

The Culture Economy: Experience as a Disruptive Innovation

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Abstract

The emerging cultural economy is an economic force that is shifting the locus of value from the physical to the experiential, with profound implications on societies and their economies. It is derived from the experience of plenty in developed economies, a shift towards interactive cultural experiences, and many-to-many technology.

Historically, shifts of this nature have been reserved for the privileged few. But the current shift in focus from consumption to participation is both geographically and economically encompassing, and thus is having a transformational impact on commerce and society as a whole.

Cultural shifts away from acquisition seem to be predicated by periods of plenty. Young adults today, experiencing plenty, opt for interaction experiences rather than purchase experiences. Many are creating blogs, games, music and artwork and disseminating them freely. Many-to-many technology is turning the millennial generation into cultural producers, rather than material consumers.

Our purpose is to describe the evidence of this change, including the economics of plenty, the shift towards cultural production and consumption, and the role of many-to-many technology. With this in place, we will explore its implications upon the primary qualities demanded of experiential (and, indeed, material) goods. Following the model of disruptive innovation, such a change would imply a future in which traditional goods and services targeting this market would lose ground to these new cultural experiences. Complicating the model is the non-financial nature of this disruption and the participative nature of cultural consumption. Businesses that find growth opportunities in the cultural economy will understand this new breed of consumers and develop services and products that support their evolving needs.

Introduction

The themes of sustainability and the challenge of retreating from the ecological cliff have risen to the forefront of international politics, manufacturing and transportation, and touched every country, industry, and socio-economic group. While most discussions, rightfully, focus on the physical changes required to achieve this sustainability, there has been an encouraging social transformation that is supporting this global thrust. As human habits are often the slowest to evolve, this shift to a new kind of consumption is encouraging not only on its own right, but also for the future it foretells.

In this paper, we will explore the emergence of the cultural economy, which is predicated on theories of *economics of plenty*, and the contrasting *economics of scarcity*. The natural consequence of plenty is trust; the consequences of scarcity are the transaction costs of distrust. The defining characteristic of the cultural economy is participation and cultural production, a trend that then has implications on the consumption patterns of individuals. We identify this growth of cultural production and consumption as part of the experience economy and apply the theory of disruptive innovation to its development to explore the implications for business organizations.

As a disruptive innovation, the cultural economy transcends particular products and services and the business organizations that produce them. It is not particular products that are disrupted but patterns of consumption across the economy. The shift is from material consumption towards cultural consumptions. That shift suggests a more sustainable economic path although the adjustments may be difficult, in the short run.

We will begin by demonstrating that there has been an economics of plenty parallel to our conventional economics of scarcity for all of human history. We will link the economics of plenty with cultural production in primitive times and identify similar modern developments. We follow with a discussion of disruptive innovation and the implications of the cultural economy for business.

Taken together, these themes suggest an optimistic future for humanity, although not without a difficult path forward. In order to ground these themes in human experience, we will draw upon a diversity of human societies and historical periods. We will begin by demonstrating that there has been an economics of plenty parallel to our conventional economics of scarcity for all of human history.

A Concept of Plenty and Enough

In the late 1960's, one author, designing self-service systems for kibbutz dining halls, discovered a paradox. While most food was free choice, some more expensive menu items were portioned to control consumption. When they were made free choice, consumption immediately dropped. Portion control creates a perception of scarcity leading to increased consumption. Free choice implies plenty and consumption falls. The effect was immediate and replicated over many kibbutzim.

The paradox is: *measures to limit consumption increase consumption while measures that free consumption reduce consumption.* The response to scarcity is "appetite" while the reaction to plenty is "enough." The kibbutz experience is not unique.

