

**Special Report/
The economy
of the immaterial**

The “creative industries” (fashion, cosmetics, design) and on a more general level the modern economy are less managed by a visible flow of material objects and products than by a invisible flow of data images and symbols.

If the producers now put the emphasis on immaterial assets – brands, human capital, knowledge and imagination – this is translated by the hegemony of the culture of the product over the product itself of experience and the sphere of subjectivity over the utilitarianism of goods, of marketing over product, of the immaterial over the material.

The immaterial or capitalism as self-consumerism

Jeremy Rifkin

*The Age of Access, The New Culture of
Hypercapitalism Where All Life is a Paid-for
Experience*

(La Découverte, Paris, 2000)

Jeremy Rifkin demonstrates in *The Age of Access* that since the end of the eighties, capitalism has begun the production of immaterial services and experiences, by slowly detaching itself from its industrial, property-based origins. This transition is due for the most part to the plethora of goods on offer which obliges us to find new forms of selling.

The author emphasises the growing “merchandisation” of human culture and experiences. Material, tangible heritage is less and less compatible with the brevity of the trend cycles which in turn lead to a growth in consumer versatility itself shaped by the obsolescence of product ranges. This consumer who has a “Life time value” and whose loyalty calculated by American studies amounts to 3 800 \$ per annum in a given supermarket, is at the centre of the new economy. Evaluating the attention of the consumer to products has become an enormous issue to the extent that management has inverted the traditional relationship between the attributes of an object and the consumer. As a result, the mantra has become “all of your products are ephemeral, only your clients are real”. Consumers are categorised like targets that must be identified by extracting personal data of an immaterial nature which can aid in rationalising purchasing behaviour.

This new capitalism aims less to produce objects than to produce desires by attaching a history, a culture or a set of memories to a brand, with the intention of “experience-ising” the products. Feelings

and passions now have a monetary value: “In the Age of access, everyone can buy access to their own past experience”. The place of cultural industries (tourism, fashion, beauty, leisure, multimedia) is interpreted here by a futurologist, James Ogilvy who quotes Rifkin: “The growth of the experience industries shows the saturation of the material goods market which grew from the industrial revolution (...). Today’s consumer no longer asks himself do I need a certain object, but rather “What new experience would I like to have?”

It is no longer the image which represents the product but the product representing the image. One does not wear a shirt without first of all experiencing the “lifestyle” constructed by the marketing department the content of which comes from a reservoir of popular or elitist culture with the help of artistic techniques. The consumer is doubly produced, as subject and object of consumerism: “We are beginning to become consumers of our own lives”.

If fashion has an essential part in this economic schema it is because it sums up not the consumption of products (trainers) or materials (plastic) but the possibility of attaining experiences, states of excitement and “altered states”, such as those experienced in sport, victory and performance. We are dealing with a real process of dematerialization of the economy. So the traditionally non-mercantile data whether it be symbolic, spiritual or emotional is transformed into capital, human sources for profit.

Rifkin brings a critical eye to an evolution which is leading to the disappearance of the borders between private and professional life, one that produces a subjectivity exclusively devoted to the extension of consumerism. Straight away the interminable discussions between marketing the offer and the demand reveal themselves to be illusory. In one case the offer without desire is in vain, and in the other desire has no reason to exist ex nihilo in societies where consumerism is almost permanently

at its apex. The difference is the same: the subjective sphere must be grasped (desire, passion, imagination, memories, emotions), stimulated and reborn so that the consumer consumes himself through shopping.

Just like Naomi Klein's *No Logo* or Luc Boltanski and Eve Chiapello's *Nouvel Esprit du Capitalisme*, Rifkin's work opens a critical space at the heart of capitalism which is immediately taken on board by that same capitalism for the benefit of an economy where anything that makes you stand out from the competition can be commercially decisive. As a result critics are highly considered and held in esteem, and are then adapted and integrated at the heart of a new "new economy". Evidence of this are ethical and ecological demands of the consumer: "When Body Shop customers buy perfumes and soaps in their favourite shop, they are buying the experience of animal rights campaigners".

