#### Krešimir ŽAŽAR\*

# EXPLORING THE BRIGHT SIDE OF CONTEMPORARY GLOBAL CAPITALISM: THE PARTICIPATORY POTENTIALS OF CREATIVE ECONOMY<sup>1</sup>

Abstract. The key objective of this article is to examine certain democratization and inclusive potentials of creative economy that are ensuing from an intensive upgrowth and widespread accessibility of information and communication technologies. However, the prospect of accomplishment of these participatory potentials is intimately intertwined with several complexes of social issues. Besides the discussion about particular five sets of such social phenomena (type of education, organizational structure, attributes of socio-cultural milieu, power relations and reconciling the public interest and utilitarian economic logic), in the article the basic types of sceptical views on inclusive potentials of the scrutinized economic system are also briefly disputed. In the concluding section the assignment of social researchers to conduct an attentive inquiry into current socio-economic developments is emphasized.

**Keywords**: *creative economy, dematerialization of economy, democratization potentials, peer production, prosumer/proamatuer, social inclusion* 

#### Introduction

During recent years one of the most frequently used terms has been the word 'crisis'. Particularly in times of crisis, in public discourse the global neoliberal capitalism has been described with intensely negative prefixes and its drawbacks are highlighted: high unemployment rates, social exclusion, precarious forms of work, increasing disproportions between social strata, weakening of the social insurance system etc. The empirical data squarely indicate that income inequality in recent decades has risen; they also reveal a growing disparity between the most affluent social strata and other strata,

<sup>\*</sup> Krešimir Žažar, Teaching Assistant, Faculty of Humanities and Social Sciences, Department of Sociology, University of Zagreb.

<sup>&</sup>lt;sup>1</sup> This article is based on the paper presented at the "Economy and Society" – "Annual Meeting of Slovene Sociological Association 2014" that was held from 24th to 26th October 2014 in Bohinjska Bistrica, Slovenia.

what inevitably affects the ascending of overall social inequalities (Kus, 2012; Zalewski, Whalen, 2010; Nau, 2013; Centeno, Cohen, 2012: 319–321, 326–327; Godechot, 2011). Undoubtedly, the contemporary global capitalism generates severe flaws, and it is not my intention here to diminish them. However, the discussion about the currently dominating economic system is often one-sided in the sense that only its negative attributes are underlined. What could be the reason for such dominantly pejorative estimations!? When considering the current socio-economic state of affairs, analysts usually take the period of post WWII welfare state characterized by full employment, pension system, health insurance, system of industrial relations, strong and efficient unions etc. as a reference point. However, if this period is situated in a wider historical framework, the aforementioned circumstances represent an exception rather than a regularity (Beck, 2000: 12).

The main aim of this article is to examine possible positive traits of global neoliberal capitalism which I identify in its disposition for democratization and ensuring social inclusion of the widest categories of social actors. This potential emanates from the core attributes of the current economy, but its implementation depends on several social factors and queries. Here I will scrutinize the salient points of five complexes of issues: type of education required to participate in this economic system, desirable organizational structure, attributes of socio-cultural milieu, power relations between actors and reconciliation of the interests of the public sphere and the logic of economic instrumentalisation. Prior to this objective, I ought to depict the axial attributes of current global capitalism.

# The Emergence and Axial Attributes of Creative Economy

In the analysis of a particular issue an inevitable task is to first define the subject under consideration. However, in the case of current global neoliberal capitalism this is quite a demanding endeavour owing to the complexity of the phenomenon, as neoliberal capitalism does not represent a unitary entity, but appears in diverse variants (Triglia, 2002: 237–255; Howard, King, 2008: 194). For the purpose of this discussion I refer to *market deregulation*, *state decentralization* and *reduced state intervention in the economic sphere* (emphasis mine) as the 3 pivotal traits of the rise of neoliberalism in the last two decades of the 20<sup>th</sup> century (according to Campbell, Pedersen in Campbell, Pedersen, 2001: 1). Neoliberalism can also be conceived

<sup>&</sup>lt;sup>2</sup> This tendency has been recorded elsewhere, even in countries with a traditionally emphasized sensitivity towards social equity, like Scandinavian social democracies (Kus, 2012: 479–480; Zalewski, Whalen, 2010: 757–758, 768–769), as well as in societies with relatively powerful trade unions (Kus, 2012: 489–490).

as a political project aiming to dismantle the Keynesian socio-economic/socio-political paradigm and its specific institutional framework (Campbell, Pedersen in Campbell, Pedersen, 2001: 1–2; Centeno, Cohen, 2012: 318). Moreover, it could be comprehended as a particular, conservative discourse (Campbell, Pedersen in Campbell, Pedersen, 2001: 2) and even an ideology (Centeno, Cohen, 2012: 318).