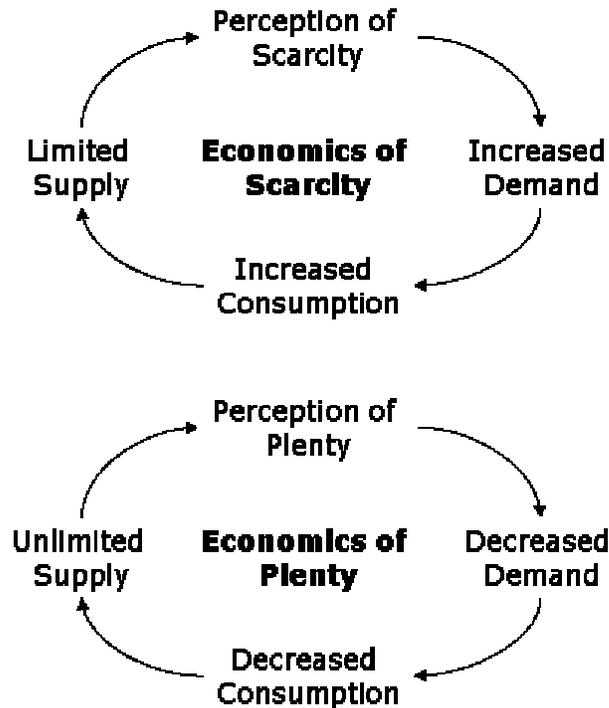
Marshall Sahlins (1972) has studied work and consumption among Australian aboriginal tribes living in semi-desert areas. In his book, *Stone Age Economics*, he describes the "the original affluent society," he reviews the literature on hunting and gathering societies with findings that are counterintuitive to those of us steeped in a science focused upon "economic man." It emerged that the hunting and gathering tribes ranging from Aborigines in Australia, The Bushmen of the Kalahari, South American, and Philippine tribes all enjoyed material plenty, suffered no poverty, ate very well, and worked an average of 15 to 20 hours a week. They were more efficient than French farmers in supplying the food needs of their people.

The tribes experienced plenty under conditions that we would find meager. They worked less, saw no reason to accumulate material goods, and preferred social and cultural pursuits to material gains. Sahlins notes that the "hunter is uneconomic man" whose "wants are scarce and his means plentiful." He contrasts such a society with:

The market-industrial system [that] institutes scarcity, in a manner without parallel....When production and distribution are arranged through the behavior of prices....insufficiency of material means becomes the explicit, calculable starting point of all economic activity. (p.1-2)

Sahlins' insights have been confirmed by subsequent anthropological studies collected in a book under the intriguing title "Limited Wants, Unlimited Means" (Gowdy, 1998). Hunting and gathering peoples across the globe, retaining the practices of preagricultural societies, organize their economic activity on the basis of sharing and exchange, without recourse to markets, in remarkably stable and peaceful societies. These societies were relatively egalitarian, mobile, tended to concentration and dispersion as a function of seasonal resources, held land in

common, and maintain a strong ethic of sharing and against accumulation. There were “strong injunctions on the importance of reciprocity” that leads to “the giving of something without an immediate expectation of return” as the norm in face-to-face groups. This research suggests that for the better part of human history, humanity enjoyed relative plenty in societies that in no way resembled Hobbes’ “the war of all against all” that is the foundation of the economics of scarcity.



Conventional economics, based on assumptions of scarcity, is a factor in creating the very markets and economic exchanges it seeks to study. George Soros (1994) would describe the relationship as “reflexive.” Demand is not an independent economic factor. It is generated by the perception of scarcity. Thus, the economics of scarcity is a factor in increasing the very demand that is studied as an independent variable. Well developed economies awash in plenty are driven to continued overconsumption by wants justified as “needs” leading McKibbin (2003) to title his recent book “Enough.”

We might summarize our understanding basic human consumption behavior with the following proposition:

Beyond basic physiological necessities, the experiences of “plenty” and “scarcity” are socially constructed.

Through this lens, the driving forces that impact everything from the growth imperative of major corporations to the flagrant consumption of individuals can

be re-cast as a societal mirage. Thousands of years into the development of this broad-reaching set of values, any change to that mindset seems outside the realm of possibility. Still, we have isolated a rapidly growing niche in which this shift appears to be occurring.

