End of Millennium

Second edition With a new preface

Manuel Castells



A John Wiley & Sons, Ltd., Publication

The Information Age

Economy, Society, and Culture

Volume III End of Millennium

This final volume in Manuel Castells' trilogy studies the key defining processes taking place in the last decade of the twentieth century as an expression of the crises resulting from the transition between the old industrial society and the emerging global network society.

The book studies empirically the collapse of the Soviet Union, tracing it back to the incapacity of industrial statism to manage the transition to the Information Age. Castells documents how inequality, poverty, and social exclusion, nationally and globally, are an inherent feature of the type of network society that emerged under the domination of global capitalism. He proposes that the rise of a global criminal economy is a fundamental development that would alter the way societies, economies, and institutions are to be understood in our time. Highlighting the growth of the Asian Pacific as the most dynamic region of the world economy the author explains why China, rather than Japan, is the economic and political actor revolutionizing the global system. Further, he studies the European Union as the expression of a new form of political institution, the Network State.

After linking the content of *End of the Millennium* to current developments, the new preface to this volume assesses the validity of the theoretical construction presented in the conclusion of the trilogy, proposing some conceptual modifications in light of the observed experience.

Table of Contents for Volumes I and II of Manuel Castells' The Information Age: Economy, Society, and Culture

Volume I: The Rise of the Network Society

Prologue: The Net and the Self

- 1 The Information Technology Revolution
- 2 The New Economy: Informationalism, Globalization, Networking
- 3 The Network Enterprise: The Culture, Institutions, and Organizations of the Informational Economy
- 4 The Transformation of Work and Employment: Networkers, Jobless, and Flex-timers
- 5 The Culture of Real Virtuality: The Integration of Electronic Communication, the End of the Mass Audience, and the Rise of Interactive Networks
- 6 The Space of Flows
- 7 The Edge of Forever: Timeless Time

Conclusion: The Network Society

Volume II: The Power of Identity

Our World, Our Lives

- 1 Communal Heavens: Identity and Meaning in the Network Society
- 2 The Other Face of the Earth: Social Movements against the New Global Order
- 3 The Greening of the Self: The Environmental Movement
- 4 The End of Patriarchalism: Social Movements, Family, and Sexuality in the Information Age
- 5 Globalization, Identification, and the State: A Powerless State or a Network State?
- 6 Informational Politics and the Crisis of Democracy

Conclusion: Social Change in the Network Society

End of Millennium

Second edition With a new preface

Manuel Castells



A John Wiley & Sons, Ltd., Publication

This second edition with a new preface first published 2010 © 2010 Manuel Castells Edition history: Blackwell Publishers (1e, 1998), Blackwell Publishers (2e, 2000)

Blackwell Publishing was acquired by John Wiley & Sons in February 2007. Blackwell's publishing program has been merged with Wiley's global Scientific, Technical, and Medical business to form Wiley-Blackwell.

Registered Office John Wiley & Sons Ltd, The Atrium, Southern Gate, Chichester, West Sussex, PO19 8SQ, United Kingdom

Editorial Offices 350 Main Street, Malden, MA 02148-5020, USA 9600 Garsington Road, Oxford, OX4 2DQ, UK The Atrium, Southern Gate, Chichester, West Sussex, PO19 8SQ, UK

For details of our global editorial offices, for customer services, and for information about how to apply for permission to reuse the copyright material in this book please see our website at www.wiley.com/wiley-blackwell.

The right of Manuel Castells to be identified as the author of this work has been asserted in accordance with the Copyright, Designs and Patents Act 1988.

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted, in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, except as permitted by the UK Copyright, Designs and Patents Act 1988, without the prior permission of the publisher.

Wiley also publishes its books in a variety of electronic formats. Some content that appears in print may not be available in electronic books.

Designations used by companies to distinguish their products are often claimed as trademarks. All brand names and product names used in this book are trade names, service marks, trademarks or registered trademarks of their respective owners. The publisher is not associated with any product or vendor mentioned in this book. This publication is designed to provide accurate and authoritative information in regard to the subject matter covered. It is sold on the understanding that the publisher is not engaged in rendering professional services. If professional advice or other expert assistance is required, the services of a competent professional should be sought.

