

## The End of the Middle



Farid Tabarki

# **The End of the Middle**

*What a Society of Extremes Means for People,  
Politics and Business*

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Research and text contribution: Rindert de Groot, Amsterdam

Cover design: Pankra, Den Haag

Lay-out and DTP: Bert Holtkamp, Groningen

Photo author: Binh Tran, Amsterdam

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# Table of Contents

<b>Foreword</b>	<b>7</b>
<b>A liquid revolution</b>	<b>11</b>
What the Pope and Lady Gaga can teach us about decentralisation and transparency	
<b>Gigantic innovation</b>	<b>33</b>
On technological development, robots and disruptive progress	
<b>Big Brother sells you out</b>	<b>57</b>
On information, big data and privacy	
<b>The diopticon</b>	<b>77</b>
A new view of social relations	
<b>The Swimming Certificate</b>	<b>109</b>
A proposal for a different approach to education and learning	
<b>Work and value</b>	<b>131</b>
What the end of the middle entails for employees and entrepreneurs	
<b>The melting diamond</b>	<b>161</b>
The end of the middle is the beginning of new power relations	
<b>Talent spotting</b>	<b>179</b>
On management, self-leadership and new forms of capital	
<b>Afterword</b>	<b>199</b>
<b>Acknowledgements</b>	<b>205</b>
<b>About the author</b>	<b>207</b>
<b>Notes</b>	<b>209</b>
<b>Index</b>	<b>221</b>



# Foreword

*Standing in the middle of the road is very dangerous:  
you get knocked down by traffic from both sides.*

Margaret Thatcher

There's a cool video on YouTube of a boy tipping a pan of boiling water off the balcony of a seventh-floor flat. But no one gets hurt: before the water can hit the ground, it's turned to snow. We are in Siberia, and the song 'Troika' by Dutch poet and cabaret artist Doctorandus P is comes to mind: 'We're driving our troika through the forests vast and old / It's thirty below zero, it is winter and quite cold.' Between the seventh floor and the ground, the water goes through a 'phase transition', changing from a liquid to a solid. The transparent liquid becomes a white powder.

The society in which we live is also going through such a phase transition, but the other way around. Clearly defined structures are making way for a new order that will allow us human beings to move much more freely. A rigid form is giving way to fluidity.

Luckily, unlike the unfortunate characters in Doctorandus P's cruel song, who get tossed out one by one to keep the pursuing pack of hungry wolves at bay, when I travelled through Siberia it wasn't in a troika. I used a more modern (yet also timeless) mode of transport: the deservedly leg-

endary Trans-Siberian Railway. The journey takes forever. To quote the song again, 'While the wolves devour me my mind wanders astray / Yes, Omsk is a lovely town, but just too far away'. During the endless ride, you get to know your fellow passengers pretty well. The *konduktorska* serves tea from a samovar, but to liven up the cultural exchange a little more you take some vodka along too. If you didn't, someone in your compartment certainly will have.

All the way into Siberia, computers and the connections between them are rearranging society. To use my analogy: society is being transformed into a liquid. These developments are pumping so much energy into our system that we sense the vibration all around us. In relation to the organisation of people and knowledge, the traditional, rigid forms of institutions and organisations are increasingly making way for the more liquid, transparent nature of the network. This is exactly what molecules do when they warm up.

The industrial age of Henry Ford and Frederick Taylor with their conveyor belts and rigidly planned companies, the leading form of (commercial) organisation throughout the twentieth century, from the USA to the Soviet Union, is over, for good. We will have to come out of our offices and (literal and figurative) cubicles and break our habit of thinking in hierarchies.

The great thing about the liquid society - also referred to by Polish-British sociologist and philosopher Zygmunt Bauman as 'liquid modernity', is that you don't have to be a Ford or a Taylor to change the world. Anyone can do it, from behind his or her computer and within his or her own network. This has already led to companies with twelve employees being valued in the billions (like Instagram) and turning entire sectors upside down thanks to a flexible platform (like Airbnb in the hotel sector and Uber for taxis). The establishment of politics and government are also slowly starting to thaw: citizens and *the powers that be* are now just one click

away from one another and are finding one another with ever greater ease.

For a long time, our society was like a pyramid: made out of stone, with a hierarchical structure and a clear stratification into top, middle and bottom. In the liquid society, the pyramid is melting, while its layers are dissolving and joining together.