When considering the transformations of capitalistic economy in recent decades, several processes can be analysed: as already noted, ascending deregulation and detachment from the welfare state model (Zalewski, Whalen, 2010: 760; Nau, 2013: 457); progressive financialization, thus a profound increase of the importance of the financial sector, what represents a phenomenon closely associated with a growing income inequality (Kus, 2012; Zalewski, Whalen, 2010; Nau, 2013: 438, 457; Centeno, Cohen, 2012: 319-321); increasing asymmetries of power at various levels and among diverse actors as, for instance, the shifting stance of trade unions in the postindustrial working environment attributed by a profound transformation of labour markets and employment patterns (Streeck in Smelser, Swedberg 2005: 275-278; Centeno, Cohen, 2012: 324); the socio-economic dynamics and outcomes of globalization (Kus, 2012: 48; Triglia, 2002: 237-255; Centeno, Cohen, 2012: 9) and numerous other phenomena. By leaving aside the denoted queries primarily due to confined space, here I focus on the particular aspect of transformation of capitalistic economy related to the change of its substantial basis.

A view into the inner substrate of the current economy reveals a profound shift within its core, in comparison to the type of economy typical for the period of middle 20<sup>th</sup> century dominated by the pattern of Fordist industrial capitalism. The first traces of certain transmutations were noticed in the 1960's in works of social theorists, such as Bell (1999) or Touraine (1974), who had identified changes that were postulated as the dawn of the post-industrial age. The denoted basic transformation has been marked by a radical turn from the economy where labour, physical capital and material assets represent the foundation of economic activity to the type of economy anchored in innovation, knowledge and creativity. Or to be more metaphorical, it has been the shift from the economy where hands have the crucial position to the economy where heads have the primary role (DeFillippi, Arthur, Lindsay, 2006: 6). Hence the theses on the emergence of the new form of economy are based on the inquiry of a profound dematerialization of economy.

Since 1960s a myriad of diverse conceptualizations have appeared with the intention to theoretically articulate the observed developments. Knowledge economy, information economy, economy of the third wave, learning economy, digital/weightless economy are solely few of the more affluent numbers<sup>3</sup> of the newly forged conceptual labels. Dolgin (2012: 1) advocates the notion of the new economy as a phenomenon for which a definitive name has yet to be found. Having in mind the depicted conceptual vagueness, his proposal could represent quite an appropriate tentative solution. However, the crucial analytical accent in this article is placed on the examination of *creative economy*. It is pertinent to emphasize that when referring to current global capitalism in this article, I have particularly the creative economy as a specific variant of the current global economy in mind.<sup>4</sup>

In its simplest definition, creative economy is an economy which encompasses transactions of creative products (Howkins, 2007: xiv) and a creative product represents an "economic good or service that results from creativity and has economic value" (Howkins, 2007: x). A single creative product includes an intangible and a tangible component, or value. A proportion of these two values in a particular product may vary from digital software where the intangible component dominates, to some other types of products, for example a book, within which the tangible, material component is more present. Still, these two components ought to be apprized as complementary (Howkins, 2007: xiv). The intangible component of a creative product is legally protected by the institution of intellectual property. Howkins (2007: xi-xii) distinguishes four modalities of intellectual property which represent four fundamental sectors, or basic industries of creative economy: copyright, patents, trademarks and designs. It should be underlined that the scope of creative economy is exceptionally broad. In my understanding, it comprises the entire knowledge economy or capitalism of knowledge (Leadbeater, 2004: 25) established on production, transfer and utilization of knowledge and information (OECD, 1996: 7). However, while the concept of knowledge economy is quite narrow in its emphasis on the fundamental importance of knowledge (particularly scientific), the conceptual borders of creative economy are appreciably wide-ranging, since literally any idea might basically be converted into an object of creative economy. Also culture in a general sense could be considered as part of the examined economic system. This point is effectively articulated in the concepts of cultural wealth defined as "value derived from the intangible qualities of products and services emanating in part from the perceived cultural heritage of the

<sup>&</sup>lt;sup>3</sup> In the summarized overview of theoretical approaches which consider the relation between knowledge and economic processes, Peters (in Peters, Marginson, Murphy, 2009: 1–3) indicates more than 20 concepts and corresponding inventorial list is not even complete.

<sup>&</sup>lt;sup>4</sup> The current global capitalism certainly cannot be reduced solely to creative economy since global capitalism is a complex phenomenon that also envelops other types of economic activity, i.e. those based on material, tangible assets. However, the emergence of an economy founded on creativity and on immaterial, intangible constituents denotes a tendency of development of capitalistic economy, distinctively in the most developed countries.

people engaged in their production" (Centeno, Bandelj, Wherry in Bandelj, Wherry, 2011: 26; see also Kowalski in Bandelj, Wherry, 2011: 87) and *cultural wealth of nations* (Bandelj, Wherry in Bandelj, Wherry, 2011: 2). As an individual inherently possesses the ability to invent new creative ideas, also entire communities own large stocks of cultural resources that may be utilized in economic terms like it is the case, for instance, in the branch of tourism, film industry and diverse fields of cultural production (Centeno, Bandelj, Wherry in Bandelj, Wherry, 2011).

According to Howkins (2007: ix) the axial resource of the creative economy is creativity conceived as the capacity of generating new distinctively original and meaningful ideas and inventions. However, creativity does not inherently contain economic attributes; they appear in the case when creativity is transferred to the creative product (Howkins, 2007: x). The advocates of creative economy assume that creativity, conceived as a fundamental source of economic growth and wealth (Florida, 2005: 22, 49), is principally unlimited (Florida, 2007: 34–37; Florida, 2002: xiv; Howkins, 2007: ix). They exhibit a democratic and non-exclusivist understanding of creativity according to which every person could be creative to some degree (Villalba, 2008: 15) which implies that anyone can take part in creative economy. One of the greatest challenges of current times is to find appropriate modalities for an economic utilisation of creative potentials of individuals (Florida, 2005: 4).

