


artbyte



Market Bull?

Jerry Colonna's bullish
on the New Economy.
Doug Henwood
thinks it stinks.

Artbyte exclusive.

Soft Machines

Matthew Barney's
digital reproduction

Back At You, Bobo

Suck.com's Joey Anuff
on Tom Frank

The Wired are Tired

Paulina Borsook
on the cyberselfish

Forget Cyberspace

McKenzie Wark
on the unwired
society



Vaporware

The heady smell of paper millions—the bull-market equivalent of pheromones—is in the air, making even sober souls like the writer David Denby do imprudent, even lunatic things. “In this boom period, you have the illusion that if you can just grab hold of the flying coattails of the New Economy investments you have the chance of getting rich very quickly,” writes Denby, in his *New Yorker* account of “The Quarter of Living Dangerously,” when he gambled on volatile technology stocks. Biz news in general and heavy-breathing tech-stock coverage in particular—NASDAQ porn—seem to be hogging more and more of the media spotlight. Everyone you know seems to be working on a business plan, hand-waving at parties about “scalability” and “vortals” (vertical portals, for the unanointed). As *Industry Standard* publisher John Battelle notes in our feature, “California Dreamin’,” America in the year 2K is “an entirely business-driven culture.”

If so, then who better to mine the deeper meanings of the New Economy than a cultural magazine like *Artbyte*? None of the e-biz magazines seems to be asking tough questions about those left behind by the New Economy’s turbo-charged wealth-creation machine. So, we arranged a debate between venture-capital golden boy Jerry Colonna and left-wing economy writer Doug Henwood—a Mensa member’s idea of a World Wrestling Federation match. Most *Forbes* and *Fast Company* oracles are too busy examining the entrails of the NASDAQ to ponder the historical origins of New Economy rhetoric, so we asked Paulina Borsook, author of *Cyberselfish: A Critical Romp Through the Terribly Libertarian Culture of High-Tech*, to expose the Californian utopianism and puritan zeal in Battelle’s New Economy boosterism. For balance, we asked Suck.com founder Joey Anuff to write a fist-banging rebuttal to *One Market Under God*, Tom Frank’s new critique of free-market fundamentalism.

Who says e-biz magazines have a lock on the New Economy? Rushing in where most culture magazines fear to tread, we’ve devoted three of this issue’s features to provocative, ferociously funny debates about the New Economy’s social impact. Why not? The trained-seal flipper-clapping that passes for commentary in the business press isn’t going to give us any gimlet-eyed criticism. And criticism—the invigorating reality check of a good headbanging—is what we urgently need, here in this best of times that is also the worst of times. The long boom has made some of us rich beyond our wildest dreams even as millions juggle jobs and credit-card debt on the other side of the widest income gap since the Great Depression.

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With this issue, Ashley Crawford joins us as executive editor. He is the founding editor and publisher of the award-winning, critically acclaimed digital culture magazine *21.C*, a bulletin from the future that science-fiction icon William Gibson called “the best looking and most determinedly eclectic pop-futurological publication in the world.” With Crawford’s able assistance, we look forward to equally ringing accolades.

—Mark Dery, Editor

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California Dreamin'

John Battelle thinks America, cradle of the rockin' New Economy, is "an entirely business-driven culture" where "work is an expression of God" and wealth creation rules. Paulina Borsook thinks he's been out in the California sun too long.

When Artbyte editor John Battelle says America is "an entirely business-driven culture" where "work is an expression of God" and wealth creation rules, he's not just talking about the New Economy. He's talking about the entire country. Battelle, 37, is an editor at the New York Times, former editor of Wired magazine, and former editor of Wired magazine's business magazine, Wired Business. He's also the author of *Content, the Standards of the New Economy*, the Standard of the New Economy, which has already vroomed past 100,000 copies. Battelle's magazine, *Content*, is the New Economy's most important new book. *Cyberselfish: A Guide to the New Economy* is a book that's been read between the lines of Battelle's remarks.

Hari Kunzru: Talk to me about optimism. What mechanisms keep the market booming out here? Media and information mechanisms, as opposed to pure economic growth?

John Battelle: Commitment. I think that the people here, certainly in California, are really ideologically committed to the idea that through technology you will find market efficiency and through market efficiency you will find business success. No one's going to alter that belief. It's the ideology of the United States. It's manifest destiny, the same shit that's been going on forever.