I am interested in what this liquid society means for the people who traditionally occupy the middle: the travel agent, the shopkeeper, the hotelier – but also the civil servant, the manager and the teacher. The organisations and institutions in the middle are also feeling the force of these changes: from big players in manufacturing to national governments.

One thing becomes very clear as you sit in that Russian train, watching all those decaying industrial sites slide by: all institutions come to an end. Nothing lasts forever. Again in Bauman's words: the only certainty is uncertainty.

One branch of the Trans-Siberian Railway ends in China, where 'may you live in interesting times' is a well-known curse. I see this a bit differently: even though it can be very tiring to have to keep on reinventing yourself, it is also fascinating. And with sufficient inspiration from a good book, a journey and good conversation – whether over a cup of tea or a glass of vodka – it can be a hugely enjoyable trip.

*Na zdorovie.*



# 1

## A liquid revolution

### What the Pope and Lady Gaga can teach us about decentralisation and transparency

*In this chapter, I start off in Rome. The Pope and Lady Gaga are both superstars, and turn out to be quite similar in some unexpected ways. I use the terms 'radical decentralisation' and 'radical transparency' and show how these developments are threatening the existence of the middle, or at least forcing it to reinvent itself. Smart platforms are taking the place of the intermediaries of old, and different roles are being combined. Consumers are becoming prosumers; guests are becoming hoteliers. These developments, driven by social and technological changes, are leading to a liquid society. They are so far-reaching we can see them as a revolution.*

*A revolution is not a trail of roses. A revolution is a fight to the death between the future and the past.*

Fidel Castro

## **Crushed by a giant**

I was staring eternity in the face: above me the enormous dome, clearly intended to make all those who gaze up at it feel small. The architect succeeded in his plan. TV ES PETRVS ET SVPER HANC PETRAM AEDIFICABO ECCLESIAM MEAM. TIBI DABO CLAVES REGNI CAELORUM I read, while slowly rotating – ‘You are Peter and upon this rock I shall build my Church. To you I give the keys to the Kingdom of Heaven.’ Below the dome is the main altar with the bronze baldachin, and below this the grave of Saint Peter. It was not until the last century (during World War II) that it was discovered that Peter is in fact buried here, far below the surface, at the level of the necropolis. It took several centuries to prove that the seven architects of this giant church, including Bernini and Michelangelo, who rebuilt it during the Renaissance, were right when they placed their enormous letters around the dome – at least as far as the first sentence is concerned.

Saint Peter’s Basilica made me nauseated, partly from spinning round to read the text, partly because of the building’s intimidating and megalomaniac proportions. As a homage to the unbridled power and wealth of one of the oldest organisations in the world, it is hard to digest. Humanity’s desire for eternal life is as durable as the stone in apostle Peter’s name. I quickly left the Basilica, emerging into the immenseness of Bernini’s square, from where the Pope blesses the city and the world every Easter. Here, I still

felt the weight of the World's Church – true, there was no longer a dome that could come crashing down about my ears; but there were still the heavens. During this trip, I started to think about change – a thought-process stimulated all the more when you are literally and metaphorically on the move.

### **The Pope starts a revolution**

Under the stewardship of the new pontiff, Francis, the Catholic Church is presenting a more modern face to the world. For example, this Pope uses digital media to get his message out. Let's take a look at the Holy Father's Twitter account (@Pontifex), which serves millions of followers in nine languages. Take two random tweets: '*The Christian who does not feel that the Virgin Mary is his or her mother is an orphan*' and '*The Lord always forgives us and walks at our side. We have to let him do that.*' Not really astonishing statements for the leader of the Roman Catholic Church, and the same can be said of the hundreds of other statements this Pope and his predecessor have made through this medium since February 2012. What is exceptional is the fact that the Pope is Twittering at all. Following politicians, pop stars and regular citizens, the head of the oldest multinational in the world now has an online presence; we can all re-Tweet his thoughts, and in so doing make them a tiny bit our own.