There are two elements of enormous importance that provide the framework within which creative economy has emerged: firstly, it is the tremendous advancement of technology<sup>5</sup>, i.e. particularly the rapid development of information and communication technology. Exactly the revolution of information technology has been crucial for the transformation of economy and it has been the key tool for a global restructuration of capitalism (Castells, 1997: 13). The second major element is the intensive process of globalization. The current capitalistic economy and consequently the creative economy is global by its scale, due to the fact that the core of economic activities has been running at the global level (Castells, 1997: 66). The broad spreading of information technologies has resulted in an emergence of networks as a supreme organizational form nowadays. Due to capabilities of computer technologies, a networked world has become reality (Cortada, 2001: 14).

However, the challenging question is whether the depicted environment of a colossally interlinked networked landscape can provide certain emancipator potentials in the field of economic activity.

<sup>&</sup>lt;sup>5</sup> For an intensely interesting examination of relation between the patterns of technological shifts and trajectories of economic development is advisable to consult Dosi, Orsenigo, Labini in Smelser, Swedberg, 2005.

## The Prospects of Economic Democratization and Social Inclusion

There are two immensely relevant implications of tremendous changes within the technological sphere (Anderson, 2008: 62-97): a) democratization of the means of production; b) democratization of the means of distribution. In the developed world nowadays there is widespread usage of personal computers which are accessible to everyone, at least principally. The personal computer represents a powerful production tool of various types of dematerialized goods. Due to user friendly and easily handled software and digital services, any individual can transform his creative ideas into digital contents of high quality since content production tools for an ordinary personal computer are getting more alike to professional tools (Tapscott, 2009: 209). And that is evident on a daily basis as many people write blogs. upload their own photos and video clips, edit computer games, movies and songs, contribute to Wikipedia etc. (Anderson, 2008: 63-67). Hence the "democratization of technological availability" (Tapscott, 2009: 209) provides vast opportunities for individuals to express their creative talents. The other important outcome of technological development is the democratization of the means of distribution. Here I refer to the Internet as a channel that allows an easy and lightning-fast flow of digital goods anywhere around the globe. Thanks to the Internet, it has become possible to avoid expensive mass market distribution channels when selling creative goods, and also marketing at very low costs has become possible (Anderson, 2008: 73–74).

The effects of the mentioned two phenomena, i.e. democratization of the means of production and distribution, are profound. Some of the following implications are articulated with the concepts of prosumer (Toffler, 1990: 11, 37–45; Tapscott, Williams, 2008: 124–150; Tapscott, 2009: 185–217) and proamateur (Anderson, 2008: 60–65). Within the new type of economy the strict demarcation line between a producer and a consumer, a professional and an amateur, has been erased. A passive consumer from the second half of the 20<sup>th</sup> century has become an active producer nowadays. Thus the sphere of production and that of consumption has become intimately intertwined (Dolgin, 2012: 12), yet conflated. Such radical redefining of the functions of traditionally two stringently distinguished realms have been articulated as a reversal from consumerism to participative "producerism" (Searls in Anderson, 2008: 64) or as an emergence of the prosumption paradigm (Tapscott, Williams, 2008: 143).

Within the reconfigured circumstances, principally any individual can take part in the process of co-creation of the widest range of products and services. People now have the opportunity "to participate in innovation and wealth creation within every sector of the economy" (Tapscott, Williams, 2008: 11) and they have been actively engaged in diverse types

of self-organized collaboration projects (Tapscott, Williams, 2008: 11). Tapscott and Williams (2008: 11) identify these phenomena as a "new mode of innovation and value creation" that denominate as peer production or peering.<sup>6</sup> Therefore these authors diagnose the "participation revolution" (Tapscott, Williams, 2008: 17), "worldwide explosion of participation" (Tapscott, Williams, 2008: 19), or an emergence of the "age of participation" (Tapscott, Williams, 2008: 11). In my opinion, the current global creative economy really opens the floor for everyone's participation. Principally, the necessary prerequisite to take part in the creative economy is to own a personal computer, a connection (desirably fast) to the Internet and creative ideas. They can be offered on Ideagoras - Internet platforms where ideas are offered on markets (Tapscott, Williams, 2008: 97-123). Such platforms mediate bidders and buyers of inventive ideas and function on an auction principle (Tapscott, Williams, 2008: 98-99).<sup>7</sup> Thus an individual can principally smoothly and without intermediates, economically avail his inventive ideas. Such extrusion of middlemen and any type of intermediary actors out of a commodity chain is conceptualized with the notion of disintermediation (Graham in Bandelj, Wherry, 2011: 223). Yet, one should be aware that the prospects of disintermediation cannot be easily attained. Quite the contrary: advanced technological devices, as the Internet, might even increase the number of mediators between producers and final consumers (Graham in Bandelj, Wherry, 2011: 231-232, 239).

