

THE CASTLE LECTURES IN ETHICS, POLITICS, AND ECONOMICS



The Culture  
of the  
New Capitalism

RICHARD SENNETT

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# Preface

A few years ago Yale University asked me to pull together the research and writing about labor which I'd done over the years. They made it sound simple: just provide an overview, in three of Yale's Castle Lectures. I should have known better; the task proved anything but simple and about much more than work.

I'd like to thank John Kulka of Yale University Press and especially Monika Krause, my research assistant, for helping me respond.



# Introduction

**H**alf a century ago, in the 1960s—that fabled era of free sex and free access to drugs—serious young radicals took aim at institutions, in particular big corporations and big government, whose size, complexity, and rigidity seemed to hold individuals in an iron grip. The Port Huron Statement, a founding document of the New Left in 1962, was equally hard on state socialism and multinational corporations; both regimes seemed bureaucratic prisons.

History has partly granted the framers of the Port Huron Statement their wish. The socialist rule of five-year plans, of centralized economic control, is gone. So is the capitalist corporation that provided employees

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jobs for life, that supplied the same products and services year after year. So also welfare institutions like health care and education have become less fixed in form and smaller in scale. The goal for rulers today, as for radicals fifty years ago, is to take apart rigid bureaucracy.

Yet history has granted the New Left its wish in a perverse form. The insurgents of my youth believed that by dismantling institutions they could produce communities: face-to-face relations of trust and solidarity, relations constantly negotiated and renewed, a communal realm in which people became sensitive to one another's needs. This certainly has not happened. The fragmenting of big institutions has left many people's lives in a fragmented state: the places they work more resembling train stations than villages, as family life is disoriented by the demands of work. Migration is the icon of the global age, moving on rather than settling in. Taking institutions apart has not produced more community.

If you are nostalgically minded—and what sensitive soul isn't?—you would find this state of affairs just one more reason for regret. Yet the past half century has been a time of unprecedented wealth creation, in

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Asia and Latin America as well as in the global North, a generation of new wealth deeply tied to the dismantling of fixed government and corporate bureaucracies. So too has the technological revolution in the last generation flourished most in those institutions which are the least centrally controlled. Certainly such growth comes at a high price: ever greater economic inequality as well as social instability. Still, it would be irrational to believe that this economic explosion should never have happened.

Here is where culture enters the picture. I mean “culture” in its anthropological rather than artistic sense. What values and practices can hold people together as the institutions in which they live fragment? My generation suffered from a want of imagination in answering this question, in advancing the virtues of small-scale community. Community is not the only way to glue together a culture; most obviously, strangers in a city inhabit a common culture, even though they do not know one another. But the problem of a supportive culture is more than a matter of size.

Only a certain kind of human being can prosper in unstable, fragmentary social conditions. This ideal man or woman has to address three challenges.

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The first concerns time: how to manage short-term relationships, and oneself, while migrating from task to task, job to job, place to place. If institutions no longer provide a long-term frame, the individual may have to improvise his or her life-narrative, or even do without any sustained sense of self.

The second challenge concerns talent: how to develop new skills, how to mine potential abilities, as reality's demands shift. Practically, in the modern economy, the shelf life of many skills is short; in technology and the sciences, as in advanced forms of manufacturing, workers now need to retrain on average every eight to twelve years. Talent is also a matter of culture. The emerging social order militates against the ideal of craftsmanship, that is, learning to do just one thing really well; such commitment can often prove economically destructive. In place of craftsmanship, modern culture advances an idea of meritocracy which celebrates potential ability rather than past achievement.

The third challenge follows from this. It concerns surrender; that is, how to let go of the past. The head of a dynamic company recently asserted that no one owns their place in her organization, that past service in particular earns no employee a guaranteed place. How

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could one respond to that assertion positively? A peculiar trait of personality is needed to do so, one which discounts the experiences a human being has already had. This trait of personality resembles more the consumer ever avid for new things, discarding old if perfectly serviceable goods, rather than the owner who jealousy guards what he or she already possesses.

What I want to show is how society goes about searching for this ideal man or woman. And I'll step beyond the scholar's remit in judging that search. A self oriented to the short term, focused on potential ability, willing to abandon past experience is—to put a kindly face on the matter—an unusual sort of human being. Most people are not like this; they need a sustaining life narrative, they take pride in being good at something specific, and they value the experiences they've lived through. The cultural ideal required in new institutions thus damages many of the people who inhabit them.

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I need to tell the reader something about the kind of research experience I've had which leads me to this

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judgment. The New Left critique of big bureaucracy was my own, until in the late 1960s I began interviewing white, working-class families in Boston, people who were mostly second- or third-generation immigrants to the city. (The book Jonathan Cobb and I wrote about them is *The Hidden Injuries of Class*.) Far from being oppressed by bureaucracy, these were people anchored in solid institutional realities. Stable unions, big corporations, relatively fixed markets oriented them; within this frame, working-class men and women tried to make sense of their low status in a country supposedly making few class distinctions.

After this study, I left the subject of work for a while. It seemed that big American capitalism had achieved a triumphant plateau and that on this plane working-class life would continue in its fixed grooves. I could hardly have been more mistaken. The breakdown of the Bretton Woods currency agreements, after the oil crisis of 1973, meant national constraints on investing weakened; in turn that corporations reconfigured themselves to meet a new international clientele of investors—investors more intent on short-term profits in share prices than on long-term profits in dividends. Jobs began similarly and quickly to cross bor-

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ders. So did consumption and communications. By the 1990s, thanks to microprocessing advances in electronics, the old dream/nightmare of automation began to become a reality in both manual and bureaucratic labor: at last it would be cheaper to invest in machines than to pay people to work.

