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**ANALYSIS**  
**ALTERNATIVE ECONOMIC CULTURES: MANUEL CASTELLS**

**TRANSCRIPT OF A RECORDED DOCUMENTARY**

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**MASON: (*applause*)** Good evening and welcome to the London School of Economics. I'm Paul Mason and tonight, in front of a huge audience - there are about eight hundred people here - I'll be speaking to Professor Manuel Castells.

**Professor Castells is one of the most cited sociologists in the world and it's easy to see why. He is University Professor and Wallis Annenberg Chair in Communication, Technology and Society at the University of Southern California.**

**When most of us were still struggling to connect our modems in the 1990s, Professor Castells was documenting the rise of the network society. When the sociology of protest was still dominated by political parties, trade unions and men, Castells was theorising what he calls the power of identity: studying the interaction between internet use, counter-culture, urban protest movements and the self.**

**When these two phenomena - protest and the network - came together in mass social movements during the Arab Spring and with the Occupy Movement, Castells was already on the case. In fact, the Professor in his own small way, he tells us in his book, was part of it.**

**In his latest book, *Aftermath: the Cultures of the Economic Crisis*, which is edited and co-authored with a team of academics, the Professor shows us a picture of an economic crisis that has produced a social crisis. He suggests we may be about to see the emergence of a new kind of capitalism with business models growing out of the counter-cultures of the last twenty years, becoming much more mainstream. Ladies and gentlemen, Manuel Castells.**

**CASTELLS:** Thank you very much. (*applause*)

**MASON:** In your book, *Aftermath*, you speak of the emergence of a kind of four-layer economy post-crisis - so it's with a weakened public sector, a highly-concentrated successful private sector in the high-tech and financial arenas, what you describe as the survival models of traditional businesses; and then at the bottom this fascinating new layer of post-capitalist alternative economic activities. How long can that survive?

**CASTELLS:** Well it's expanding, as a matter of fact. What I refer to is about the observation of one of my latest studies on people who have decided not to wait for the revolution to start living differently - meaning the expansion of what I call in a technical term non-capitalist practices, meaning they are economic practices but they don't have a for profit motivation, such as barter networks; such as social currencies;

co-operatives; self-management; agricultural networks; helping each other simply in terms of wanting to be together; networks of providing services for free to others in the expectation that someone also will provide to you. All this exists and it's expanding throughout the world.

**MASON: That's expanding. But just let's stay on the whole economic system - including the public, the private, the beleaguered traditional sector. Where do you think that is currently going because it's not in stasis, it's in crisis? So where is it going?**

**CASTELLS:** You see the issue ... When I mention this alternative economic culture, it's a combination of two things. A number of people have been doing this for quite a while already because they don't agree with the meaninglessness of their lives. But now there is something else - it's the legion of consumers who cannot consume. And, therefore, since they do not consume - they don't have the money, they don't have the credit, they don't have anything - then they try at least to make sense of their lives doing something different. So it's at the same time because of needs and because of values - the two things together - that's why it's expanding. And this has been in the third world for a long time, but it's different. It was survival waiting to be integrated in the system where this is a massive pull-out from the system. And it's not the same thing in the social movement. It's something different.

**MASON: It's something different - and let's be clear about that. When we see (as I've seen in my work) whole blocks of flats in Seville in Spain occupied by very poor, very poor marginalised people led by activists from the M15 Occupy Movement, that is what you're talking about. It's the expansion of that you think is crucial to the current stage?**

**CASTELLS:** This is the most visible part, but what is much more interesting for me is the diffusion of these kind of practices in large segments of the population. We have measured that in the case of Barcelona - it's about 25 per cent of the population of Barcelona - but Los Angeles, New York, we are seeing it at the same time.