Hence, the circumstances regarding this issue are far more complex. It would be somehow naive to consider technology as a magical key for the challenges of inclusion in economic processes. As information and communication technologies can represent the means of enabling participation, they can also be conceived as the origin of a new type of social inequality. This jeopardy has been discussed within the debate about *digital divide* (emphasis mine) (Korupp, Szydlik, 2005; Hargittai, 2002, 2010; Hargittai, Walejko, 2008; Gorski, 2003; Graham in Bandelj, Wherry, 2011: 227–229; Zhao, Elesh, 2007). The notion of digital divide expresses the differences between individuals, households and groups in opportunities to access and use the information and communication technology (OECD according to Korupp, Szydlik, 2005: 409; Gorski, 2003: 146–147; Graham in Bandelj, Wherry, 2011: 227) or, in other words, delineates the gap between people who do not have access to computers and the Internet (disconnected

<sup>&</sup>lt;sup>6</sup> According to Tapscott and Williams (2008: 20–30; 212) the four axial principles of the mass collaboration epoch are: openness, peering, sharing and acting globally.

<sup>&</sup>lt;sup>7</sup> Ideagoras appear in two basic variants: a) solutions in search of questions; b) questions in need of solution. These variants are founded on a diametrical logic: while the former represents a modality of offering yet unutilized ideas to a potential investor, the latter includes unanswered queries that ought to be resolved (Tapscott, Williams, 2008: 102–108).

persons) and those who are on-line (connected) (Hargittai, 2010: 92, 2002). The problem of admission to information and communication technological indicates the first level digital divide (Korupp, Szydlik, 2005: 409; Zhao, Elesh, 2007: 174, 177-178), while the term second level of digital divide relates to the variations in on-line skills and efficiency in using advanced technology, primarily the Internet (Hargittai, 2002; Zhao, Elesh, 2007: 174; Korupp, Szydlik, 2005: 409). Research studies considering the latter reveal remarkable differences between Internet users in their skills and modalities of usage regarding diverse variables among which socio-economic background, gender and ethnic origins have been notably relevant (Hargittai, 2010: 108). Socio-economic backgrounds expressed as parental schooling degree was also unfolded as a significant factor in producing and distributing creative content on-line (Hargittai, Walejko, 2008). Another aspect of the digital divide is the division "between those who have access to valued social networks with significant social capital and those who do not" (Zhao, Elesh, 2007: 174). This phenomenon, denominated as "second digital divide" (Zhao, Elesh, 2007), refers to the ability of establishing communication with certain people in virtual environment that might lead to some benefits. As it is the case in real world relationships, the perspective of the development of an acquaintance depends on the actor's social position (Zhao, Elesh, 2007: 175). Hence the second digital divide patterns indeed resemble the yet existing stratification structures and achieved levels of social capital in the off-line world (Zhao, Elesh, 2007: 185). That means that the uttermost benefits of the Internet extract people that already precede favourable social positions (Haythornthwaite, Wellman according to Zhao, Elesh, 2007: 182). Exactly this point is emphasized by Gorski (2003), who argues that the digital divide or digital privilege represents only a symptom of a deeply rooted system of social inequalities that have been mirrored, recycled and reproduced in a new on-line form. Any attempt to dismantle the digital divide, hence, ought to be addressed at that deep structural level (Gorski, 2003: 170-172). Thus Gorski's position indicates that information and communication technologies not only reflect the yet extant inequalities from real social relations into the virtual sphere, but might even deepen the gap.

Albeit I have not depleted the examination of all the aspects of the inclusive and democratization potentials of creative economy, I have underlined the crucial points of this issue. Therefore, not entirely without hesitancy indeed, I can conclude this section with the statement that the creative economy principally enables all members of society to participate in it. The mandatory emphasis here is on the notion *principally*, as I have just admonished that current social circumstances suggest a different picture and reveal austere flaws. Therefore, the general promise and anticipation of creative

economy may sound too idealistic. As I have just annotated, it would be quite naive to believe that this kind of economy is without grievances and obstacles. The prospects of democratization and inclusion potentials of creative economy are closely intertwined with various social issues and challenges that ought to be overcome. With a remark that the list of social issues that implies this debate is even larger, I will underline some essential ones related to five queries examined in the following section.

# Social Obstacles and Challenges in Unfolding of the Participatory Potentials

# The Query of an Adequate Type of Education

One of the crucial questions strictly related to the successful implementation of any type of economy is the issue of an education. At a time when the inhabitants of the (most) developed societies are immersed in a vast sea of information, the question arises whether the existing educational system could adequately respond to the mentioned challenge? Without delay Tapscott would promptly provide a negative answer, since in his opinion the current educational system is suited to the needs of industrial economy (Tapscott, 2009: 122), and schooling, indeed, is a mass production idea (Gardner according to Tapscott, 2009: 139). In altered socio-economic circumstances, such an educational paradigm has become obsolete and there is a necessity to invent more individualized approaches and interactive and collaborative models of education (Tapscott, 2009: 139, 122). This line of argumentation is also held by Carnoy (2000: 13), who advocates the concept of integrative knowledge, which underlines the requirement for an education of a wide scope that would enable individuals to successfully participate in the current global environment. The readiness for permanent change, constant learning and improving performance is contained in the concept of 'self-programmable labour' (Castells, 2001). The type of a worker capable to adapt to transformed conditions and to re-program himself to completely new sets of tasks has acquired axial relevance nowadays while the 'generic labour', specific to the industrial age, has become outdated and could be literally substituted with a machine (Castells, 2001).