>>Paulina Borsook: Manifest destiny? In the sense that Teddy Roosevelt, fine old imperialist that he was, used the term to justify the preposterous Spanish-American War? Or is this like cold warrior Henry Luce's "American Century"? Might as well talk about the Monroe doctrine and the white man's burden. Hell, let's invade Canada!<<

Kunzru: So the New Economy is historically continuous with past developments in the U.S.?

Battelle: Absolutely. It's not a trend. It's just the latest expression of a much broader philosophical bent. Whether or not the optimism meme gets embraced in Europe is a deeply interesting question.

Kunzru: I think it is. London is talking itself up now, or at least learning how to talk itself up.

Battelle: I see that in London and you see glimmers of that in Amsterdam and Berlin. Looking around Europe now there aren't too many other places. France, perhaps. I wouldn't want to lay claim to too much knowledge of Europe when it comes to this stuff. It's still to me a kind of odd place. It doesn't make much sense to me.

>>Borsook: Hmm, this sounds like the time-honored American "Ee-yew, you Europeans are so devious and culturally fatigued and Byzantine; shucks, I'm just an innocent farmhand from Iowa and how can I be expected to know anything else and gee, London looks just like Denver, don't it now?" Mark Twain and Henry James explored this mindset more than a century ago. It's a tad disingenuous, though, to be carrying on like this in our era of global travel, cheap long distance, and the Net.<<

Kunzru: This talking machine: Do you think it's more important because it's a knowledge-based economy?

Battelle: Clearly. There's just not that much to say about work if work is not knowledge-based. You know, other than, hey, the coal mine sucks! There's not that much to say.

If you're a manager in an industrial economy, there's a lot to talk about, but very few people to talk to, because there's only one manager for every hundred people. In this economy, everyone who works at my place thinks they're going to be CEO some day-because they could. It's quite conceivable. It's quite democratic. They're smart enough. They know enough of the right people. They have good enough ideas. They will move up and become significant players.

The assumption in a knowledge economy, if you're a knowledge worker, is that you're not stuck. So there's this relentless networking to get ahead that occurs. It's just relentless. And we have benefited greatly by it. It's a publisher's job to be a platform for communication between [players in] a market.

Battelle: Look at this: This is *Fortune*, a biweekly. One hundred and fifty pages, filled with dot-com ads. Dot-com . . . dot-com . . . dot-com . . . dot-com . . . dot-com . . . dot-com . . . dot-com . . . I gotta call my ad guy, Jesus Christ, look at that. Dot-com . . . dot-com . . . dot-com . . . That is amazing.

Battelle: Yes. There clearly is a discontinuity between the amount of demand for attention in the world, and the amount of attention there is. But there is not a discontinuity [between the demand] and the amount of attention there will be. And I think that's what you've got in every aspect of this market. Take Pets.com. A classic pet store. Is the pets market x billion? Yes. In ten years will a significant portion of that be IP-enabled? Yes. So at the end of the day is there a big enough goal for everyone to go after? Probably. But four companies, all of whom claim to be on a business plan to capture 30 to 40 percent of the market? The math doesn't work out. So either four companies all scale back to 25 percent or something else happens--a dominant one comes out.

In the magazine market, the entire future of business publishing is at stake. The story is moving again, just [as] it did in the 1920s and '30s when it was moving toward economies of scale and mass industrialization, new transportation systems and new mass-media systems. You know, I've been reading the histories of Dow Jones, Pearson, McGraw-Hill, and Time, Inc. to place the motion I'm spearheading in some kind of historical perspective. McGraw-Hill started as a bunch of trade magazines about nuclear science, train engineering . . .

>>Borsook: The entire future of business publishing is at stake? Meaning, all that can matter is dot-com stuff forever? It will be interesting to watch as the NASDAQ continues to wobble and wend its way down, as the dot-com ads begin to fade away and the demand for editorial material between the ads shrinks. *Modern Plastics* will still exist, as will *Fortune*, but *Red Herring* and *Fast Company* and *The Industry Standard* and *Business 2.0* and *E-Company Now*, you just have to wonder if at least some of them will go the way of, say, *PC Jr* and *MacWeek* and *The Net*.<<

Kunzru: Good old-fashioned old-economy stuff.