According to publicist Nassim Taleb (author of *The Black Swan*), the Catholic Church is the most successful organisation ever – not thanks to its centralised hierarchy, but rather because it is made up of small units. Taleb stated in an interview that this is 'because the Pope doesn't do anything except appear on TV. All the decisions are taken at lower levels. If the Pope ever does take a decision, it always goes wrong.'<sup>1</sup> Taleb sees this as a good lesson for multinationals, which continue to exist because they enjoy protection from nation states. 'In a natural situation, large companies would

be doomed to disappear unless they were made up of individual elements. Make way for others, that's the idea behind evolution.'<sup>2</sup>

Taleb makes an interesting point: sometimes it is better to get things done on a smaller scale. Nevertheless, having a global stage can be very important, provided that it's flexible and tailor-made. The Pope is being helped by a smart PR strategy; it's not without reason that Pope Francis is so incredibly popular. He also makes efficient use of the power he wields over the Vatican mini-state. He has been praised for his modernising influence, aimed at transforming the Vatican into a more modern organisation: the traditional power structure has undergone radical surgery, including its finance structures.

### **Leadership and transparency**

Let's take a look at the Vatican Bank – officially known as the Institute for the Works of Religion ('Istituto per le Opere di Religione' in Italian, abbreviated to IOR). In April 2014, more than a year after ascending the throne of St. Peter, the new Pope announced a thorough overhaul of the bank's structure, refusing to even rule out closing it down. The bank's annual report for 2013, published a few months later, did not make for reassuring reading: profits of just 2.9 million Euros, as opposed to 86.6 million the previous year, hit a historic low for this most remarkable of banks. This does not say all that much actually, as the bank didn't publish any annual reports prior to 2012.<sup>3</sup>

A small bank with just 19,000 account-holders, IOR had a reputation as a money-laundering service for the mafia and shady clerics. For example, Nunzio Scarano was arrested in 2013 for smuggling 20 million Euros from Switzerland to Italy with the aim of avoiding tax. Many others have since been similarly caught. Among the losses for 2013 is a loan of

almost 20 million Euros, written off for a production company belonging to a friend of Tarcisio Bertone, the former number two in the Vatican under the previous Pope. It probably came as little surprise to Vatican watchers that Bertone was implicated in financial scandals, as this Cardinal is the embodiment of the old-style Vatican. Under Benedict XVI, he was just as inviolable as the dogmatic teachings of the Church and its many centuries-old institutions. In 2014, however, there was a big scandal when it was said he was moving into a stunning four-storey penthouse in Rome.<sup>4</sup> It has been reported that Pope Francis was furious about Bertone's profligacy. Whether this is true or not the Lord God only knows, but it is a fact that Bertone has lost his lucrative job and that Francis is taking a very different approach from his predecessor, Benedict. For example, the new Pope likes to eat in the refectory of the guest quarters at Casa Santa Maria, where he resides. Whereas Benedict was a brilliant theologian with a love of pomp and circumstance, Francis demonstrates modesty, a great flair for PR and clear leadership qualities.

In addition to separating the competent sheep from the corrupt goats, the Pope has done a lot more to bring this centuries-old multinational in line with the demands of the age. Next to leadership, transparency is his watchword. And this is not limited to Twitter and the other activities of the Church's media branch (the *Pontificium Consilium de Communicationibus Socialibus*, as it has been known since 1988). The economy is also being submitted to greater transparency. The little Vatican Bank is just one example. The newly established Secretariat for the Economy, headed by Cardinal Pell, has been charged with making sweeping changes to the Byzantine structure of the Vatican state finances, replacing it with a structure more akin to that of a modern state. The bureaucracy – long known for being rigidly hierarchical – is

being overhauled; alongside transparency, decentralisation is a major goal.

### **Towards a decentralised, transparent Church**

The Vatican exudes monolithic wealth, but in reality the Catholic Church is decentralised when it comes to finance. The finances of Rome are separate from those of the 296 religious orders and 2,846 dioceses, meaning that the Pope's power is not absolute. Taleb, pleading for small, autonomous units, would be satisfied. A global platform should preferably be headed not by a tyrant, but by a leader who is able to inspire the masses, keep his own house in order and keep track of common aims. Francis seems to score a lot higher in relation to this ideal than his predecessor. The media are highly enthusiastic. *The Economist* has called him the first modern Pope, writing: 'Like a great CEO, he has the ability to set a strategic vision, then choose and motivate the right people to make it work. His rapid overhaul of the Vatican's finances is both one of the most unusual case studies in the annals of business and one of the more instructive.' *Fortune* was also impressed, in 2014 putting the Pope at number one in its list of world leaders.