**MASON: You write that the current crisis is effectively cultural. You write "the economy is - all economies are - culture". Can you just expand that?**

**CASTELLS:** If we want to work to make money, to consume, it's because we believe that by buying a new car or by buying a new television or a bigger flat, we are going to be happier. This is a particular form of culture. If, on the contrary, we say "what is really important for me?" - well, for most people what is important, statistically speaking, is love. That's the most important thing for people. But love needs time, you know. *(laughter)* You cannot make love running between two things and even less fall in love. That's why one of the most successful businesses in the world now is matching people through computer because they don't have time to meet. So people

are reversing - many people are reversing the notion that what is important in their life cannot be bought in most cases. But they don't have the choice anymore because they are already trapped in a machine. What happens when the machine is not working anymore, people say, "Well I am really stupid. I am running all the time for nonsense, and in addition they don't even pay me and they fire me."

**MASON: So the implication of that would be that if we're seeing large numbers of people hit that barrier in Western society - in consumer-based Western capitalism - and they are in increasing numbers (as found by you) switching off from that and switching on to something else, how big a change is this? Because I mean the collapse of feudalism was essentially caused by a series of moments like that - a series of 'this no longer works, I'm going to change my values'. How big is this culture change? Could it be fundamental?**

**CASTELLS:** It is fundamental because it triggers a crisis of trust in the two big powers of our world: the political system and the financial system. People don't trust where they put their money and they don't trust those who they delegate in terms of their vote. All the statistics are there. It's a dramatic crisis of trust and if there is no trust, there is no society. It's simply institutions that still try to control citizens. But the main thing is the acceptance in their minds because nothing else is possible. So what we are not going to see is the economic collapse per se because societies cannot work in a social vacuum. If the economic institutions don't work, if the financial institutions don't work, the power relations that exist in society change the financial system in ways favoured to the financial system and it doesn't collapse - people collapse, not the financial system. Then people realise two things: first, this financial system was built on completely unreliable mathematical models in fact, with the implication that we don't count there; second, when we use the institutions that we have to control the financial system, to change it, to re-equilibrate it, the notion is the banks are going to be alright, we are not going to be alright ...

**MASON: We save the banks, we let people fall.**

**CASTELLS:** Well not only that. We give the money to the bank. The banks mismanage our money, and then our politicians go and save the banks and let us down. So, therefore, there is a big cultural change - a big one - total distrust in the institutions of finance and politics. So that's the first part. Then from there, two things happen. Some people start already living differently as they can - some because they want alternative ways of life, others because they don't have any other choice. And it's the combination that's always in history of a cultural innovation by some cultural innovators with those who try this particular solution because they don't have anything. That combination is what may create a process of social change or a process of social rejection and extremism, trying to go back rather than go forward.

**MASON: Okay, you're listening to Analysis with me, Paul Mason, at the London School of Economics with Professor Manuel Castells, the sociologist who first spotted the rise of the network society. Now Professor Castells, those of us who've studied the crisis and the protest movements it's engendered are always fascinated by the fact that many of the phrases we use to describe current reality pop up in your work fifteen years ago. So I'm going to go through some of them. Let's start with the Network Society. What does it mean? Why is it different from the previous society?**

**CASTELLS: It's a society where the main activities in which people are engaged are organised fundamentally in networks, rather than in vertical organisations. The difference is very simple - network technologies. It's not the same thing to be constantly interactive at the speed of light than just simply have a network of friends and people. So all networks exist, but the connection between everything and everything - be it financial markets, politics, culture, media, communications, etcetera - that's new because of the new digital technologies.**

**MASON: So the disintegrative power of the technology comes from basically applying the network as a dynamic to much more than it was formerly prevalent in - so it's media, so it's academia?**

**CASTELLS: Exactly.**

**MASON: Yeah, right, okay. So we live in a network society. Could we reverse out of a network society? Could we go to the Keynesian world I grew up in, that you grew up in where a milkman delivered you know milk to your doorstep and where you drank in the same pub that your grandfather drank in? Can we ever go back to that?**

**CASTELLS: Can we reverse to a pre-electricity world? It's the same thing.**

**MASON: It's as simple as that?**

**CASTELLS: No we can't, right?**

**MASON: It's a one-way street?**

**CASTELLS: Although, although many people now are saying well why we don't start all over again? It's a huge movement called the de-growth movement. Some people would try to go to different forms of communal organisation, etcetera. However, the interesting thing is for the people to organise and debate and mobilise for de-growth and communalism, they have to use the internet.**