The Cultural Economy

Cultural goods are products of human imagination such as art, literature, music, games, sports, eco-tourism, theater, film, blogs, chat-rooms, and, more generally, knowledge. Societies experiencing plenty invest in cultural production.

Societies experiencing scarcity have great difficulty supporting cultural activity: Our theaters, art museums, and musical ensembles all have to beg the public for support. On the other hand, Sahlin's hunter and gatherers had plenty of time to invest in social and cultural activities.

Consider the famous Lascaux Cave painted 17,000 years ago in Paleolithic times. This is but one of 120 caves with animal paintings all dating back to the Stone Age. These are works of great art. All of our history tells us that such works can only emerge from well developed and practiced artistic endeavors. We believe that these people lived in subsistence economies. Yet, they experienced plenty sufficiently to invest precious resources and time into developing fine art.

Thousands of years later, Europe found itself in the middle ages, plagued by disease, poverty, and harsh living conditions. Cultural production dropped significantly from the preceding era, only to be re-born through the Renaissance years later. The Renaissance marked the resurgence of economic strength in the region, and was accompanied by scholarly and artistic pursuits that consumed the excess resources of time and money. In times of perceived plenty, societies re-allocate efforts towards enrichment and away from needs.

Welcome to the Cultural Economy. The Cultural Economy appears to be governed by the following proposition:

Societies experiencing plenty invest time and resources into cultural production.

Let us leap to the 21st century. There is a quiet revolution occurring among young people in developed societies the world over. It is not an ideological revolution. Nor is it expressed as opposition to the economic order. It is a lifestyle revolution. They are opting out of the economics of scarcity and directing their time, energy, and resources into culture production and consumption.

Today's youth are the first generation, in the developed world, to experience plenty. They take for granted the basic necessities of life. Their grandparents suffered through The Great Depression and World War II. Their parents grew up in the shadow of those experiences. We were determined to protect our children from those experiences. The result is a secure sense of plenty and a seemingly subconscious shift towards cultural consumption and production.

In 1999, a student at Simon Fraser University built a game called Counterstrike and gave it away. In a matter of months, it became the most popular multi-player action game in the world. 1.7 million players spent 2.4 billion minutes a month playing counter strike. To contrast, the most popular TV show that year, "Friends," generated 2.9 billion viewer minutes per month (Keighley, 2000).

Yochai Benkler (2002) discusses NASA's Clickworkers who are volunteers who mark craters, classify, or search the terrain of Mars on website maps. 85 thousand users made 1.9 million entries. The automatically computed consensus derived from clickwork is virtually indistinguishable from the work of trained geologists. Clickworker volunteers are creating knowledge for the fun of it.

mySpace has replaced the shopping mall as the default hangout location for youth worldwide. mySpace enables its 63 million users to post personal pages, leave messages for each other, share movies, music, and photos, and chat. It is now rated as the fifth most popular English website by web information company Alexa.

Most telling is the attitude towards the automobile. After discussing these ideas at a faculty lunch, a colleague told me that I had explained his son to him. The young man had turned 16 and did not want a car or a driver's license. Three years later, he still disdains owning a car but was forced to get a license. Checking with high school students of the Tacoma School of the Arts, one author found that a surprising number of them did not drive. They did not get around to getting licenses. They had other priorities.

The automobile has been the central force in economic development for the entire 20th century. It has been a massive consumer of materials and energy. Cities have evolved to accommodate automobiles. It has become one of the most important status symbols across cultures worldwide. It represents freedom, mobility, and independence. A cultural shift away from automobiles, even if it is still a weak trend, may have profound disruptive effects on business. Far too great a proportion of the world's economic activity is linked to the automobile for us to ignore this development.

What is happening here? There has been a massive shift among the young, and the not so young, away from the material and service economy towards the Cultural Economy. The 2.4 billion minutes expended playing Counterstrike was time not spent listening to advertising on Friends, or shopping in malls, or driving an SUV.