Not unimportantly, these changes are also going down extremely well with the faithful. One of the reasons for this is that the Pope himself sets a good example. His clothes, transportation, accommodation and food: the Pope demonstrates modesty in all of these. In so doing, he stresses the Church's principal duty: to relieve the burden on the poorest, following the example of Saint Francis, whose name he has adopted. Another important factor is the Pope's eloquence. He speaks vividly, on Twitter and elsewhere. According to the *National Catholic Reporter*, Francis has referred to the desire to climb the hierarchical career ladder as 'a form of cancer', and to priests parading in excessively decorated

vestments as ‘peacocks.’ He has referred to ‘airport bishops’ who jet around the world preaching doctrine while enjoying the good life, as ‘little monsters.’<sup>5</sup>

Caring for the disadvantaged is a clear mission, and a business-like approach a clear instruction to the global Church. Emphasising the strength of small units, combined with open dialogue and clear procedures, turns out to be a good way of getting this seized-up, inward-looking mega-institution moving again. The message to bishops and believers alike is in any event clear: it is up to you.

this promising start of Pope Francis’ tenure will lead to permanent change remains to be seen. He has in any event expressed contrition and, as any good Catholic will tell you, confession leads to redemption – so who knows.

I will return to Francis and his Church below. But as I don’t want this book to turn into an encyclical, I think this would be a good moment to leave the vaulted magnificence of Saint Peter’s Basilica for the blue skies above a huge pop concert. I therefore turn to another latter-day superstar: Lady Gaga.

## The Queen of Twitter

I haven’t followed Lady Gaga’s Twitter account for some time now, but I do regularly check how many followers she has. The number is staggering. Her more than 55 million followers put the singer in the top 10 most followed people. In 2015, she earned no less than 60 million dollars, putting her at number 4 on *Forbes*’ list of highest female earners.<sup>6</sup> Ill-wishers may whisper that Lady Gaga is past her prime, but that remains to be seen. She still shows sufficient inspiration and is able to present herself as one big living work of art. In the song ‘Applause,’ she refers to pop art – turns the tables on it, in fact: ‘*One second I’m a Koons, then suddenly*

*the Koons is me / Pop culture was in art, now art's in pop culture in me.* Her music, provocative video clips, highly individual dress sense, ever-changing hairdos and tattoos have indeed brought her a long way. Her audience is important to her. Little wonder then that she refers to them as her 'little monsters' and that she (allegedly) writes her Tweets herself, sharing her vicissitudes with them. This results in an authentic image of an exceptional person and gives the audience a feeling of being close to their idol.

### **Where is the middleman?**

Of course, whether tens of millions of little monsters can all really be close to their idol at the same time is another matter. *The Financial Times* paradoxically referred to this phenomenon as 'mass intimacy'. In any case there is no traditional middleman mediating: Lady Gaga communicates to her fans directly. This communication is both quick and direct, and the fans' enthusiasm translates not only into sales figures, but also into a feeling of solidarity.

Lady Gaga didn't come up with this all by herself, of course. She has a big team behind her in Los Angeles, talent managers and communications staff led by Troy Carter, a modern-day record executive with one of his offices in Palo Alto, in the heart of America's high-tech hub Silicon Valley. Here, they are not concerned so much with PR as with state-of-the-art technology. Since 2011, Carter and his people have been working on a new social media platform called Backplane, which brings together all content and interaction for a particular star in one place. The idea behind Backplane was to drastically change the economics of Hollywood, with the artist at the centre rather than the record company.<sup>7</sup> This meshed perfectly with Lady Gaga's approach: she was already actively involved in discussions on her many fan

sites, which means she not only exudes authenticity, but also embodies it through her actions.

Backplane illustrates something else as well. Ever since its launch, the company has been losing money hand over fist, in spite of the millions pumped into it.<sup>8</sup> What gives? Lady Gaga's website <https://littlemonsters.com> was able to bring a million fans together, making it a huge success as a dedicated social media platform, but the same logic didn't transfer to other brands. It quickly transpired that few people wanted a new, brand-specific platform alongside Facebook and Instagram. So by no means all new platforms succeed just on the basis of their form. Copying or slightly modifying a tried-and-tested concept is no guarantee of success. Backplane has now replaced its CEO and is embarking on a new strategy, as many start-ups in Silicon Valley have to on a regular basis.

The entertainment industry is not an island: changes are taking place in many different sectors, often driven by technological developments that are seeing traditional mediating roles disappear to be replaced by new platforms. To linger at the music industry for some moments, I give two clear-cut examples: Spotify and Apple's iTunes Store.