So I returned to interviewing workers, though not now manual laborers but more middle-class workers who were at the epicenter of the global boom in high-tech industries, in financial services, and in the media. (This is the subject of my book *The Corrosion of Character*.) Here I had the chance to see the cultural ideal of the new capitalism at its most robust, the boom suggesting that this new man/woman would get rich by thinking short term, developing his or her potential, and regretting nothing. What I found instead were a large group of middle-class individuals who felt that their lives were cast adrift.

At the end of the 1990s the boom began to go bust, as is normally the case in any business cycle. As the economy sobered up, however, it became evident that the global growth spurt had left an enduring trace on non-business institutions, particularly institutions of the welfare state. This stamp is as much cultural as

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structural. The values of the new economy have become a reference point for how government thinks about dependence and self-management in health care and pensions, or again about the kind of skills the education system provides. Since I'd grown up "on welfare," as the American phrase has it, the new cultural model formed for me a vivid contrast to the culture of the housing project in Chicago where I spent my childhood. (This stamp is the subject of my book *Respect in an Age of Inequality*.)

I've sought to avoid in this book simply summarizing what I've written before. In my earlier writings, I neglected the role of consumption in the new economy; here I try, briefly, to address how new forms of consumption diminish possessiveness, and the political consequences which follow. I've had to think harder than in the past about the relation of power and authority in work. Looking backward has prompted me to look forward, to begin exploring the spirit of craftsmanship in mental as well as manual labor.

Most of all, I've had to rethink the Americanness of the research I've done. In the 1970s, America dominated the world's economy, and in the 1990s, even if people around the globe were involved in the process,

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the United States led the institutional changes which produced a new kind of economy. American researchers thus easily imagine that they can substitute interchangeably the words *American* and *modern*. This fantasy is no longer possible. The Chinese road to growth is quite different from that of the United States, and more powerful. The economy of the European Union is larger than that of America and also in some respects more efficient, even in its new member states, again without mimicking America.

Foreign readers of my recent books have tended to view them as providing reasons to reject an American way of working which other places would follow at their peril. This is not quite what I intend. Certainly the structural changes I describe lack national boundaries; the decline of lifetime employment, for instance, is not an American phenomenon. What is “culture-bound” is the particular ways in which Americans understand the changes which have come over material life.

A stereotype holds that Americans are aggressive competitors in business. Beneath this stereotype lies a different, more passive mentality. Americans of the middling sort I’ve interviewed in the past decade have tended to accept structural change with resignation, as

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though the loss of security at work and in schools run like businesses are inevitable: you can do little about such basic shifts, even if they hurt you. The dismantling of large institutions which I describe is, however, not a divine commandment. Nor, indeed, is it yet the norm in American work; the new economy is still only a small part of the whole economy. It does exert a profound moral and normative force as a cutting-edge standard for how the larger economy should evolve. My hope is that Americans will in time treat this economy as outsiders tend to see it: a proposition for change which, like any proposition, should be subject to rigorous critique.

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In this regard, the reader should be aware of the critical mind-set of ethnographers. We spend hours listening to people, alone or in groups, explain themselves, their values, their fears, and their hopes. As the hours unfold, all these matters are reformatted and revised in the act of telling. The alert ethnographer pays attention to what causes people to contradict themselves or, equally, why people arrive at a dead end in understanding. The interviewer is not hearing a faulty report, but

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rather listening to a subjective investigation of social complexity. Such ambiguities, deformations, and difficulties which appear in personally accounting Faith, the Nation, or Class constitute an individual's understanding of culture.

This sociological craft is both eminently suited and unsuited to uncovering the sense of innovation today. Suited, because society's emphasis on flow and flux intersects with the process of working through an interpretation in one's mind. Unsuited, because most subjects participate in in-depth interviews in order to reach conclusions, to arrive at an explanation of how they are placed in the world. Fluidity frustrates this desire; ideological proposals for how to prosper in "the new" prove elusive, once people ponder them long enough.

In responding to Yale's invitation to describe the culture of the new capitalism, I've thus had to think about the limitations of my particular craft and about the frustrations of subjective investigation. I've taken, therefore, the great and unpardonable liberty of speaking for the people I've interviewed over the years; I've tried to summarize what's in their minds. In taking this liberty, I am aware of sweeping under the carpet perhaps the most basic cultural problem: much of modern

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social reality is illegible to the people trying to make sense of it.

The chapters that follow treat three subjects: how institutions are changing; how fears about being made redundant or left behind are related to talent in the “skills society”; how consumption behavior relates to political attitudes. The institutional changes I describe in the workplace in fact refer to only the cutting edge of the economy: high technology, global finance, and new service firms with three thousand or more employees. Most people in North America and Western Europe do not work for such firms. Yet this small slice of the economy has a cultural influence far beyond its numbers. These new institutions suggest the new formulation of personal skills and abilities; the combined formula of institution and ability shapes the culture of consumption; consumption behavior in turn influences politics, particularly progressive politics. I am unabashedly inferring the culture of the whole from a small part of society, just because the avatars of a particular kind of capitalism have persuaded so many people that their way is the way of the future.

The apostles of the new capitalism argue that their version of these three subjects—work, talent, consump-

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tion—adds up to more freedom in modern society, a fluid freedom, a “liquid modernity” in the apt phrase of the philosopher Zygmunt Bauman.<sup>1</sup> My quarrel with them is not whether their version of the new is real; institutions, skills, and consumption patterns have indeed changed. My argument is that these changes have not set people free.