It is important to emphasize that taking part in the creative economy does not obligatorily presuppose a certificate of an obtained academic (or in general educational) degree. Even people without formal education can be equal players in creative economy. More than an achieved certificate, it requires original ideas and knowledge about how to turn these ideas into utilisable economic products.



#### The Favourable Organizational Architecture

The successful fulfillment of inclusive disposals of creative economy depends on the implementation of a new organizational logic. This change, actually, has already appeared as the paradigm shift from the vertical hierarchies to a horizontal (lateral) type of organization. While the former are inherent to the industrial age, the latter are attributive to creative economy. Such organizational design is also characteristic of knowledge production organizations (Gibbons et al., 1994). This horizontal organizational pattern, most effectively displayed as a network structure, has been substituting the old vertical hierarchical organization.

Within an intensely dynamic global economic system, a traditional command-and-control style of management and organizational logic is manifested as ineffective since it is not suited for the current economic environment. Agility and flexibility is detected as a competitive advantage of smaller firms (Cortada, 2001: 22) as such organizations are capable of quickly responding to a fast changing environment. In comparison with old style corporations based on fixed sets of acts, new institutional architecture functions on different principles<sup>8</sup> (Senett, 2006: 49, 50).

Such tendencies have apparently deployed the network as a dominant organizational form today. Moreover, social networking is conceived as a new mode of production (Tapscott, 2009: 211). Despite the fact that networks in this moment are specific primarily to creative sectors, Tapscott (2009: 211) predicts the broadening of network's architecture to the sector of production of physical goods as well.

It is apparent that vertical types of organizations have become inventories of the past. The dawning of an epoch of networks and horizontal shapes of organization characterized by peering relations has become evident.

#### The Socio-cultural Prerequisites

The conduction of economic processes is under the appreciable impact of dominant cultural patterns. In the light of this discussion, the question of a cultural framework that would enhance the creative economy inevitably arises. A valuable approach to this issue can be found in the concept of knowledge cultures which "are based on shared 'practices of epistemic communities' and they embody culturally preferred ways of doing things, often developed over many generations" (Peters in Peters, Marginson, Murphy, 2009: 62). With this innovative concept Peters (in Peters, Marginson, Murphy,

<sup>8</sup> Causalization, delayering, non-linear sequencing, according to Senett (2006: 47–50), are principal attributes of a new organizational design.

2009: 62) intends to express that prior to an emergence of an economy and a society based on a knowledge production – what I consider also valid for other forms of creative expressions – certain cultural conditions ought to be met. As eligible conditions that favour the nurturing of production and dissemination of knowledge and other creative forms are conceived those which include trust, reciprocal rights and responsibilities, as well as certain institutional regimes and strategies (Peters in Peters, Marginson, Murphy, 2009: 62).

Among the denoted advisable traits, I would like to accentuate the importance of trust that has been stipulated as a mandatory requirement for the cooperation among actors within the discussed economic system. In more codified sociological terminology, this can be expressed as a high level of social capital.

In times of progressive individualization and flexibilization of work, the immediate social environment has also been faced with new challenges. A job typical for the industrial age has been disappearing with its social functions in forms of groups centred around a working place or membership in a trade union, so that a public safety network has been shrinking (Carnoy, 2008: 5, 8). This phenomenon brings us back to the aforementioned proposition of the importance of attainment of proper levels of social capital.

#### The Relations of Social Power

The issue of inequalities has remained one of the urgent social questions nowadays. Currently, the inequality is manifested in diverse facets, one of which is the asymmetrical relation in the distribution of social power. The attainment of a certain balance on the level of distribution of social power by elevating the power of 'small players' and those completely excluded can be conceived as one of the greatest potential yields of creative economy. The current state of affair is aloof from the denoted balance. Quite contrary, the distribution of income within the creative sector is markedly skewed. The majority of creative workers have low wages in comparison to the very few rarely rewarded individuals (Towse, 2002). In the creative sector a tendency of forming oligopolies has been recorded (Towse, 2002). Instead of being the means of establishing more equal relations within the economic field, these insights indicate a presence of an asymmetric pattern in income distribution, as well as a tendency of concentration of power in favour of big companies.

However, such tendencies could be reversed due to the advantages of information and communication technologies. A creative individual can shape ideas on his personal computer into a creative marketable product and – here I would like to underline a critical point – to distribute it directly

to the customers via the Internet, despite the fact, as was previously indicated, that the possibility of disintermediation is not always availed. Owing to the Internet, it has become possible to reach buyers directly and avoid mediation of distributing companies (Tapscott, Williams, 2008: 138–139). Contemporary technology enables the instant transfer of information among individuals, bypassing any intermediary in the communication process (Dolgin, 2012: 21). Hence the power relations could be reversed. Such upheaval has already appeared in the relation between selling companies and consumers. As buyers can gather different information about a particular product or service, their negotiating position has improved and sellers are compelled to provide more sophisticated products and enhanced service for more convenient prices (Tapscott, 2009: 195).

