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FACE THE MARKET ON YOUR OWN



Huaqiang Road, Shenzhen, 2016, in Simon Denny, „Real Mass Entrepreneurship“, 2017, Videostill

For the past few years, my work has focused on tech-related business practice as a powerful mainstream cultural influencer: how Samsung's new management strategy reflected the corporation's (and South Korea's) adoption of globalism in the 1990s; how Berlin's political landscape is changing with the growth of a significant startup scene; how the same narrative that paints blockchain as an alternative to corruption-prone free-market currencies is nevertheless predicated on a logic of free-market libertarianism. I'm interested in how seemingly ephemeral elements (management systems, currency channels, the aesthetics of communicational strategies) take material form, the potential in these models, and, also, the threats they may pose (positive and negative) to the existing order. This past year, I was asked to make a show for OCAT Shenzhen – Shenzhen

being China's first designated Special Economic Zone¹ and, with the shortcuts such a jurisdiction offers, now an epicenter for the manufacturing and increasingly the R&D of many of the world's popular electronic devices.

While preparing this project, it became clear to me that Shenzhen is not just a crossroads of innovation and production but also, it would seem, of ideology regarding how states might be moving forward, globally, in terms of social security in an age of disappearing labor. This is to say that we live in a world of increasingly efficient automation across all sectors, a world where a handful of private global platforms (Google, Facebook, Amazon, Apple, Uber, Airbnb, Tencent)² have centralized resources and profits, with increasingly fewer people participating in the conception, production, and distribution of



„Simon Denny: Real Mass Entrepreneurship“, OCAT Shenzhen, 2017, Ausstellungsansicht / installation view

the core products that serve us all. In turn, jobs are disappearing. And due to greater reliance on global zones of exception (as well as a global finance system that is essentially beyond the governance of nation states), even relatively stable countries are less and less able to ensure employment or care on a significant scale. If progressive values tend to be underwritten by Marx's labor theory of value, this dramatic shift in the way labor and society are correlated seems particularly fundamental to any consideration of what an effective Left might look like now.

To be sure, this decline in labor is as much a problem of meaning-making as it is one of money – I need to work to get money, but I also work because it provides structure and meaning to life. In the West, Universal Basic Income (or UBI, wherein either governments or corporations would provide a “basic” living wage to “all”)³ is at least being talked about as a possible economic solution. Yet it is still far from being adopted by most major governments (the theme of technological unemployment is often avoided

in populist narratives like Trump's, or in the supposed neoliberal narratives of Hillary).⁴ But even were UBI to be implemented, there would still be the matter of yesterday's shared stories being no longer capable of narrating today's practical realities: that which we are promised, experience, and imagine, societally.

Arriving in Shenzhen, I learned that China has already proposed an alternative answer: mass entrepreneurship. In researching my show (titled “Real Mass Entrepreneurship,” about Shenzhen's tech ecosystem), I had conversations with many leading voices in and around the city's technology business community, ranging from people working in data and policy analysis to service providers to founders of hardware incubators and DIY hardware platforms. Many of these individuals were in dialogue with figures from both central government and the grassroots, “maker”-influenced⁵ hardware scene, emblemized by the sprawling, zero-regulation, “Shanzhai”-inspired⁶ open electronics markets in the city's central Huaqiangbei district.⁷ What became clear through



Simon Denny, „Real Mass Entrepreneurship“, 2017, Videostill

this dialogue was a macro narrative of the future of work in China (and by extension, perhaps, the world) wherein the notion of a centrally planned social safety net was demonstrably untenable.

As the Chinese government sees it, there is no way to create a state-supported buffer for its population of nearly 1.4 billion (compare to the EU's 510 million) or to ensure growth of large-enterprise-generated jobs (indeed prediction models point to their decline). Rather, China aims to encourage self-sufficiency via a program of mass entrepreneurship: a meritocratic system wherein everyone has access to the tools for creating their own business, and thus a means of supporting themselves. In short, this could feel like Thatcherism on steroids. And Huaqiangbei stands as a key example, a place where anyone can be a "maker" (of electronic devices, or components that make better devices), selling niche products to international passersby and global markets with the help of Kickstarter and Taobao.