### **The new player: Spotify**

A Swedish start-up, Spotify was launched in 2008. The company started from nothing but in 2014 had more than 40 million active users, 10 million paying customers, was turning over more than 1 billion dollars and was worth an estimated 10 billion-plus dollars.<sup>9</sup> Spotify is the fresh new rival to at least four existing sources of music: illegal downloads, radio, CDs and online sales through the iTunes Store.

Spotify has paid subscriptions, but a free version is still available as well. In terms of cost, it still resembles illegal

downloading (it is free); in terms of approach, it is more like radio (turn it on and Spotify will find more good songs for you); and in terms of freedom of choice, it resembles CDs and online sales (it is easy to find most things you want).

This has led to a number of interesting developments. Firstly, it is a combination of the cheap (listening to the radio) and the expensive (buying CDs). Secondly, everyone is now a DJ, blurring the distinction between listener and provider. Thirdly, it has lowered the threshold for publishing music. Together, these developments mean that traditional radio stations, music stores and other intermediaries are under more pressure than they already were before Spotify arrived on the scene.

So a merging of roles is taking place and the hierarchy is being disrupted. Where a reasonably rigid order used to exist, we now make connections ever more easily – and just as easily break them. This is opening up endless possibilities, but also creating great uncertainty. Later in this book, I will attempt to represent these changes in a model, which I call the ‘dioptricon’: a reality in which everyone can enter into interactions with everyone else.

## **The Very Hungry Caterpillar: Apple**

Let’s focus now on another star in the modern business firmament: Apple, a company which, unlike newcomer Spotify, did have something to lose when it started getting involved with music. Apple had been teetering on the brink of the abyss and only just started achieving some success again under founder Steve Jobs, who had been away for a while. In 2001, the company had a turnover of 8 billion dollars – not exactly small change. The next year, Jobs introduced the iPod, a music player that proved popular with gadget lovers. The little wheel on the iPod seemed to be Apple’s biggest

new innovation. But it only seemed to be: when the company stopped producing the original version of the iPod in 2014, the real innovation in retrospect turned out to lie somewhere else entirely.

The biggest innovation of all was the metamorphosis of Apple from computer manufacturer into supplier of a complete package. This package consists of content (music, films, apps), the equipment all this runs smoothly on, the hipness of a strong brand, and finally the provision of access to the rest of the world through the web, telephony, text messages, WhatsApp, Facebook, et cetera. Apple is a Very Hungry Caterpillar: the company is market leader in total solutions for the digital end user, but is still looking for new opportunities for growth.

The contrast between the current generation of Apple gadgets and Apple's first computer is enormous. Apple was a wooden box you had to assemble yourself and which wasn't useful for anything until you, the user, thought up and programmed an interesting application for it. Apple now has an application for everything: from telephony to keeping an eye on your weight. And you can't open the box anymore; if you try it, you'll void your warranty.

All these changes have been extremely fruitful for Apple: in 2015, the company booked a turnover of 234 billion dollars.

## **Five points and a warning**

So far we have discussed:

- Society and the economy are changing at an incredible pace, driven by the ongoing march of technological development
- This is bringing the huge players (the Pope, Lady Gaga, Apple) into contact with the little people (you and me)

in a completely new way, with all the risks this brings for them and for your privacy and freedom of choice

- As a result, existing organisations have to constantly reinvent themselves to survive
- For the middle, all this is resulting both in pain and interesting new opportunities
- Dynamic, sleek, flexible platforms are emerging.

As a warning to big companies, I would like to present the example of Eastman Kodak. In its heyday, the photographic company employed 145,000 people. It invented the digital camera, but put plans to develop this further on ice. In the year Kodak filed for bankruptcy (2012), the photo sharing website Instagram was sold by Facebook for in excess of 1 billion dollars. At the time, Instagram employed just 15 people and Facebook only 5,000.<sup>10</sup>

The motto is: implement change in time. When you are fighting for your life, it is often too late. Not all companies are flexible enough to be able to make fundamental changes to their business model in time. Korean electronics giant Samsung started out selling noodles. For Samsung, the way ahead was clear.

### **From giant to bear**

Above, I discussed giants and said something about the middlemen who have been swept away and replaced by re-invented intermediaries. In the case of the Pope, this meant new faces in the retirement home that until recently was the Catholic Church; in the case of Lady Gaga, it was an agent who is taking the wind out of the sails of the record company executives by making connections between PR and technology.