#### Balance between Economic Utility and Public Interests

Considering the question about the status of creative products regarding copyright protection, two completely contradictory positions could be taken, with a mere continuum of convergent attitudes aimed at reconciling the two confronted logics. On the one hand, there is a standpoint which insists that the creative product is an economic good which ineluctably requires a financial reward and that the creative worker ought to obtain a deserved salary for the invested work and time. The opposing position is that of awe that such commercialization of creative work would result in negative social impacts. Opponents of the idea of commercial utilization of creative work argue that putting creative products on a market would mean that only affluent people would be able to afford them. Such exclusivist treatment would in the end attenuate democratic potentials and amplify social exclusion.

In juridical categories, the denoted tension strives to be overbridged with a fair use doctrine, as an effort directed to unify the need for financial reward to an author and public free access to creative contents (Towse, 2002; Venturelli, 2001). I completely agree with Towse (2002) that within the current digital environment certain legislative mechanisms corresponding to the fair use doctrine ought to be elaborated, and I also find the proposal for establishing a supranational regulatory framework that would ensure cultural and creative participation appropriate (Venturelli, 2001).

#### Critical Considerations

Hitherto I have scrutinized attributes of creative economy with particular emphasis on its democratization and inclusive potency and have examined some social issues that need to be overcome in order to seize



those promises. It could be said that I have primarily explored bright side of creative economy. However, this economic system has been faced with different types of critical objections. Since the main objective here has been to analyze the positive aspects of creative economy, I will not conduct a narrow analysis of the critical observations, but outline the basic types of objections focused notably on peer production, or the mass collaboration concept which lies at the core of the creative economy logic. By referring to overviews of more frequent criticisms exposed by Tapscott and Williams (2008: x-xii) and Peters (in Peters, Marginson, Murphy, 2009: 8-13) I have extracted six types of critical considerations: 1) peer production represents a form of unpaid labour and exploitation of prosumers (volunteers), and thus signifies an increase of precarious forms of labour; 2) the idea of sharing intellectual property declines property rights and deprayes a legitimate possibility of gaining profit; 3) the concept of peer production provides a distorted image or "idealistic and unrealistic view of capitalism" (Fuchs according to Peters in Peters, Marginson, Murphy, 2009: 10); 4) the peer production concept bears certain ideological connotations; 5) aesthetic concerns - an estimation that widespread access to the public sphere has undermined cultural and media standards; 6) queries and certain suspicions about the real effects of creative aptitudes of large collective entities. While the latest two types of critical objections are articulated from an elitist position, and I do not agree with them, nor find them considerably severe, the others are really austere and one should have them in mind. However, it is pertinent to note that the first two are directly contradictory. While some critics argue that peer production, and thus creative economy, represents a subtle form of neoliberal capitalist exploitation, others claim that it ravages its fundamental logic. Similarly, the objections about the ideological character of the examined concept are radically opposite.

More austere concern is related to the aforementioned issue of digital divide and recorded flaws in accessing and efficient usage on communication and information technologies. This obstacle suggests that technology is not by itself sufficient prerequisite for ensuring participation on the widest scale. However, in my opinion, it possesses an inherent disposition to alleviate this phenomenon and provides the opportunity that could mitigate the current patterns of economic inequality and social exclusion. This possibility is literally epochal, and can be barely compared with any situation in human history so far, as computers represent a powerful productive and communicative tool that may enable the participation on the widest scale. Whether this opportunity will be seized depends on a broad scope of social factors. Hence, the configuration of creative economy is not determined in advance, but its utter form depends on the impact of several social issues, some of which were analyzed in the previous section.

## **Concluding Remarks**

The emerging socio-economic environment entails specific issues and challenges, but it simultaneously provides new opportunities. The most liable venture is to convert challenges into advantages in order to overcome flaws of the current socio-economic system and gain high level of social inclusion and participation of an individual in economic processes, as well as in other realms of society and enhance social cohesion. The basic intention in this article has been to evince that current global capitalistic economy, at least in the shape of creative economy, contains such promises. These promises emanate from the intensive development and expansion of information and communication technology. Owing to an (almost) overall accessibility of technological devices, there is a possibility to reconfigure the current power relations among social actors. However, the realization of democratization of inclusive potentials of the creative economy depends on an extensive set of social factors and attributes of the wider social milieu, and the capability to truly enable the overall access to advanced technology, as well as to provide equal opportunities for its efficient usage.

There are also certain critical considerations and sceptical views directed to the optimistic interpretations of inclusive perspectives. These objections claim that creative economy represents only an extension of the yet existing logic of capitalistic relations and a new subtle form of exploitation. Particularly some of the objections are austere, and I do not intend to mitigate their seriousness. Certainly, what can be conceived as an opportunity can be simultaneously conceived as a menace. However, luckily the opposite direction is also entirely open and I would prefer to take such a point of view. The crucial challenge of current times is to find suitable modalities to convert possible dangers into advantages.