Sound problematic? Yes, and not least in the way that, as with Thatcherism, China's strategy shifts not just profits but also risk away from a collective body and onto the individual – the self

as micro-corporation in a market of a billion-plus entrepreneurs. As Shenzhen tech visionary David Li remarked to me, the policy requires that each of us assume a mentality of "having to face the market on one's own." On the other hand, he asks, "What, really, is the alternative?" Mass redistribution systems seem increasingly hard to implement as government agency weakens and businesses grow evermore influential, with little incentive to support policies aimed at limiting their profits and power.

But there is another factor to consider when it comes to China's conception of mass entrepreneurship, especially as it plays out in the SEZ-enabled hardware ecosystem: copyright. In Shenzhen, patent restrictions upheld in Silicon Valley are virtually impossible to enforce, rendering intellectual property itself open-source. In turn, the author function – that which generates value via the subjectivity of the creative star company, the founder on the stage with a beautiful story, or by extension the artist-genius marking his canvas – has far less agency. To be an entrepreneur in this environment is not to be a "financialized self" but, rather, to partake in a (perhaps newer) spirit

of capitalism wherein the self is given back to the individual, whose being (subjecthood) is ostensibly now buffered from the market by a productive shell. Without effective copyright enforcement, as is the case in Huaqiangbei, everybody has access both to the ideas⁸ and to the revenue these ideas garner – a setup that stands in contradistinction to the Silicon Valley model (which echoes the art market model), where both ideas and revenue are aggregated by a few powerful groups at the top, validated by an elite set of individual “creatives.”

In Huaqiangbei, “imitation, innovation, iteration”⁹ is a frequently invoked maxim. And it’s one that, (bearing relation to Confucian ideals, Chinese landscape painting and language learning, etc.), has a culturally significant historical precedent.¹⁰ Huaqiangbei follows the logic that if you drop legal barriers to imitation – and note that while copyright laws might be intended to protect small operations from big businesses, they are disproportionately used by big businesses to defend against competitors – everybody is able to innovate their own version of whatever (be it a programmable LED strip, a selfie-stick with a fan, or a smartphone with a built-in garage door opener); in Shenzhen, anyone with a good idea can have access to the means of production and sell to the global market. But moreover, the success of any one “maker” is necessarily indebted to the innovation of those around him or her, thus incentivizing community as a requisite part of securing individual wealth. Further, it is much more difficult for corporate monopoly to take hold in an environment like this. For example, Shenzhen (home to Foxconn’s biggest factory) remains the world’s largest producer of iPhones. Yet without protected access to the Chinese market, Apple wields far less power over consumers

in China comparative to elsewhere in the world.¹¹ China’s markets are, of course, much more complicated than just the Mass Entrepreneurship initiative though. At the top end, big China tech does embrace a form of protectionism that drives domestic growth (a market of some 1.4 billion consumers is not nothing), enabling the success of very large, monopolistic companies like Tencent. And as a strategy, mass entrepreneurship has its pitfalls too. For one, it greatly privileges well-educated urbanites, providing scant infrastructure for the nation’s less educated population to be integrated.¹² Moreover, it deepens the nation’s problem of precarity (a new precarious management class compounding that of the already precarious factory-employed). In addition, government funding often fails to reach the small businesses it is intended to support.

Perhaps we’ll find a better answer in a system that combines both an open-copyright environment and some form of carefully implemented Universal Basic Income. Even if a mass entrepreneurial program like the one promoted in China proves to be part of a credible answer to the future of the labor-value-meaning equation, platform-based market leaders are still likely to control a lot of money and power. Will the combined income of the world’s mom-and-pop shops be able to politically oppose the might of these platforms without more democratic implementation of regulations on markets that otherwise tend toward monopoly? Or is this precisely a place around which the voice of a new New Left might be cohered?