Things are changing – not only at the top and middle segments of the hierarchical ladder, but also at the bottom. Individuals, believers and fans are more demanding. They have become prosumers of their idols, like Facebook users who are not principally customers, but co-creators of their own brands.

Technology is always a leitmotif in this development: it develops rapidly, and the opportunities it brings are determining the revolutionary changes society and the economy are currently undergoing.

For insight into revolutions, we travel to Russia: a country that spent seventy years in thrall to another revolution – that of Marx and Lenin. Two gentlemen who quite rightly wanted to divide the pie more fairly, but who underestimated the impact of other revolutions – including the rise of the information society and the opportunities this offers to workers.

In the age of Marx and Lenin, relations within society were rigid: divided vertically into classes and horizontally into occupations. In practice, their model was set in stone, again with a clear horizontal and vertical organisational structure: the successful capitalist formula, but distributed more fairly. This turned out to be a rather bad idea.

Now, the stone structure of our society is starting to lose its solidity. In fact, it is starting to crumble. It takes extreme conditions to do this and there are many such extreme conditions in Siberia, where we are heading next.

### **From fixed to fluid**

A few years ago, I travelled to Novosibirsk, where it was actually pretty warm. The weather in this Siberian city is a climatological roller coaster, with an average mid-day temperature of  $-12^{\circ}\text{C}$  in January and  $+25^{\circ}\text{C}$  in July. When I visited the city, it was almost  $30^{\circ}\text{C}$ . There's not much to

do there, since Novosibirsk is mainly about heavy industry, including mechanical engineering, smelting, electrical engineering and the arms industry. The place I found worthiest of a visit was Novosibirskij Akademgorodok ('Novosibirsk Academic Town'), founded in 1957 on the banks of a reservoir as a campus for privileged academics. Both the lake and the town were built by engineers during the Khrushchev era, when Stalinism was being renounced. Most of the statues of the Man of Steel were taken down and people in the Soviet Union could breathe a little more easily. In the academic world, this led to the creation of little islands where brilliant minds could occupy themselves with scientific innovation in relative freedom. Akademgorodok was such an island.

In the years following the demise of the Soviet Union, Akademgorodok suffered greatly: the institutes had to close and most of the academics lost their living. But now the place is back on the map. Giants such as IBM, Intel and Schlumberger have brought work and investment. The government is also contributing considerable investment: during the period from 2012 to 2017 approximately 10 billion Roubles (150 million Euros).<sup>11</sup> Research is being carried out at 35 research institutes. This research town is being referred to as Silicon Forest, in reference to the Karakan Pine Forest on the banks of the reservoir.<sup>12</sup>

### **Three transitions**

In Siberia, it's natural to think about phase transitions. Due to extreme temperatures in winter, boiling water freezes in just a few seconds when thrown off a balcony, as a funny Youtube video demonstrates. Also, the aftereffects of the demise of the Soviet Union show how a society can rise and then fall again with changing conditions. I'll now switch to current reality and present three trends I believe are chang-

ing our society in such a way that we can say it has become fluid.

The first of these is transparency as a global megatrend. The Pope and Lady Gaga are Twittering away like mad – but it doesn't stop there. Worldwide, people are giving insights into their everyday lives *and* into the world around them through Tweets, videos or blogs. Governments are seeing how their information is being made public, and are using big data to steer their policies; companies not only have more data at their fingertips, but are having to justify their activities. The consequences of and possibilities opened up by such transparency are so endless I refer to this as 'radical transparency'.

The second trend is that individuals and organisations are getting more and more opportunities to carry out small-scale activities that used to be the exclusive preserve of big players: everyone is now his or her own travel agent, energy supplier, hotelier, publisher and activist. Consumers have become prosumers. Government power is taken less for granted, and large companies are being forced to ask themselves searching questions about the roles they want to play in the future, and what the consequences of these will be. The scale at which change is taking place is so enormous that I refer to this as 'radical decentralisation'.

The third of these trends is the end of the middle. In the same way liquids do not have a middle, organisations and society as a whole also no longer have a middle – at least, not in the organised way we are accustomed to. I am talking about a middle in two different senses here: a role (intermediary or middleman) and on a scale (a relative position).

I will now elaborate briefly on these three trends, before discussing them in greater detail over the course of the book. One consequence of these three trends is that we have to find tailor-made solutions to our various problems. This is

leading to big changes for individuals, companies and governments.

### **Radical transparency**

Transparency has become something of a magic word: an aim in itself (for government bodies); a means (for the improvement of processes) and an inescapable reality (Edward Snowden is a living example).