The liable task of social scientists is to help to unfold these potentials. Due to implementing the denoted mission, the assignment of social researchers is to attentively scrutinize current developments in various realms of society. Once certain social processes have been adequately comprehend, the gained scientific insights could represent a basis for concrete policy recommendations aimed at making the current global capitalistic economic system more democratic and inclusive.

#### **BIBLIOGRAPHY**

Anderson, C. (2008): The Long Tail. Why the Future of Business is Selling Less of More. Hyperion e-book.

Bandelj, N., Wherry, F. F. (2011): Introduction: An Inquiry into the Cultural Wealth of Nations, In: Bandelj, N., Wherry, F. F. (eds.), The Cultural Wealth of Nations. Standford: Standford University Press. pp. 1–20.



- Beck, U. (2000): The Brave New World of Work. Cambridge (UK), Malden MA (USA), Oxford (UK): Polity Press.
- Bell, D. (1999): The Coming of Post-Industrial Society: A Venture in Social Forecasting. New York: Basic Books.
- Campbell, J. L., Pedersen, O. K. (2001): Introduction The Rise of Neoliberalism and Institutional Analysis, In: Campbell, J. L., Pedersen, O. K. (eds.), Neoliberalism and Institutional Analysis. Princeton: Princeton University Press. pp. 1–23.
- Carnoy, M. (2000): Sustaining the New Economy. Work, Family, and Community in the Information Age. New York/ Cambridge, Massachusetts London, England: Russell Sage Foundation / Harvard University Press.
- Castells, M. (1997): The Rise of the Network Society. Malden, Massachusetts (USA) / Oxford (UK): Blackwell.
- Castells, M. (2001): The Internet Galaxy, Reflections on the Internet, Business and Society. Oxford: Oxford University Press.
- Centeno, M. A., Bandelj, N., Wherry, F. F. (2011): The Political Economy of Cultural Wealth of Nations, In: Bandelj, N., Wherry, F. F. (eds.), The Cultural Wealth of Nations. Standford: Standford University Press. pp. 23–46.
- Centeno, M. A., Cohen, J. N. (2012): The Arc of Neoliberalism. The Annual Review of Sociology, 2012, 38: 317–340.
- Cortada, J. W. (2001): 21st Century Business. Managing and Working in the New Digital Economy. Prentice-Hall Inc.
- DeFillippi, R. J., Arthur, M. B., Lindsay, V. J. (2006): Knowledge at Work. Creative Collaboration in the Global Economy. Malden, MA (USA) / Oxford (UK) / Carlton, Victoria (Australia): Blackwell Publishing.
- Dolgin, A. (2012): Manifesto of the New Economy. Institutions and Business Models of the Digital Society. Heidelberg, Dordrecht, London, New York: Springer.
- Dosi, G., Orsenigo, L., Labini, M., S. (2005): Technology and the Economy, In: Smelser, N. J., Swedberg, R. (eds.), The Handbook of Economic Sociology. Princeton, Oxford / New York: Princeton University Press / Russell Sage Foundation. pp. 678–702.
- Florida, R. (2002): The Rise of the Creative Class. New York: Basic Books.
- Florida, R. (2005): Cities and the Creative Class. New York: Routledge.
- Florida, R. (2007): The Flight of the Creative Class. New York: Harper Collins.
- Gibbons, M., Limoges, C., Nowotny, H., Schwartzman, S., Scott, P., Trow, M. (1994): The New Production of Knowledge. The Dynamics of Science and Research in Contemporary Society. London - Thousand Oaks - New Delhi: SAGE Publications.
- Godechot, O. (2011): Finance and the Rise in Inequalities in France. PSE Working Papers n2011–13. 2011. <a href="https://halshs.archives-ouvertes.fr/halshs-00584881/document">https://halshs.archives-ouvertes.fr/halshs-00584881/document</a> (Retrieved: June 5, 2015)
- Gorski, P. C. (2003): Privilege and Repression in the Digital Era: Rethinking the Sociopolitics of the Digital Divide. Race, Gender & Class, Volume 10, No. 4: 145-176.



