my original PhD cohort, Marinka Copier, Imar de Vries, Mirko Schäfer and Marianne van den Boomen, for their support over the past decade, their humor, their encouragement, and their willingness to accept an old American author as a member of their tribe. I am also thankful to their student, Samuel Zwaan, an energetic and resourceful editor who proofread this document and suggested smart changes.

I must also thank Jos de Mul, for his continual invitations to participate in academic-level considerations of ludology, as well as his pioneering work in this area. Without his leadership, I may not have had the courage to pursue this line of inquiry. I would also like to acknowledge Jeffrey Goldstein, who impressed upon me the unique position of Utrecht on the global academic landscape, and encouraged me to become part of it. Having been exposed to a number of other universities and faculties over the past decade, I now understand the difference to which he was alluding.

I would like to thank all of the students I had the honor of teaching at New York University's Interactive Telecommunications Program and The New School's Graduate Media Studies Department. Particular thanks must go to Brooke Belisle, Matthew Burton, Fernando Cervantes, Heather Dewey-Hagborg, Suzan Eraslan, Nick Hasty, Josh Klein, Armanda Lewis, Andrew Nealon, Ramona Pringle, Felipe Ribeiro, and especially Lián Amaris, who worked with me for four years.

I am also indebted to the faculty members of those schools, most importantly George Agudow, Red Burns, Ted Byfield, Peter Haratonik, Tom Igoe, Dan O'Sullivan, Christiane Paul, Marianne Petit, and Clay Shirky.

This line of inquiry would not have been possible without the Media Ecology Association, whose members helped me recognize the foundations on which my approach was based, the importance of understanding what they were, and the significance of my own contributions to this field. In essence, I was "discovered" by its original president, Lance Strate, who encouraged me to consider myself among his peers. Janet Sternberg became my friend and ally, always available with wisdom, common sense, and free hyperlinks. I was also befriended and pushed along by Thom Gencarelli and Paul Levinson, who are as generous as people as they are as academics. Without the Media Ecology Association, I would not have learned that I am, in fact, a media ecologist.

I am deeply grateful to the National Association for Media Literacy Education, who do everything they can to convince me that what I do matters, and who provide a community of love and support for this work. Sherri Culver, Vanessa Domine, and Renee Hobbs convinced me I am qualified to teach something of value to others – which was no small feat.

Special thanks are due to the ever-inventive Bob Campbell, who responded to my random Tweet for help with the fully rendered cover gracing these pages.

I am deeply grateful to my friends Ian and Britta Alexander of Eatmedia, who provided me the physical and psychic space to complete this work. I am indebted to my friend and chiropractor, Dr. Mark Filippi, who kept me coherent throughout this process. I am also immensely thankful to my brother, Bennett, who believed in my ability to do this, provided ongoing moral and intellectual support, asserted the validity of my claims, helped in the preparation of the final manuscript, and volunteered to travel all the way to Holland to help me defend this dissertation.

Finally, I must thank - and apologize to - my ever-patient wife Barbara for enduring both my regular career and this additional academic one. What was double duty for me amounted to at least triple duty for her. Her love for me and her confidence in my ability were what kept me going.

And last but never least, my lovely, brilliant, and decidedly autonomous daughter Mamie whose entire life until now was parented by a father writing a dissertation. Darling, I am all yours.