Two phenomena enable this change in behavior. First, as we discussed above, the young are not experiencing scarcity. They do not apply economic metrics to their generosity. Disseminating their creative works freely does not run counter to a fundamental value that dictated the priorities of prior generations: what is it worth, and can you sell it? Secondly, technology has enabled a zero-marginal-cost system by which this sharing can occur. The very economic truth that drove the profitability of Microsoft and the heyday of the internet bubble is taken for granted by this generation. As we will discuss later, this powerful combination is the force behind Microsoft's greatest competitive threat.

As with every generation, the desire for freedom is overriding. However, for this generation, it means the freedom to surf the web, download what they like, blend and fuse cultural products from anywhere without limit. Freedom is not defined by their automobiles or credit cards. For this generation, status will be achieved on the web via cultural artifacts.

There are many examples. We could argue long about their relevance and significance. Let us assume, for discussion purposes, that such a shift may be occurring and explore potential implications.

Disruptive Innovation and the Cultural Economy

This shift is most readily explained through a cultural lens: this generation is more connected than in the past; or this generation is all about "independence." While there are anthropological explanations, there are economic alternatives as well.

The theory of Jobs to be Done was imprinted on the business community by Harvard Business School professor Ted Levitt with the memorable phrase *people are not buying a quarter inch drill, they are buying a quarter-inch hole*. The theory states that individuals do not make purchases; rather, they hire products to get certain jobs done in their lives. These jobs are remarkably consistent through time, though the products being hired are always changing.

The job being done by these cultural collaborative products is similar to that met by movies and television, hanging out at the mall, or, in prior generations, at the soda fountain. The job can be cast as “be entertained while interacting with my peers,” and indeed, is the same job that drives adults to cocktail parties. The distinction is this younger generation’s selection of very different products to get their jobs done.

While the job being addressed is the same, the economics of these cultural transactions are distinct. There is really no consumption – only production. When a jazz combo improvises during a jam session, are they producing culture or consuming culture? Do Clickworkers producing knowledge for NASA produce or consume culture? Do millions playing Counterstrike produce or consume the game? The answer is self-evident. Production and consumption are the same activity.

While many in the community may be expert artists and gamers, the vast majority are producing goods which fall far short of a Hollywood movie. A quick scan of www.youtube.com will reveal that by any measure, these are not Oscar winning performances. How, then, does YouTube compete so successfully to address the jobs to be done?

The theory of disruptive innovation can help explain this phenomenon. Developed by Dr. Clayton Christensen of the Harvard Business School in his books, *The Innovator’s Dilemma* and *The Innovator’s Solution*, the theory states that disruptive innovations enter the market at a lower level of performance on the traditional trajectory, but provide some increased benefit on another performance attribute. Individuals that were overshoot by the performance of the incumbent product will begin to consume what seems to be a poor alternative and be satisfied. The incumbents tend to brush off this threat as minor and insignificant, but over time, the alternative inevitably climbs up the trajectory of performance to become a viable competitor.

Through the lens of disruption, we can see that very few of the cultural products being consumed are of the same traditional “caliber” as their historical equivalents: Music, movies, writing, and even gaming is rarely ranked among the present-day commercial equivalents in production quality. On the other hand, while taking a demonstrable hit on that trajectory, these products vastly compensate in their accessibility. Technology has enabled culture to be produced by a much less trained individual, using common means in the comfort of their own basement. This phenomenon of democratizing a capability and delivering it to a larger population is a classic pattern by which disruption occurs in industries as diverse as healthcare and computing.

A second component of the theory of disruption is evident in this cultural shift as well. As we noted above the marginal cost of producing cultural products has dropped precipitously to very little. A hallmark of disruptive innovations is their lower prices, relative to the incumbent. At no cost, or nearly no cost, anyone with an internet connection can easily consume or produce these products.