Notes

- 1 A Special Economic Zone (or SEZ) is a jurisdiction assigned financial regulations that differ from the norm of that state. Intended to incentivize growth, job creation, and

international investment in the country at large, SEZs often demonstrate disproportionate growth in comparison to the rest of the state, thus in turn creating new norms and accelerating deregulation. A SEZ like Shenzhen is an entire city, including both business and residential programs.

- 2 For example, Apple Inc. (as of May 2017) lays claim to 91% of the smartphone market. To put that in economic terms, the company (as of December 2016) reported cash assets of \$246.09 billion USD (predominantly held in offshore accounts), making gains, in the last three months of 2016, at a rate of roughly \$3.6 million an hour. See Tripp Mickle, "Apple's Cash Pile Is Set to Top \$250 Billion," <https://www.wsj.com/articles/apples-250-billion-cash-pile-enlivens-hopes-fuels-expectations-1493566748>. This tendency is engendered by Silicon Valley standard practice systems – such as venture capital for funding platform start-ups, where wealthy investors who can afford to lose billions of dollars over long periods offer services at a loss, undercutting existing markets in price and convenience, therefore gaining effective monopolies (Uber, Amazon).
- 3 How UBI is implemented and what is considered "universal" (i.e., national or fully global? refugees inclusive? undocumented immigrants?), and "basic" (i.e., how much income is a fair base) would determine the merits of such a system. One could imagine, as a negative example, a scenario where UBI becomes an excuse for unfair economic restructuring which replaces more targeted welfare systems.
- 4 Across the West, scapegoats such as immigration policy or asylum for refugees tend to replace the fact that it is an increase in automated labor that is chiefly reconfiguring employment. Repatriating automated factories to the US, for example, is something that would benefit corporations, not the would-be workers who will no longer be necessary.
- 5 The "maker" movement is a DIY electronics hardware subculture framed by Dale Doherty's "Make" magazine in 2005 and popularized by Chris Anderson in his 2010 *Wired* article "Atoms Are the New Bits." China's maker movement has adopted many of the mainstays of US maker culture, but has been further shaped by the Chinese government's investment in the sector vis-à-vis, not least, its policy of Mass Entrepreneurship.
- 6 "Shanzhai" is a counterfeit item; in the context of Shenzhen, often electronics hardware. Shanzhai has been talked about in this ecosystem as an open-sourcing of intellectual property, and is a term that has increasingly positive connotations in China, implying not theft, but a spirit of access and innovation.
- 7 Huaqiangbei has become nearly mythic in its status as a global hub for the maker movement and is idealized as a space of genuine grassroots innovation in electronics hardware.
- 8 The most scalable examples being selfie-sticks, hoverboard scooters, and Bluetooth-speaker-equipped karaoke mics, all of which are products with no founder, no inventor, no patent, and therefore no monopoly.
- 9 By imitating something, one first comes to intimately understand this object's mechanics; once this is mastered, innovation can happen on top of that initial form; and then finally, various versions of that development can be iterated.
- 10 See, for example, Jonathan Ocko, "Copying, Culture, and Control: Chinese Intellectual Property Law in Historical Context," in: *Yale Journal of Law & the Humanities*, vol. 8, no. 2, 1996.
- 11 "For 2016, Apple experienced year-on-year decline in China with the tech giant's shipments volume to China falling from 58.4 million units in 2015 to 44.9 million in 2016. Meanwhile, its market share dropped 4 percentage points to 9.6 percent, even as the Chinese smartphone market grew 9 percent for the full year, according to the latest IDC Quarterly Mobile Phone Tracker." <http://www.cnbc.com/2017/02/06/apples-market-share-in-china-falls-for-first-time.html>.
- 12 Although initiatives like Tat Lam's Shanzhai City is working to close these gaps with data literacy-focused metrics across wider sectors and demographics.