

Geoff Mulgan on the rising tide of information

Brain Wave

Alvin Toffler is arguably the world's leading public intellectual. Every 10 years he publishes a weighty tome about social life, the universe and everything, which then proceeds to sell by the bucket throughout the world. Each is a wild mix of anecdote, sweeping generalisation and nuggets of pure insight, on everything from technology to sexuality, the new firm to the new world order, all in a breathless torrent.

1991's offering is **Power Shift** (Bantam Press, hbk £16.99), a suitably fat successor to 1980's *The Third Wave* and 1970's *Future Shock*. Like its predecessors, it is structured around a simple thesis - in this case, that information and knowledge are setting in motion a profound shift in the nature and location of power. Unlike them it is marked by surprising uncertainty. Where the Toffler of *The Third Wave* was confident about the future, albeit with the 'smokestack' politicians and institutions of the second wave of mass society in its way, this Toffler is hesitant, fearful of violence, repression, global instability and the yearnings for a new Dark Age.

More than in previous works, his still-traceable marxism (he was once a trotskyite) keeps him one step away from 'gee-whiz' futurology. He starts, for example, by castigating the absence of power from the economists' models: instead, 'from the day the first palaeolithic warrior smashed a rock into a small animal, violence has been used to produce wealth'. Much of the book then proceeds to detail the new forms of economic power, from the Yakuza to the electronic networks which undermine the power both of the state and the banks.

But economic power no longer resides in the material world. The crude belief that a service economy is nothing more than McDonald's writ large is correctly dismantled. Manufacturing remains a significant force, but with an ever-decreasing share of the workforce. The old idea that manufacture is

macho, hardheaded, practical, realistic, while production of knowledge is effeminate, is shown to be disabling.

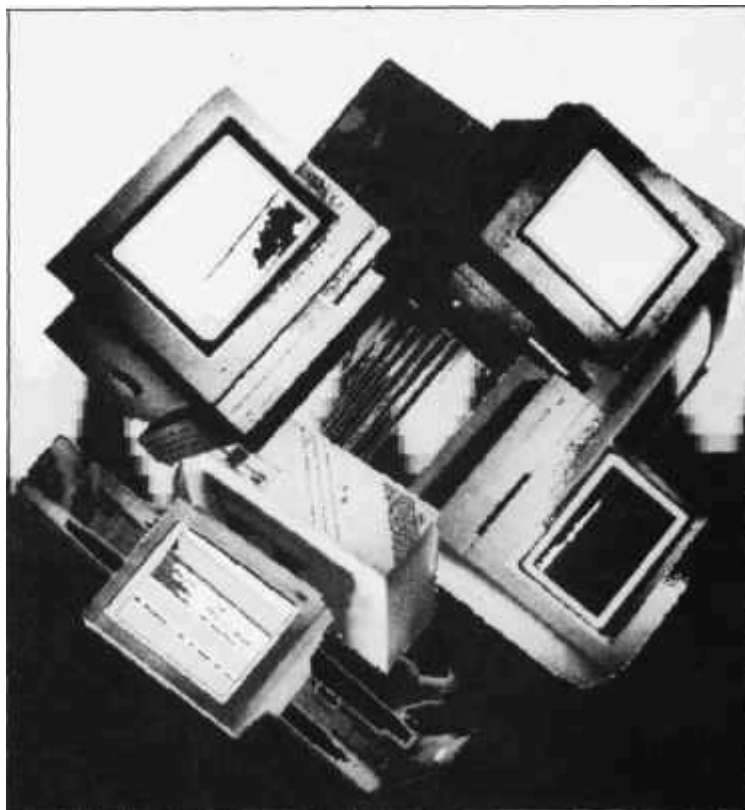
Instead, he argues, the proletariat becomes a cognariat, working with symbols. The key questions about jobs in both offices and factories now concern 'how much of the job entails information processing... it is, what level of abstractions is involved, what access the person has to the central data bank and management information system, and how much autonomy and responsibility the individual enjoys'.

An informational economy has peculiar characteristics. Value no longer comes from capital or the worker (as in neo-classical or marxist economics) but from the system that puts everything together. Crucially, too, in Michael Milken's words, 'human capital has replaced dollar capital'. Unemployment is no longer an effect of demand. Instead, in an open world economy, unemployment is more likely to be genuinely structural, a problem of an underskilled workforce in an economy that demands highly socialised and trained labour.

The need for informational flexibility undermines old organisational structures: 'ad hocery' takes over as leaders seek to bypass hierarchies. New informational strategies of leaking, blowback (planting stories in the foreign press), and tidal waves (which drown opponents in useless information) become central to the craft of political life. The same is true of the control of statistics through manipulation and massage, whether of GDP, unemployment or body counts. Those who are technically illiterate find themselves unable to 'work the system'.

Large political conflicts do take on informational overtones. Toffler interprets Iran-gate as, ultimately, a conflict between the presidency and Congress over information: being informed is essential for either to control foreign policy.

If capitalism is on a head-long cascade into a new



world, socialism, he says, 'collided with the future', let down as much as anything by its failure to understand information and organisation, its doomed attempt to apply the modes of engineering to thought, and its obsession with hardware rather than software. Where Marx turned Hegel on his head to create historical materialism, Toffler argues, history turned Marx on his head as the informational determines the material.

But if socialism has collided with the future, capitalism too faces its own fair share of phantoms, many of them internally generated. One is the disruption of rational decision-making about the crucial problems facing the world caused by the circulation of false realities and massaged information. Another is the global financial system, since 'building a single completely open financial system, subject to minimal regulation, is like building a supertanker without airtight compartments... a single hole in the hull can sink the tanker'.

Meanwhile, the rise of 'a new kind of economy...

threatening to many, demanding rapid changes in work, life-style and habits, hurls large populations terrified of the future into spasms of diehard reaction... instead of the much-touted end of ideology, we may, in both global and domestic affairs, see a multiplicity of new ideologies spring up... instead of President Bush's famous thousand points of light we may well face a thousand fires of fury.' As the Middle East burns under a potent combination of Western information technology and chemical 'ordinance', the benign third wave may now be being drowned in a less benign fourth or fifth wave.

Toffler is widely reviled. He is the populariser and jack of all trades par excellence, intensely vulnerable to the scorn of the experts, and to people who wouldn't be seen dead reading the kind of book that is piled high in airport bookshops. Yet here, in his uncharacteristic hesitancy, the penetrating and infuriating Alvin Toffler is probably as good a reflection of the 1990s as anyone else.