O.A.

André Gorz

L'immatériel (The Immaterial)

(Galilée, Paris, 2003)

André Gorz observes a mutation in material capitalism, what the Anglo-Saxons refer to as the "knowledge economy" and the French "capitalisme cognitif". This "human capital" is less concerned with science or knowledge, both already well exposed in industrial capitalism through science and technology, than intelligence, imagination and the knowledge of the actors within companies. As such, the issue is not knowledge or professional qualifications but competence, in the broad sense of the term, capable of mobilising all of the aptitudes of individual culture and experiences. This unprecedented process, apart from the fact that it has the originality to integrate everything that was heretofore stuck in the solely professional domain, takes Fordism to task where individuals "only became operational once they have been stripped of their

knowledge, skills and habits developed by the culture of everyday life". From now on, post-ford workers must enter the production process with all of their cultural baggage on board acquired through games, team sports, battles, fights, musical and theatrical activities, etc".

If the economy of knowledge is at the origin of these seismic shifts, it is because the value of the merchandise contrary to what Marx says in *Das Kapital* is no longer determined by the quantity of social work they contain but by their content in terms of knowledge. Judgement, intuition, aesthetic sense, level of training and information, the ability to learn and adapt to unexpected situations are among the required qualities that are difficult to quantify. This is even more marked in the creative professions: "The production of these acts implies a part of self-production and giving of oneself. It is perfectly obvious in the caring professions (education, health, assistance) but also in the artistic professions, fashion, design, advertising". This then leads to a need for management by objectives which unlike human production means, have the advantage of being quantifiable.

How can we define the dominant immaterial factor of a product? It means "any merchandise whose materiality, of a very low unitary cost, is only the vector or the packaging of its immaterial, cognitive, artistic or symbolic content". The monetary value of a product has nothing intrinsic, it comes de facto from the practical capacity of the business to limit its diffusion: which leads to a need for the new economy and in particular brand names to regulate intellectual property and a fortiori to contain the level of copying and fakes, to control access to knowledge. The economist Yann Moulier Boutang, contrary to Gorz maintains that the process of privatisation of cultural values by controlling access to knowledge "must not hide the massive "de-merchandisation" by the digital network which is currently causing a crisis in intellectual property protection

in a growing number of domains to the same extent that material production is falling fast”.

O.A.

The invention of consumer culture

In *L'Immatériel*, André Gorz shows that fixed immaterial capital is also used as a means to produce consumers. It aims to “produce desires, cravings, self-images and lifestyles which when adopted and interiorised by individuals will transform them into a new type of buyer who “don’t need what they want and don’t want what they need”. A definition of the consumer which harks back to that outlined by Edward Bernays at the start of the 1920’s. Bernays, who was born in Vienna in 1891 was Sigmund Freud’s nephew and must be considered the modern architect of persuasion techniques applied to the political sphere and to mass consumerism. Two recent American books enable us to measure his influence on the development of the consumer culture; one by Larry Tye, *The Father of Spin : Edward L. Bernays and the Birth of Public Relations*, (Owl Books, 2002) and the other, by Stuart Ewen, *A Social History of Spin*, (Basic books, 1996). Bernays moved to the U.S. at a time when a number of captains of industry were wondering how to find civilian outlets for the enormous production capacities industry had developed during the first world war. They had developed a new discipline: “public relations” In his writings - *Crystallising Public Opinion (1923)*, *Propaganda (1928)*, *The Engineering of Consent (1947)* – he explained that if the needs of people are limited by nature, their desires are in essence unlimited. So one had to try to mobilise these subconscious springs, these irrational motivations, these fantasies and desires and put them to work

for the benefit of industry. As such, advertising, rather than address itself to the buyer’s practical sense as it had until then, had to contain a message which transforms even the most trivial product into a vector of symbolic meaning. It was time to call on “irrational emotions”, create a consumer culture, produce the typical consumer who in buying products looked for and found a way of expressing his “most intimate self” or, as an advert from the twenties claimed, “what is in you that is most unique and precious but kept hidden”.