A good (but horrible) illustration of the latter – transparency is here to stay – is a case involving British Petroleum. When the Deepwater Horizon drilling platform exploded in 2010, causing a massive oil slick, it was possible to follow the situation 24 hours a day from a webcam. You could easily stick the window in the corner of your monitor. BP tried to limit the damage to its public image, but this proved impossible: internet users were able to see with their own eyes what was going on. Press reports put out by BP trying to sway public opinion had less effect than a public discussion based on facts and observations available to everyone.

In other words, the discussion about BP was transparent, in the same way that the editing history of an article on Wikipedia is transparent. It is no longer possible to hush things up or secretly take sides. Governments are now also feeling this, thanks to that other ‘wiki’ application: Wikileaks. Secret messages from the American diplomatic service, the escapades of Mr and Mrs Assad of Syria: suddenly, it is all online. Institutions can choose to react by making a conscious choice to make sensitive information public: it saves spending a whole load of money on security. In Norway, tax returns are public by law, so it was a small step to make all this data accessible on the internet. Now, everyone can check whether the neighbours’ nice new SUV was purchased with money he earned legitimately or not.

It's not only government that is becoming more transparent: citizens are too. This is not a problem when they share their adventures on Twitter or Facebook (and doesn't regret it later). Facebook, however, collects a lot more data than that. Max Schrems, a law student in Austria, asked the company for an overview of all the information it had on him. To his surprise, his request was granted. He got a stack of paper he could hardly carry. Facebook is acting like a private detective on a massive scale, selling the information it obtains to the highest bidder.

There is another rather creepy example from the world of entertainment. Disney World has a go-ahead attitude to transparency. The company has set up a new website under the name My Disney Experience, linked to an app on mobile phones. You can use this app to book time slots for attractions and in Disney's restaurants. The app has a few built-in functionalities that mean Disney gets all the information it wants on its visitors. The names and personal details of visitors are passed on to the staff in the theme park so they can entertain you even better. A little girl might ask: 'How does Snow White know my name, mummy?'<sup>13</sup> Of course, the exact reason is a little too complex to explain, but you could simply say: 'Because everyone knows everything about you, darling.'

### **Radical decentralisation**

My grandmother listened to the priest every week for moral guidance and read the right newspaper to keep up with the news. The benevolent State made sure the biggest social problems were solved. People worked hard, but most of the time lived on automatic pilot. We can no longer do this. The advance of technology means that, although all sorts of things are being automated, our lives are less automatic than they used to be.

The current state of information and communications technology is making new forms of communication possible, offering us access to a huge amount of up-to-date information, and thus are changing the role we play as citizens. This is the time of 'power to the people'. Not as a hollow slogan, but rather a concrete development allowing citizens to get on with implementing their own solutions. In 2010, *The Economist* portrayed the new British Prime Minister David Cameron with a mohican in the colours of the Union Jack. His radical activism: contracting out government tasks to small groups of citizens.

Fortunately, life throws up all manner of opportunities for free citizens to set their own course, facilitated by technology. In fact, we have to set our own course now: the priest has lost his power and the State no longer provides the guidance it used to.

Radical decentralisation is everywhere. More and more matters can be better organised by the individual, or at least on a small rather than large scale. It used to be that a big coal-fired power station was needed to provide everyone with energy – now all you need is a solar panel or a wind turbine. Smart groups of citizens are making this economically feasible, and other groups are able to purchase the energy generated at a low price. The successful power companies of the future will act more like brokers than suppliers. The same goes for the hotel sector: previously, travel agencies would book rooms in bulk from big hotel chains, but now a handy website provides direct contact between supply and demand. Airbnb means everyone can be a hotelier and a customer at the same time.

With a good idea, a network and a strategy, anyone can have a big impact on society – faster than ever before. This implies that we have to combine commercial and social interests to create a new form of public commerce. Technology is playing a facilitating role in the creation, maintenance and

application of a network, both literally and figuratively. This will not happen without resistance, however, as the institutions that represent the power of the old economy are trying to restrict the power of individuals and small organisations. Nevertheless, there will come a moment when they will be forced to make way for new, creative ideas – but it could be a while before radical decentralisation has taken root everywhere.

### **The squeeze on the middle**

This fluid reality no longer has a middle as we know it. When I say middle, I mean both the roles in the middle and the middle of a scale.