**MASON: Of course. Okay, so we know what the network society is. You also write that our societies are increasingly structured around the**

**bipolar opposition of the net and the self. This is very interesting. It makes you more than just a theorist of society. This new way of living is doing something to our minds. What is it?**

**CASTELLS:** The more we are connected to everything and everybody and every activity, the more we need to know who we are. Unless I know who I am, I don't know where I am in the world because then I am a consumer, I am taken by the market, I am taken by the media. There are all these powers that control everything. Well, fortunately, humans we resist everything. There is one basic law in humankind - is that wherever is domination, there is resistance to domination. That's the number one law. And, therefore, people decide that they are going to be different. But to do that, they have to identify themselves as individuals, as collectives, as nations, as genders - all these categories that sociologists have already constructed time ago.

**MASON:** So, for example, you wrote **I think in the mid-1990s - I'll précis it - the more somebody has a personal project of autonomy and of individuality, the more they tend to use the internet. And vice versa: the more internet use they do, the more their tendencies towards as it were self-expression and autonomy are exaggerated. Now it's fifteen years on and we've had facebook and we've had twitter and tumblr and everything. How's that changed?**

**CASTELLS:** With facebook and with all these social networks what happened is that we live constantly networked. We live in a culture of not virtual reality, but real virtuality because our virtuality - meaning the internet networks, the images - are a fundamental part of our reality. We cannot live outside this construction of ourselves in the networks of communication.

**MASON:** This is very gratifying to me. So what it means is it's my human right to sit on the sofa at home with members of my family and to text one person, tweet another, facebook with another; and when those members of my family complain that I'm being antisocial, I can say to them, well, this is irreversible, I'm afraid. Get used to it. Yeah?  
*(laughter)*

**CASTELLS:** Not only is it irreversible, but in fact you are more social. All the studies on the internet show that people who are more social on the internet are also more social in face to face.

**MASON:** But what it means for individuals is that our individuality is becoming fragmented then because as much as you say yes I'm being more social - I think the activists use the word hyper social - okay it still means those members of my family who object are getting less of me, aren't they? They're getting a fragmentary individual, a distracted, a labile personality.

**CASTELLS:** But your family are individuals too and they are very happy not to be all the time with you. *(laughter)* And actually they are also fragmented, but these fragments are autonomous, are decided by the people. The individuals reorganise their lives according to what I call their projects - meaning be it a political project, a personal project, a project for tonight - them and their projects and connecting to those that they select.

**MASON:** Now we will come to what that has meant for protest and opposition movements in a minute. But let me take you back to the research you did in Catalonia recently for the book, *Aftermath: Cultures of the Economic Crisis*. I was staggered - and this is on the basis of quite a large quantitative study - 97 per cent of the people you surveyed have engaged in what you call non-capitalist economic activity.

**CASTELLS:** Some.

**MASON:** What is it?

**CASTELLS:** Well it's about thirty, forty thousand people are engaged quite fully in alternative forms of life.

**MASON:** Thirty or forty thousand people.

**CASTELLS:** Yeah. And I differentiate between people who consciously organise their lives around alternative values with people who live normal lives but at the same time they look in many, many aspects to live differently. For instance, during the crisis one third of the Barcelona families have lent money without interest to people who are not in their family.

**MASON:** One third of Barcelona families lent money without interest to somebody who they know but they're not family.

**CASTELLS:** Exactly.

**MASON:** Okay, so we have this post-capitalist or non-capitalist, highly social and non-commercial interaction. So the old Karl Marx thing - society's reduced to a naked cash nexus - is being disintegrated by the crisis?

**CASTELLS:** Absolutely because Marx never understood about values.

**MASON:** Okay. *(laughter)* So we come to the crunch here then. Malcolm Gladwell, the theorist, is not the only person to have said this. Look, you've got these highly diverse groups. They pick and choose. They protest against subject A today, subject B tomorrow. They live lifestyle C at the same time, and then at night they're on World of Warcraft. *(laughter)* Okay, they can achieve a lot, but they couldn't have achieved

**what Martin Luther King achieved, what Castro and Guevara achieved. That's right, isn't it? We're in a different ballgame.**

**CASTELLS:** The impact on the political institutions is almost negligible because the political institutions are impervious to change. But if you look at what's happening in terms of the consciousness, at this point in the majority of countries you have people who are more supporters of these critics than against these critics. And then you have things like the huge debate of social inequality that didn't exist three years ago.