- Graham, M. (2011): Cultural Brokers, the Internet and Value Chains, In: Bandelj, N., Wherry, F. F. (eds.), The Cultural Wealth of Nations. Standford: Standford University Press. pp. 222–239.
- Hargittai, E. (2002): Second-Level Digital Divide: Differences in People's On-line Skills. First Monday, Volume 7, Number 4 1 April 2002.
- Hargittai, E. (2010): Digital Na(t)ives? Variation in Internet Skills and Uses among Members of the "Net Generation". Sociological Inquiry, Vol. 80, No. 1: 92–113.
- Hargittai, E., Walejko, G. (2008): The Participation Divide: Content Creation and Sharing in the Digital Age. Information, Communication & Society, Vol. 11, No. 2: 239–256.
- Howard, M. C., King, J. E. (2008): The Rise of Neoliberalism in Advanced Capitalist Economy. Houndmills, Basingstoke, Hampshire / New York: Palgrave Macmillan.
- Howkins, J. (2007): The Creative Economy How People Make Money From Ideas. London: Penguin Books.
- Korupp, S., Szydlik, M. (2005): Causes and Trends of the Digital Divide. European Sociological Review, Volume 21, No. 4: 409–422.
- Kowalski, A. (2011): When Cultural Capitalization Became Global Practice, In: Bandelj, N., Wherry, F. F. (eds.), The Cultural Wealth of Nations. Standford: Standford University Press. pp. 73–89.
- Kus, B. (2012): Financialisation and Income Inequality in OECD Nations: 1995–2007. The Economic and Social Review, Vol. 43, No. 4: 477–495.
- Leadbeater, C. (2004): Living on Thin Air. In: Webster, F. (ed.), The Information Society Reader. London New York: Routledge.
- Nau, M. (2013): Economic Elites, Investments, and Income Inequality. Social Forces, 92(2): 437-461.
- OECD (1996): The Knowledge-based Economy. Paris.
- Peters, M. A. (2009): Introduction: Knowledge Goods, the Primacy of Ideas and the Economics of Abundance, In: Peters, M. A., Marginson, S., Murphy, P. (eds.), Creativity and the Global Knowledge Economy. New York: Peter Lang Publishing. pp. 1–22.
- Peters, M. A. (2009): Education and the Knowledge Economy, In: Peters, M. A., Marginson, S., Murphy, P. (eds.), Creativity and the Global Knowledge Economy. New York: Peter Lang Publishing. pp. 51-69.
- Senett, R. (2006): The Culture of the New Capitalism. New Haven, London: Yale University Press.
- Streeck, W. (2005): The Sociology of Labour Markets and Trade Unions, In: Smelser, N. J., Swedberg, R. (eds.), The Handbook of Economic Sociology. Princeton, Oxford / New York: Princeton University Press / Russell Sage Foundation. pp. 254–283.
- Tapscott, D. (2009): Grown Up Digital. How the Net Generation is Changing your World. McGraw Hill.
- Tapscott, D. Williams, A. D. (2008): Wikinomics. How Mass Collaboration Changes Everything. Expanded Edition. Penguin Group.



- Triglia, C. (2002): Economic Sociology. State, Market, and Society in Modern Capitalism. Oxford / Massachusetts: Blackwell Publishers.
- Toffler, A. (1990): The Third Wave. New York: Bantam Books.
- Touraine, A. (1974): Post-industrial Society. London: Wildwood House Ltd.
- Towse, R. (2002): Copyright and Cultural Policy for the Creative Industries. In: Grandstrand O. (ed.) Economics, Law and Intellectual Property. Kluwer Academic Publishing.
- Venturelli, S. (2001): From the Information Economy to the Creative Economy: Moving Culture to the Center of International Public Policy. GIA Reader, Vol 12, No 3, Fall 2001, Center for Arts and Culture, Washington D.C.
- Villalba, E. (2008): On Creativity. Towards an Understanding of Creativity and its Measurements. European Commission Joint Research Centre.
- Zhao, S., Elesh, D. (2007): The Second Digital Divide: Unequal Access to Social Capital in the Online World. International Review of Modern Sociology, Vol. 33., No. 2: 171–192.
- Zalewski, D. A., Whalen, C. J. (2010): Financialization and Income Inequality: A Post Keynesian Institutionalist Analysis. Journal of Economic Issues, Vol. XLIV, No. 3: 757–777.



competition produces subjects that are subordinated to entrepreneurial logic. The logic of building and managing the city is thus also the subject of neoliberal demands manifested in accelerated gentrification, financialised construction, investments in mega-projects and administration of the city according to entrepreneurial logic. Construction in space is more and more perceived as an investment which must have a return in the form of tax income or increased consumption. The city, its construction and management are becoming an essential part of the reproduction of capitalism and neoliberal social relations.

**Keywords**: neoliberalism, urbanism, regulation of the economy, city, production of subjects

UDK: 330.342:316.42

Krešimir ŽAŽAR: RAZKRIVANJE SVETLE STRANI SODOBNEGA GLOBALNEGA KAPITALIZMA: PARTICIPATIVNI POTENCIALI KREATIVNE EKONOMIJE

Teorija in praksa, Ljubljana 2015, letnik LII, št. 3. str. 494-510

Glavni namen tega članka je preučiti demokratičen in vključujoč potencial kreativne ekonomije, ki temelji na intenzivni rasti in razširjeni dostopnosti informacijskih ter komunikacijskih tehnologij. Toda možnosti za realizacijo tega participativnega potenciala so tesno povezane z nekaj sklopi socialnih vprašanj. Poleg razprave o petih sklopih socialnih fenomenov (tip izobraževanja, organizacijska struktura, značilnosti socialno-kulturnega miljeja, odnosi moči in usklajevanje javnih interesov ter utilitarne ekonomske logike) v članku razpravljamo še o temeljnih tipih skeptičnih odzivov na inkluziven potencial analiziranih ekonomskih sistemov. V sklepnem delu poudarjamo nalogo družboslovcev pri skrbnem raziskovanju sodobnega socialno-ekonomskega razvoja.

Ključni pojmi: kreativna ekonomija, dematerializacija ekonomije, demokratski potenciali, kolegialna proizvodnja, prorabnik/proamater, socialna vključenost



Reproduced with permission of the copyright owner. Further reproduction prohibited without permission.