Library of Congress Cataloging-in-Publication Data is available for this title

ISBN: 978-1-4051-9688-8

A catalogue record for this book is available from the British Library.

Set in 10.5/12 Sabon by SPi Publisher Services Ltd, Pondicherry, India

Para mi hija, Nuria Castells, alegría de mi vida, con la esperanza de que su milenio sea mejor que el mío

Contents

List of Tables	xi
List of Figures	xii
List of Charts	xiii
Preface to the 2010 Edition of End of Millennium	xiv
Acknowledgments 1997	xxvii
A Time of Change	1
1 The Crisis of Industrial Statism and the Collapse of the Soviet Union	5
The Extensive Model of Economic Growth and the Limits of Hyperindustrialism The Technology Question	10 26
The Abduction of Identity and the Crisis of Soviet Federalism The Last <i>Perestroika</i>	37 46
Nationalism, Democracy, and the Disintegration of the Soviet State The Scars of History, the Lessons for Theory, the	56
Legacy for Society	62

viii	CONTENTS	
2	The Rise of the Fourth World: Informational Capitalism, Poverty, and Social Exclusion	69
	Toward a Polarized World? A Global Overview The De-humanization of Africa	74 85
	Marginalization and selective integration of Sub-Saharan Africa in the informational-global econom	
	Africa's technological apartheid at the dawn of the	02
	Information Age The predatory state	93 97
	Zaïre: the personal appropriation of the state	100
	Nigeria: oil, ethnicity, and military predation	100
	<i>Ethnic identity, economic globalization, and state</i>	105
	formation in Africa	106
	Africa's plight	116
	Africa's hope? The South African connection	123
	Out of Africa or back to Africa? The politics and	
	economics of self-reliance	128
	The New American Dilemma: Inequality, Urban Poverty,	
	and Social Exclusion in the Information Age	130
	Dual America	131
	The inner-city ghetto as a system of social exclusion	142
	When the underclass goes to hell	150
	Globalization, Over-exploitation, and Social Exclusion:	
	the View from the Children	154
	The sexual exploitation of children	159
	The killing of children: war massacres and child soldiers	162
	Why children are wasted	164
	Conclusion: the Black Holes of Informational Capitalism	166
3	The Perverse Connection: the Global	
	Criminal Economy	171
	Organizational Globalization of Crime, Cultural	
	Identification of Criminals	173
	The Pillage of Russia	185
	The structural perspective	189
	Identifying the actors	190
	Mechanisms of Accumulation	193
	Narcotrafico, Development, and Dependency in	
	Latin America	198
	What are the economic consequences of the	
	drugs industry for Latin America?	202
	Why Colombia?	204

	CONTENTS	ix
	The Impact of Global Crime on Economy, Politics, and Culture	209
	Development and Crisis in the Asian Desifier	
4	Development and Crisis in the Asian Pacific:	245
	Globalization and the State	215
	The Changing Fortunes of the Asian Pacific	215
	Heisei's Japan: Developmental State versus	
	Information Society	223
	A social model of the Japanese developmental process	225
	Declining sun: the crisis of the Japanese model	
	of development	236
	The end of "Nagatacho politics"	248
	Hatten Hokka and Johoka Shakai: a contradictory	
	relationship	251
	Japan and the Pacific	258
	Beheading the Dragon? Four Asian Tigers with a Dragon	
	Head, and their Civil Societies	259
	Understanding Asian development	261
	Singapore: state nation-building via multinational	
	corporations	262
	South Korea: the state production of oligopolistic capitalism	266
	Taiwan: flexible capitalism under the guidance	
	of an inflexible state	270
	Hong Kong model versus Hong Kong reality: small	
	business in a world economy, and the colonial	
	version of the welfare state	274
	The breeding of the tigers: commonalities and	
	dissimilarities in their process of economic development	279
	The developmental state in East Asian	
	industrialization: on the concept of the	
	developmental state	286
	The rise of the developmental state: from the	
	politics of survival to the process of nation-building	288
	The state and civil society in the restructuring	
	of East Asia: how the developmental state	
	succeeded in the development process	293
	Divergent paths: Asian "tigers" in the economic crisis	297
	Democracy, identity, and development in	202
	East Asia in the 1990s	303
	Chinese Developmental Nationalism with Socialist	711
	Characteristics	311
	The new Chinese revolution	312