**MASON: I think I'll throw it open to the floor there. Let's hear from the person in the pink shirt there. You.**

**PACE:** My name's Richard Pace and I'm from the Occupy Movement. Hello. You spoke a lot about communication and consciousness changing. But don't you think that communication on its own can be almost disempowering because I mean what you need if you're in a movement is a tactic and some routes into the population; and on its own, communication and the ability to network, what you end up with is a really widely understood open secret as to how bad it all is but no ability to change it?

**CASTELLS:** Thank you. Well there is no way to do any tactical move without changing the parameters of power. In terms of demonstrating, not demonstrating, still, still the system is much stronger than the embryos of the movement. The only way for the movement to grow is to be the 99 per cent. And how you are the 99 per cent is not organising neighbourhood by neighbourhood - although many people do and it's good. It's really reaching the minds of the people. And you reach the minds of the people through a process of communication, and this process of communication is today fundamentally through the internet and debating. But it's not the only thing, by any means; but without transforming the minds of the people, it's impossible to move beyond the current state of minority movement.

**MASON: The problem is what do they achieve in the sense that the Occupy Movement, they speak of the 99 per cent. At the end of this year, if it goes the way we expect, they will achieve putting President Obama back into power - a man who has done more drone attacks on Afghanistan than I think the people on the Occupy streets would have liked him to do, let's put it that way. So they don't achieve anything that actually alters what those in power are actually doing. And so I bring you back to you know Mandela did, Martin Luther King did. These were hierarchical movements with a goal, a programme and a leadership. Why do we worship the spontaneity of the network protest?**

**CASTELLS:** Because people don't trust leaders anymore, but they know that this is for the long-term. It's a long process from the minds of the people to the institutions of society. Let's take an historical example. Toward the end of the 19<sup>th</sup> century in Europe, there were basically the Conservatives and the Liberals, right and left. But then something happened - industrialisation, working class movement, new

ideologies and new movements started. All this was not in the political system, was not! It took twenty to thirty years to then you have the socialists and then the split from the socialists. You have a complete ... and the liberals disappear basically.

**MASON: Are you saying to me then that we're going to see a transformation similar to that - as big as that - as to the eruption of organised labour into politics? We're now seeing the eruption of disorganised consumers and cultural practitioners into politics and eventually it will change politics?**

**CASTELLS:** It will change politics, but not through organised forms of politics in the same way. Why? Because networks are different and networks don't need hierarchical organisations.

**MASON: They don't need it but hierarchical organisations carry on and still the yachts line up outside various Mediterranean ports and the rich get off them and in the restaurants they decide more or less what's going to happen in the world. These people on the streets are completely marginalised from that, and don't you see the problem of that marginalisation?**

**CASTELLS:** Definitely, but what I'm trying to argue is that systems can only evolve peacefully when they internalise within the institutions the pressures that happen in society. When the systems block and they do not internalise the social critiques, the new values, etcetera, then the institutions are eroded. Not every revolution happens in the traditional sense of revolution - violent, etcetera. But what happens is the formation of new public opinion, the new political expressions. And that's why in democracies, all this ultimately will translate not necessarily in new political parties, but in new voting patterns, which is a different thing.