While demanding of time, none of these activities involve prices and markets. These are interactions and exchanges between people without transactions. To be sure, there are the costs of using the Internet, game subscriptions, or the drinks at the jam session. Economically, these may be likened to paying for parking to attend a free concert.

At this particular juncture – the interaction of price and product – the cultural economy we have been discussing interacts with the theory of disruption. In order for these products to be free, the producers must not only be able to produce them at no cost, but *they must also be willing to part with them for zero profit*. The former is the result of technological advancement. The latter is the psychological cultural shift we are experiencing.

Furthermore, the peculiar nature of these goods is such that creation and production are one and the same. If another million players participate in Counterstrike games, the game is likely to become more enjoyable to all of its players. If more people chat on MySpace, the experience becomes richer for all users. And in the absence of scarcity of these experiences, there are no limits to the population that can participate. The strong network effect, combined with the inextinguishable supply creates the fundamental distinction from material goods. Material goods and services are consumed while cultural goods are experienced.

A unique characteristic of the emerging Cultural Economy is that it is participative. 2.7 billion minutes were spent *viewing* Friends compared to 2.4 billion minutes spent *playing* Counterstrike (Keighley, 2000). Fantasy baseball is a participative sport; professional baseball is a spectator sport. Professional baseball and TV programming represent the old broadcast economy. Culture is mass-produced and broadcast centrally to millions mimicking mass production industries. Computer games, music, art, and knowledge work represent the new interactive economy where consumer/producers actively select, define, and produce their cultural experiences.

Revisiting Hardin's *Tragedy of the Commons*

Hardin (1968) exemplified his arguments about the conflicts between the utilitarian goal of the greatest good for the greatest number and the limitations of a finite world with example of the common pasture. It is useful to map out the workings of the Cultural Economy in Hardin's pasture.

Hardin points out that the economic interest of individual herdsmen is to add livestock to maintain or increase income. The grass pasture is a scarce good. Either one herdsman's sheep eat it or the other. Once consumed, it is only replenished through growth. The collective effect is to overgraze the pasture and bring ruin to all. Scarcity must be managed and his solution is to either sell off the commons to private owners or otherwise ration access.

Now consider the cultural commons as a knowledge pasture. Knowledge is a plentiful good. It may be grazed but is not consumed. Indeed, the more knowledge is grazed, the faster it grows. So, too, with cultural production. Levi-Strauss (1966) has pointed out that the structures of myths, art, rituals, and games serve as frameworks in which the same elements are juxtaposed and combined in diverse combinations in a process that may be characterized as *Bricolage*; a finite set of elements is combined and recombined in an indefinitely large number of ways. Improvisational jazz exemplifies the process well. Plenty need not be managed or controlled. Thus, the unfenced common knowledge or cultural "pasture" is far more productive than the fenced pasture. This inversion signals the impact of the knowledge economy on conventional business arrangements.

The Future of Corporations?

So far, we have discussed the Cultural Economy as an adjunct to the "real" economy. It may act as a distraction to the incentives generated by perceived scarcity. It may even produce value for consumers of culture. We have yet to demonstrate how it might compete with, or even displace economic scarcity as the engine for producing economic exchange value. Capitalist hierarchically organized corporations remain the most effective mode of production in the global economy.

The future of large capitalist corporations is problematic especially with the advent of the knowledge and cultural economies. First, we should note that the modern corporation has but a short history of about 100 years. Capitalism has only been around since the late 18th Century. Given millennia of human history,

it is only rational to assume that the evolution of our economic systems will continue far into the future.

Despite the decades of extraordinary productive capability of the world's corporations, the ability of that organizational form to produce economic value is being challenged by the collective power of the masses. That battle, and its relevance to our concerns, might best be mapped out in Garrett Hardin's "common pasture." Due in large part to its digital nature, the software industry is experiencing this competition first in the form of open source software like Linux and its peers. Corporations like Microsoft are facing the challenge from what appears to be a much more productive commons. A threat to corporate dominance will not come from ideological perspectives but from more efficient modes of economic organization.