Battelle: Exactly. It was, like, "Look at this new cool business stuff!" Boom! *Business Week*! Boom! Dow Jones! Dow Jones started as a trade rag for a bunch of brokers who were scratching each other's backs, and it became one of the preeminent brands in the business world. I think that kind of transformation is occurring now in business and it is as big a story as the one that created the last set of business press. Everybody's going, "Holy shit! It's up for grabs!" So while we at the *Standard* and *Wired* and *Red Herring* and *Upside* proved something—well, maybe *Herring* and *Upside* didn't really prove it, but *Wired* and the *Standard* and *Business 2.0* proved it—things like this *Forbes* special issue [are an] exercise in marketing. There's clearly not enough attention for all of this, although there's enough attention for some, and more than there was before. I think that media are incredibly malleable. Media are not efficient in the present, but over a timeline they usually figure out how to maximize attention. And my job is to maximize attention.

Kunzru: Are new media culture and mainstream media culture fusing? In the old days of *Wired*, there was a real stake in outlining a definition between these two things.

Battelle: Well, here I am, sitting here in a suit, running a huge magazine, talking about the present, not the future. I've talked myself into this position. At the time, the job of *Wired* was to run out front and point, and jump up and down and scream, "This is happening, pay attention!" When *Wired* got tired for me was when you were jumping up and down and people were passing you. The present passed by the future.

>>Borsook: *Wired* grew tired because it didn't make the transition to mostly business porn, most of the time, fast enough? What was great about the old *Wired* is that it understood that technology is culture. The assumption that all that can be interesting, technologically, is that which can be monetized/monetized is truly a sad and impoverishing—and impoverishing—one.<<

Kunzru: Is that cheerleading job over for the West Coast media here? *Wired* did a great job of selling a particular West Coast image around the rest of the world. Is there still a job for that kind of futurism, or are we purely in the realm of business analysis?

Battelle: I think cheerleading retreats to verticals. They'll cheerlead in *Billboard*—they have forever—or in *Hollywood Reporter*, or in *Ad Age*. They'll say, "The best, the best, the best . . ." But as a posture, an entire editorial posture, I really think it's over. If I didn't fundamentally believe that, I wouldn't be doing what I'm doing. Now, there may come a time when there's a need for a new wave of cheerleading—genomics, or whatever—but cheerleading is tired. The future is a serious business now.

Kunzru: No room for play in thinking about the future?

Battelle: A lot of room for play, but I don't think it's a cultural obsession. In '95 or '96, we thought that the idea of Danny Hillis being at Disney was just, like, the coolest idea in the world. Now, it's been five years, and—what? They've been there; now they're leaving. But what happened?

Kunzru: So the story is now one of business people building things rather than the old *Wired* rebel visionary heading off into the intellectual desert to make change?

Battelle: Yeah. I think you could trace the intellectual presumptions of *Wired* directly into the present-day hegemony of business. What seemed radical—shouting about "information wants to be free," "keep the government out of our face," "encryption is really important"—all of our positions at *Wired* are now part of the mainstream presumption of doing business. Information wants to be free has now turned into free flow of information. As long as it's uninterrupted in its flow between marketer and customer, between datasets, that's what free means. Free to go where it belongs in an efficient market, not "no charge anywhere" because no charge anywhere is insane. Take [John Perry] Barlow: Now, he's trying to make a business model for the musician business, as opposed to the music business, where you make money from being a musician, rather than doing it for record companies. But there's still money! And if it's not money, it's exchange of value, and America, for better and for worse, is an entirely business-driven culture. Business is culture in America. I don't think business is culture in Europe.

>>Borsook: How truly strange. All kinds of countries and cultures have made this claim, at different times and places. After all, the Fuggers and the Hanseatic league had a fine long run in Germany; the Italians invented double-entry bookkeeping; the Dutch were renowned for centuries as traders and speculators (isn't their tulip-bulb mania the historical precedent most often compared to what's gone on in dotcomlandia recently?); the Brits won the Opium War against China so that the celestial kingdom would be forced to trade with England (which after all was once called a nation of shopkeepers). Wherever they emigrate, Indians, Chinese, and Jews excel, the story goes, at business. As recently as the late '80s/early '90s, U.S. business was cowering before the allegedly superior business sense of the Japanese and the Germans.<<

Kunzru: I think you're right there. Perhaps the European point of view would be: Isn't it just a little bit sad that the end point of all the dreaming was to make us all hyper-efficient business people? Wasn't there supposed to be something else?

Battelle: Yeah, but it's all how you look at it. There's a certain beauty in making a business work and there's a fulfillment beyond looking at it as a cold business. It has a heart. It's an organism. This is biblical. Work is an expression of God.