**MASON: Okay. Where's it going to end? What's your best guess about what is about to happen in the next phase of the economic and social and cultural crisis we're going through?**

**CASTELLS:** What I'm seeing is that the economic crisis is not solved. Politicians and financial leaders keep saying the crisis is over, don't worry. And it's not over and not over and we already are in the fourth year of this endless crisis; unemployment grows, social services are cut, and it looks like the only solution to the crisis is to destroy the welfare state - which in the United States, this election, Romney's programme is explicitly to destroy whatever little welfare state is in America - so it's a big offensive against that. And, therefore, the combination of this economic, social crisis of political legitimacy could provoke a joint backlash from the welfare state users, from the public sector unions, with all the new alternative movements in a very confused way with simply individuals and people who want to take control of their lives. All this together is not going to be a great electoral coalition, is not going to be any new party, any new anything. It's simply society against the state and

against the financial institutions. Not against capitalism, by the way. Against financial institutions, which is different. With all this climate what happens is that more and more our societies will become ungovernable and, therefore, we can have all kinds of phenomenon - some of them very dangerous.

**MASON: They can make it ungovernable, but unlike the trade unions or the old social democrats, they'll never be able to say, as Labour said in 1945 in this country, "we are the masters now". So they can never institute a social programme as Labour did.**

**CASTELLS:** It just happens that people don't want masters.

**MASON: Don't want masters.**

**CASTELLS:** And that at the same time is very complicated but is very interesting, right?

**MASON: Absolutely.**

**CASTELLS:** That for the first time people are saying no masters. But that's really the vanguard of the movement. Most other people want to survive - first a job. *(laughter)*

**MASON: Woman at the back there, up there.**

**HONG:** My name's Jiang Hong. I'm a sociology student at LSE. I'm from China and I feel that today's discussion is pretty much Western-centric, so I guess people leave this lecture with the impression that capitalism is on the demise, but what we observe in China is that capitalism is very much on the rise.

**MASON: And, madam, you don't think that a thousand people on strike in Foxconn and people on the streets in unauthorised and unannounced and unreported social protests are anything like a crisis?**

**CASTELLS:** Exactly.

**HONG:** They are, but not at the same scale as in the West.

**CASTELLS:** Wait.

**MASON: Absolu... You said wait, professor.**

**CASTELLS:** Well because the crisis in the terms we are living in the United States and Europe is not global. By no means. Most of the world at this point is growing, not declining, and China continues to grow and Brazil is exploding and India is continuing to grow with all the inequalities you want to include. But the real crisis in China is not economic, it's social. The rate of exploitation combined with ferocious dictatorship means that more and more there are social explosions, we have no

institutional channels, and that China is moving fast, faster than we think toward sort of constant social explosions that will destabilise the Chinese society and polity; and, therefore, the global economy - because the Chinese society is destabilised in political terms, in terms of revolts - then the entire global economy will be in turmoil.

**MASON: Last question. Madam?**

**LIBERI:** My name is Evthoxia Liberi. I am a Greek journalist. Now in Greece and other countries in Europe, it's not only seen as the left party that came stronger from this crisis; it's the far right party that comes third in the polls and that's very scary at the moment. Are we facing again, like after the thirties, a huge far right rising?

**MASON: Professor Castells, you know it wasn't networks and affinity groups that stopped fascism in the countries that it was stopped. I think that is ... That is I think the pointed way of asking that question.**

**CASTELLS:** Yeah, absolutely, it's a very important question. Well first, I don't think that the parallel with the thirties is total, but speaking about the current situation, there is a growing inability of the economic system and of the welfare state institutions to incorporate society's demands, people's needs, etcetera. Of course we'll see many expressions of alternative forms of politics which will escape the mainstream traditional political institutions, and some of them of course is going back and trying on the contrary to have a nationalistic, primitive community to attack everybody and to ultimately build a commune cut off from the world and oppress their own people. So this is happening in the Netherlands, this is happening in Norway, this is happening in Finland. It's happening in supposedly very respectable northern societies and it's to some extent happening in Germany too. But what happens in any process of disorganised, chaotic social change, there are all these phenomena co-existing and the play out of one against the other will depend ultimately if the political institutions open up enough channels of participation for the energy that exists in society for change could overcome the resistance of the dark forces that exist in all societies.

**MASON: That brings us to the end of this edition of *Analysis with Manuel Castells - author of *Aftermath: the Cultures of the Economic Crisis*. Thanks to him, thanks to the audience here - very feisty - at the London School of Economics. That's all from me, Paul Mason. Goodnight. (applause)***