His vision of a market entering the hearts of consumers was put into action when the tobacco industry asked him to find a way to make more women smoke. Bernays’ rhetoric was as follows: the cigarette being a phallic symbol, women would begin to smoke if they found the cigarette was a way to emancipate themselves from masculine dominance. The press was notified that for the Easter Sunday Parade in New York that they were going to see something spectacular. Indeed, at the specified time, around twenty young elegant women took their cigarettes and lighters from their handbags and lit their “freedom torches”. To the joy of the tobacco industry, the cigarette suddenly became the symbol of women’s liberation. President Hoover said to Bernays in 1928 “You have transformed people into constantly moving happiness machines”.

Among the questions highlighted by Gorz, some deal with the confusion between the selling space and the public space, consumer and citizen, private and public space, or the hijacking of the field of culture by the marketers. “Artistic creation, according to Gorz, must disturb in order to renew the way people perceive things and their capacity to imagine. Advertising and fashion must appeal to the public and impose their norms. As the privileged vehicle for these norms, the brand image, by grasping the immaterial fixed capital has power over the public at large, everyday culture and the social collective psyche. The symbolic capi-

tal of the brand is the instrument with which the merchandise must produce consumers, enhanced by the consumers themselves. They will accomplish the invisible work of self-production which “supplies the object with a subject”, that is to say produces desires, cravings, a self-image of which the merchandise is supposed to be the appropriate expression. Brand advertising, in a word, creates self-production within the consumer, adding value to the merchandise of the brand as emblems of its own status enhancement. It is through the power it takes from this invisible task of self-production, by the covert violence of the advertising invasion of all spaces and moments of everyday life on the individual that the symbolic capital truly functions as a fixed capital.
O.A.

Remarks on

Le nouvel esprit du capitalisme (*The New Spirit of Capitalism*)

Luc Boltanski and Eve Chiapello,
(Gallimard, Paris, 1999)

We must also refer to another book, *Le Nouvel esprit du capitalisme*, in which the question of access to goods and on a larger scale to oneself comes up in a description of the “connectionist” (networked) world. The latter is characterised by access to objects not founded on property but on renting, in other words “availability, but on a temporary basis”. The authors wonder if this connectionist schema marks the end of the traditional model of “possession” and conclude on the contrary that it brings “to the ultimate an element that had been at the origin of the liberal conception of property: the connectionist man is owner of himself (...) in as much as he himself is the product of his self-production”. This thinking takes into account the recent emergence of the idea of owning ones own body, a theme which is in line with “the

enormous growth of industries whose objective is to create a self-image through fashion, health, diet, or cosmetics and another industry in the throes of expansion, that of “personal development” which accompanies the reorganisation of companies and the emergence of new professions such as life coach”.

From this comes a transformation of the notion of responsibility now defined as “responsibility for oneself: each person as the producer of oneself is responsible for their body, image, success and destiny”. This self-obsession most notably on an aesthetic level is the critical heritage of the desire for freedom of the sixties which was then integrated in the form of merchandise and less authoritarian, more permissive management models appropriate to the new forms of self-possession.

Ségolène Ferrand, professor,
Communication Director - IFM

How to embrace the immaterial?

André Gorz' book *L'immatériel* is particularly interesting as it highlights the significance of the economy and society of the immaterial which is daily becoming our reference. I will comment on the meaning of the term “immaterial” and then on the evolution of society and the global village. The term “immaterial” is a general term. In concrete terms it means that which is not materially tangible. However this reasoning can rapidly lead us to a dead end if we remain convinced that the tangible is a comfortable and reassuring fiction. In addition the immaterial can denote phenomena which have nothing to do with modernity. Thus the return of religion comes from the development of the immaterial but this is not what interests us here.