Guanxi capitalism? China in the global economy China's regional developmental states and the	317
bureaucratic (capitalist) entrepreneurs	321
Weathering the storm? China in the Asian economic crisis Democracy, development, and nationalism in the	\$ 325
new China	328
Conclusion: Globalization and the State	337
5 The Unification of Europe: Globalization, Identity,	
and the Network State	342
European Unification as a Sequence of Defensive	
Reactions: a Half-century Perspective	344
Globalization and European Integration	352
Cultural Identity and European Unification	361
The Institutionalization of Europe: the Network State	365
European Identity or European Project?	368
Conclusion: Making Sense of our World	371
Genesis of a New World	372
A New Society	376
The New Avenues of Social Change	387
Beyond this Millennium	389
What is to be Done?	394
Finale	395
Summary of Contents of Volumes I and II	397
References	399
Index	433

Tables

1.1	Soviet national income growth, 1928–87: alternative estimates	11
1.2	Soviet output and inflation, 1928–90	11
		14
1.3	Soviet inputs and productivity, 1928–90	14
1.4	Growth rates of Soviet GNP, workforce, and capital	4 7
4 -	stock, with investment–GNP and output–capital ratios	17
1.5	Balance of inter-republican exchange of products and	4.2
	resources, 1987	43
1.6	Ethnic composition of Russia's autonomous republics,	
	1989	44
2.1	GDP per capita in a 55-country sample	76
2.2	Change in income inequality after 1979 in OECD countries	80
2.3	Per capita GDP of developing economies, 1980–96	84
2.4	Value of exports from world, less-developed countries,	
	and Sub-Saharan Africa, 1950–90	87
2.5	Structure of exports (percentage share), 1990	88
2.6	Percentage share of Sub-Saharan Africa in world	
	exports of major product categories	89
2.7	Terms of trade of selected African countries, 1985–94	90
2.8	Sectoral growth rates (average annual percentage	
	change of value added), 1965–89	91
2.9	Estimated HIV seroprevalence for adults (15–49 years)	
	for cities and rural areas in selected African countries,	
		121
2.10	Income inequality in the United States, 1977–99	136
4.1	Contracted foreign investment in	
		319
	i	

Figures

1.1	Soviet national income, 1928–87: alternative	
	estimates	11
1.2	Soviet national income: role of inputs in output growth	13
1.3	Soviet GNP growth rates, 1951–80	18
2.1	GDP per capita index in a 55-country sample	79
2.2	International connectivity	94
2.3	Food production per person	118
2.4	AIDS cases per million in Africa, 1990	120
2.5	Annual growth of median family income in US,	
	1947–97	132
2.6a	Real hourly wages for men by wage percentile in	
	US, 1973–97	133
2.6b	Real hourly wages for women by wage percentile	
	in US, 1973–97	133
2.7	Average annual change in family income in US, 1947–97	135
2.8	Percentage of workers earning poverty-level wages	
	in US, 1973–97	141
2.9	Incarceration rates in US, 1850–1991	151
2.10	Number of inmates held in state or federal prisons	
	or in local jails in US, 1985–95	152
3.1	Illegal immigrants entering the European Union,	
	1993–9 (estimates)	182
4.1	Japan's values in equities and land in billions of yen,	
	1976–96	240

Charts

3.1	The evolution of illegal and criminal networks in Russia	196
4.1	A social model of Japanese development, 1955–85	228
4.2	The structure and process of economic development	
	in Hong Kong, 1950–85	280