We cannot do justice to the evolution of Linux in this paper. For our purposes, it is sufficient that a very effective, secure, and powerful computer operating system was developed by a loose collection of elite programmers from every continent without a corporate organization, hierarchy, bureaucracy, salaries or wages, property rights or ownership. Microsoft testified in their anti-trust trial, that Linux was their most serious competitor. The company is faced with developing a strategy and business plan against a value producing economic activity that has no defined business organization, no business plan, and no claim to property rights. The licensing agreements for Linux explicitly allow anyone to change or add to the software. What no one is allowed to do is to copyright any part of Linux or what is added to Linux. Linux is growing in popularity as many nations (and corporations) adopt it as their standard. Their reasoning is quite clear. They see no reason to ask Microsoft's permission to do business, to develop their own software, or to pay the price for Microsoft system when the alternatives are equal or better and are available free.

The arguments we developed above apply to the evolution of Linux. The elite hacker global community that contributed to its development is well supported by their conventional work. They enjoy plenty and chose to invest their surplus time in this great common endeavor. The nature of the "software commons" is that all could contribute, share, and develop each other's work as long as no one owned the outcomes. (Raymond, 1999) The result was a commons that was able to marshal more talent more efficiently and without great administrative overhead than the proprietary software "pasture" fenced in by copyright laws and exclusions.

A parallel development is occurring in the battles over intellectual property and copyright laws. Here the works of Lawrence Lessig (2001) present the issues. The music industry and the film industry are leading the battle to restrict the

reproduction of cultural production. It is, of necessity, a losing battle. First, both industries have a long history of exploiting artists and creators. Second, the new cultural communities will simply bypass industry. Hollywood is not needed to produce films for the Internet. The record companies are not needed to produce, reproduce, or distribute music. They will gain control over their old music and the new music will simply elude them.

The conclusion is that the corporate world driven by the economics of scarcity will be very challenged in trying to gain control of the leading developments in the cultural economy. They will be defeated by their histories and by the economics of plenty. The explosion of cultural production has not been funded by capital investments although Google and many other successful organizations have converted their successes into capital assets. The point is that the control of capital does not appear to lead to the control cultural production.

Our Humanity and “Human Capital”

There is a complex set of interactions between capital resources, the efficiency of corporate economic activity, the emerging cultural and knowledge economies, and our understanding of our humanity. The anomalies inherent in those interactions are well expressed in the absurd notion of “human capital.” These interactions are relevant to our ecological concerns. Unless, and until, our humanity is sustainable, we cannot expect to create sustainable ecological economics. The Paleolithic painters of the Lascaux Caves, the Bushmen of Africa, and Sahlin’s Australian Aborigines all enjoyed plenty, that is, they could take their own sustainability for granted. Therefore, they had no difficulty living in balance in their various ecosystems.

Buckminster Fuller (1981) discusses the origin of the modern limited liability corporation with the chartering of the British East India Company by Queen Elizabeth in 1600. What was the limitation on their liability? The investors were liable for their investments in goods and ships. They were not liable for the lives of sailors lost at sea. Employees are, fundamentally, expendable and they remain so to this day. We see that in the layoffs, the Enron debacle, and in the systematic dissolving of contracted employee pension obligations by many of the largest American corporations. Such arrangements worked as long as employees were interchangeable parts assigned simple tasks. That has changed in the new economy.

Years ago, the CEO of Boeing Commercial Airplane remarked, on the day that Microsoft’s stock market valuation exceeded that of Boeing, that one could take all of Microsoft’s physical assets and park them on one Boeing parking lot with room to spare. Microsoft’s assets are not physical; they are talented and skilled

people. We can call them “human capital” but we cannot put them on the books. They walk around on two feet and are free to move whenever and wherever they please. In the new economy, corporations cannot own the critical assets who are free people.

The response has been to emphasize, “People are our most important asset.” That has not worked very well because it rarely represents a significant change in corporate policies. Such changes are all but impossible because people are fundamentally expendable as noted above and because of corporate inefficiency.