Perhaps what does not appear sufficiently clear in André Gorz' book is that the immaterial including the aspects driven by modernity denotes design of very different natures which can be coded or random, linked to the imagination or to techno-scientific aspects. If all of this is mixed up we should first of all find out what are the components.

In simple terms, we can distinguish two distinct families within "contemporary immaterial": "the immaterial of cognition" and "the immaterial of the imagination". The former is covered widely in economic and management literature. For many years articles have been published on the cognitive economy or on knowledge management. For the most part the emphasis is placed on the capital of knowledge in a company or in a society and this knowledge is considered an asset which is cumulative and manageable. The immaterial of the imagination is linked to the collective psyche of individuals and cultures but is not an area where the subjective reigns over all without any rules. The immaterial of the collective psyche has its own rules, which can be cumulated with those of history and culture and can be analysed in more detail. Jeremy Rifkin on the subject in *The Age of Access* mentions the arrival of a "cultural capitalism" which includes fashion, design, creation not forgetting advertising and communication.

The question of interaction between both "immaterials" is a difficult one, the "collective psyche immaterial" received much less attention than that of cognition and the IFM is in a better position than most to remedy this situation.

How is the global village dealing with this evolution? The debate is of course quite contradictory. Many feel, like Bill Gates that information systems and the Internet represent a huge step forward for democracy in the world as they enable access to knowledge. Into this comes the debate on free or paying access bringing to mind in particular the battle by the creators of Linux. On the other hand we could also be worried at

the growing, not only financial, inequalities but also in terms of access to information. As for the "imaginary aspects", they give rise to a well-known controversy around the credo of *No Logo*.

Where does all of this lead us? By taking a certain conceptual Marxist tradition as a lead (the value of work, monetary value, the drop in profit rates etc.), André Gorz goes back to the traditional themes of the individual being manipulated and programmed to his peril. This harks back to the old definition of ideology as conscience on the wrong path. He is worried about the forces at work and calls for a type of political ecology in line with his previous writings. From another point of view we can refer back to a text which is forerunner to Gorz "The Use of Knowledge in Society" from 1945 in which Hayek dealt with the pricing system and the society of knowledge and reason within a paradigm that turns out to be as optimistic as the market economy is generalised. This could be followed by an endless ideological debate which would be nothing more than an up to date version of the traditional debate on capitalism.

Let us try to reflect on a different level by reminding ourselves of a few salient points. First of all it is a fact that capitalism does have an ability to absorb cultures, resistance and antagonisms. It is also a fact that the global village is totally fragmented and full of contrasts. Thirdly the information revolution (cognitive) and the current post-modern upheaval represent an exceptional stroke of luck for the "educated middle class" open on the world; but its impact is much more ambiguous for those who are excluded, not from the material production but deprived of the intellectual and conceptual schemas inherent to the aptitude to be in touch with the different spheres of the immaterial. Finally, in terms of regional and national culture it is clear that the capacity to seize this new order is extremely unequal, in particular in terms of the representation of time (linear, cyclical, fragmented interior...) of the culture in

question, where the ephemeral rules and there is a constant quest for logistical optimisation.

The immaterial can be compared to Fordism. The latter, from a certain angle represented freedom, entrapment from another. Rather than giving in to anathema and rudimentary criticisms, today it is important to better understand the structure of the immaterial. Let each individual then imagine and share new gardens of imagination in the Epicurean tradition or devote themselves to a renewed form of politics constantly searching for meaning in a universe whose modes of socialisation have been totally upset, one which is now run by a precarious set of rules, vulnerable to an overwhelming, exhilarating, vertiginous sense of virtuality.

Pascal Morand, Executive Director of the Institut Français de la Mode (IFM).