By roles in the middle, I mean the middlemen, go-betweens or intermediaries. A middleman could be out of work because people are finding everything, making everything and doing everything themselves; examples include travel agents, hoteliers, publishers and charities. A lot of other intermediaries who are still in work, such as bankers and employment agencies, are having to radically rethink their strategies and working practices. For others, new opportunities are arising, such as the educational technologist who forms a link between education and technology.

Then there is the scale. People and organisations that are in the middle in terms of size or income are in difficulty, e.g. the traditional middle-class. Their jobs are under particular pressure. Some small and medium-sized enterprises are also experiencing problems: too big to act as a flexible core organisation, but too small to organise the required talent and knowledge in a dynamic, efficient way.

The middle has always been susceptible to squeezing. This applies to middle managers, and not only those of the human race. In an interesting research project, academics

from universities in Manchester and Liverpool set out to analyse stress among managers. Their conclusion was that middle managers are subject to greater stresses than either their bosses or their subordinates. They reached this conclusion by studying apes at Chester Zoo, looking for expressions of dominance and submission. It turned out the apes in the middle of the hierarchy had the highest levels of stress hormones. The reason for this, it was said, was that these apes have most conflicts: with the apes above them *and* with the apes below them. According to the researchers, the same applies to human middle managers.

Under all this strain, the middle is fighting back tooth and nail, and will not disappear overnight. Lady Gaga has not cut out the middleman entirely, as she continues to work with traditional, mainstream labels. Streamline and Interscope, big market players, released her 2013 album *artpop*. However Bruce Houghton, music expert at hypebot.com, stated with some satisfaction: 'It is a sign of real progress that their tactics no longer work anything like as well as they did.' The poor middle – always a difficult position, but because of the advance of technology, radical transparency and decentralisation the only remaining option is change.

### **Fluid change**

I have sketched three developments that represent a society in flux: radical transparency, radical decentralisation and a radically different middle. That is, if any middle remains at all, as it hardly makes sense to envisage a 'middle' when talking about a transition from solid to liquid.

I am not the first to use the word 'liquid' as a metaphor for social change. That was Zygmunt Bauman, a Polish-British sociologist and philosopher of Jewish descent who (partly on the grounds of his ethnicity) fled Communist Poland and broke through in the West with his thinking about moderni-

ty. I quote a passage from the beginning of his wide-ranging book *Liquid Modernity* (2000):

*'To 'be modern' means to modernize – compulsively, obsessively; not so much just 'to be,' let alone to keep its identity intact, but forever 'becoming,' avoiding completion, staying underdefined. Each new structure which replaces the previous one as soon as it is declared old-fashioned and past its use-by date is only another momentary settlement – acknowledged as temporary and 'until further notice.' What was some time ago dubbed (erroneously) Top of Form 'post-modernity,' and what I've chosen to call, more to the point, 'liquid modernity,' is the growing conviction that change is the only permanence, and uncertainty the only certainty. A hundred years ago 'to be modern' meant to chase 'the final state of perfection' – now it means an infinity of improvement, with no 'final state' in sight and none desired.<sup>14</sup>*

He therefore sets himself apart from the post-modernists, who see a radical break with the past. Instead, he sees fluidity as part of modernity in its current form. Unlike Bauman, I believe that we are experiencing a rather abrupt break with the past, that forces humanity to define its modernity in a new way. In less than half a generation – roughly between 1995 and 2010 – everyone has got access to a computer, a mobile telephone and social media. Business use and personal use have merged and countless inventions have been given applications other than those for which they were created. The acceleration of the pace of change this has brought about has given rise to a new form of modernity characterised principally – and here I concur with Bauman – by permanent technological development and social change.

## **In summary**

The journey has only just begun. I started this chapter in a centuries-old, megalomaniacal institution: the Vatican. I ended it with Zygmunt Bauman in a liquid era.

I will now continue my exploration of how the individual relates to the giants and what this means for the middle. But first, in Chapter 2 I will talk about innovation. I will start with the exponential growth of technology, proceed to talk about robots and end with capitalism. In Chapter 3, I will look at a number of giant technology companies, big data and its discontents. Then, in Chapter 4, I will describe the liquefied middle on the basis of a model I call the 'dioptron.' Personal change will be dealt with in Chapter 5, and in Chapter 6 I will devote attention to employment and the middle class. Chapter 7 examines power, using the metaphor of a melting diamond. The final chapter is then dedicated to the search for your own talent (and that of others).