One result of the economics of scarcity is distrust. If people are fundamentally expendable and must be forced to work because of scarcity, it follows that we cannot trust them to work hard enough to justify their wages. This is built into the Protestant Ethic. Those without grace, as demonstrated by wealth on earth, are judged lazy and must be put to work. John Locke (1997) argued, in 1690, that the children of the poor must be forced to work to produce more wealth than they consume from the age of three. He was not writing theoretically. Children of that age were living and dying in English factories. If we cannot trust people to work, we must place foremen over them, managers over them and continue the evolution until we have large inefficient bureaucracies that get in the way of the very creativity and imagination that are the critical capacities in the new economy. Corporate overhead is, largely, the cost of distrust. Buckminster Fuller (1981) estimated that maybe 30% of our employees are engaged in adding value while the rest are “checkers of checkers” of many sorts. An economics of plenty can afford trust and, thereby, can be very competitive with the economics of scarcity.

In a developed cultural economy, individuals will be more proactive, independent, and interactive. Individual responsibility will become a stronger social norm than in the past. Self-created identities through cultural activities will become our voice. Who we are and who we become will be tied to our roles in the Cultural Economy rather than be obscured in the Material Economy. We will become subjects in our cultural production instead of objectifying our work in to things be sold.

Market Society in the Future

The shift towards the Cultural Economy will reduce ecological pressures. Knowledge production, music, art, and computer games do not pose burdens on the environment. Material goods will lose their dominance in the economy and become commoditized. Status, conspicuous consumption, and identity will all be driven by cultural artifacts and activities rather than “stuff.” Material driven

consumption will recede and no longer command so great a proportion of economic resources. The ubiquitous garage sale, representing feeble attempts to recycle excess consumption, will signal the generation gap for buyers and sellers still anchored in the old economy.

Market exchange is remarkably efficient and has a long history as an adjunct to subsistence economies. Capitalist market society has a short history. We may expect market exchanges to characterize the new economy as they do the old. The evolution of Linux, for example, involved complex and frequent exchanges around the globe. These were exchanges of valued work even if not accompanied by economic transactions. The evolution of music among the young is also characterized by rich exchanges.

It would appear that the role of capital will recede as will the role of capital markets. George Soros (1994) distinguishes between the “real” economy of production and exchange and the financial economy where only assets are exchanged. The leading organizations of the new economy: Microsoft, Google, Yahoo for example, were not built with capital.

Organized Economic Activity in the Future

The collection of propositions and arguments developed above suggest an optimistic, almost utopian, view of the future, and, certainly a more ecologically sustainable future. Even a small directional shift would have a strong positive impact on the nature of society.

- An emerging economics of plenty will reduce the demands for material goods and services.
- The disruption of material goods by cultural collaborative experiences will have a profound impact on the consumption behaviors of individuals
- Individuals will become more proactive, independent, and interactive resulting in a strengthening of individual responsibility as a social norm.
- Identities and status will be tied to our roles in the cultural economy rather than be obscured in the material economy.
- Trust will allow for very efficient organized economic activity.
- Trust, and plenty, will reduce the enormous transaction costs of our present distributions systems.
- The shift away from material consumption towards cultural consumption will dramatically reduce pressure on ecological systems.
- And ideally, the world will be more democratic and egalitarian

Buckminster Fuller's estimate is remarkably similar to the data summarized by Marshall Sahlins. Humanity could enjoy plenty if we all created value about 15 to 20 hours a week. It is not a technological problem. We have the means but they are misapplied in an economy of scarcity.

Yet, we cannot expect an easy path forward. The cultural economy represents a massive disruptive innovation and all of the evidence about such innovations suggests difficult adjustments for business and economic activity. Corporations will have to change and, indeed, the corporate business model may also change as it seeks to compete with young self-starting, collaborative, sharing culture producing the cultural artifacts of the future. We can look forward to a better society based on democratic institutions and more sustainable economics.

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