>>Borsook: Max Weber and the spirit of capitalism? The elect shall thrive and for the rest of you, it's your own damned fault; your defective natures and flawed souls are denying you the promised land? Riches are a reward for Correct Thought? (One better not have bad thoughts in the new, New Economy.) Agnostic skeptics lose to fundamentalists, every time.<<

Fundamentally, America is a ridiculously religious society that pretends not to be. Have you heard this [one]? If India is the most religious country and Sweden is the least, then America is a bunch of Indians run by Swedes. We pretend to be Swedish with the First Amendment and the separation of church and state and all that, but most of us left because of some kind of persecution that at its fundament had to do with moral beliefs, whether it was the Puritans or the Sandinistas. We all came to America, where you can believe in what you want to believe in.

Kunzru: So America's great cultural export through the medium of the Net revolution seems to have been a kind of faith-driven business culture. And it's not just an American business culture, but a specifically West Coast one. How would you describe that culture?

Battelle: I think that there's a certain willingness to experiment on the West Coast that is fundamentally born of the need to experiment. You're out here, you don't have the massive superstructure of societal support that the East Coast has accreted over a couple of hundred years, so you've got to figure out new ways of doing everything.

>>Borsook: About a hundred years ago, the historian Frederick Jackson Turner documented the importance of "the frontier" in the history of the U.S. and in the U.S.' sense of itself. As well, libertarian mistrust of the East Coast establishment runs deep: "Bring in electricity and the schoolteachers and some law and order and then get the hell out so we can extract value from the publicly held resources of forests/mines/rivers/farmland/the entire infrastructure of schools, electronics expertise, and guaranteed home-mortgages that the gov'ment created."<<

The fact is that most of the interesting innovations in the United States have come from the West Coast: the freeway and Silicon Valley and aerospace innovation. There's a certain lack of rigidity in thinking that has informed the West Coast and creates an environment that is self-fulfilling. Wired just couldn't have happened in New York; it would have been totally uptight. Of course it's owned by New York now, but that's different.

>>Borsook: Like Battelle, I am a native Californian and I agree that there is something to this idea of things being different out here. From the two times I lived in Manhattan, it was obvious to me that New York is more like Paris than it is like San Francisco. However, with the invasion of the MBAs that has hit the Bay Area in the last few years, the culture is increasingly just as status- and credentials-oriented, just as suspicious of that which is mavericky and can't be quantified/spreadsheetized as the dreaded East Coast establishment ever was. In fact, San Francisco has become just as much a suburb of Wall Street as it is of Palo Alto.<<

Kunzru: Any hope for the Europeans? What do we do with our massive uptight "superstructure"?

Battelle: [laughs] You have to believe! I'm hoping that while the cultural underpinnings of "why" are quite different for here and Europe, that the recognition of "what" brings Europe to the same place. Here, the "why" is "'Cause we can! 'Cause it would be cool!" But what's the end result? This interesting redefinition and restructuring of business culture and by extension, culture. Because you're getting your headfood online, it's different than if you're going to the store—and that changes the dynamics of your society. But the fact that there are new businesses to be built and new ways to think about business is just true. So how you get there, whether it's through enthusiasm and quest for fame as an IPO millionaire, or simply because it seems like a rational and logical thing to do, which is a more Germanic point of view, or it seems more "defensible on its face," which is more British, it's just that my gut tells me there's a big story. It's like, you can't not industrialize—you just can't! You've got to get the factories and the roads and the mass media. So you can't not Internet economize—you just have to. If you don't, you lose! And no one, regardless of what drives them philosophically, wants to lose.

>>Borsook: Battelle is a businessman-philosophe whose attitudes are deeply embedded in the American grain. One of the most enduring commonplaces of American culture, ever since the rise of our 19th-century robber barons, has been something along the lines of, "What's good for General Motors is good for America." And it is true that the U.S. is a country largely founded by folks who came here to practice freedom of religion and that religious identity plays a far larger part in American political and private life than in other countries. But Battelle's call to join the church of free-market fundamentalism ignores perhaps the most distinctive American cultural artifact, the U.S. Constitution. Among its provisions is the establishment clause, which provides for the separation of church and state. Making a religion out of certain kinds of business and certain ways of doing business, and condemning as miscreants everyone else who doesn't come to this particular Jesus, is troubling and retrograde. After all, it was in the Bad Old Days before the Internet that Catholics needed not apply for certain jobs and Jews needed not attempt to live in certain neighborhoods. And, last time I checked, rock and roll, Hollywood blockbusters, Abstract Expressionism, and the Bill of Rights weren't admired worldwide because of the business propositions they embodied.<<