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Losing Liberty in an Age of Access

James Poulos

A few months before 9/11, when I first moved to downtown Los Angeles, the city's high rises teemed with lawyers and bankers. The lights stayed on late—a beacon of industriousness. But as I quickly discovered, they rolled up the sidewalks by sundown. No matter how productive and wealthy its workers, downtown was a ghost town. LA's urban core was no place to raise a family or own a home. With its patchwork of one-way streets and expensive lots, it was hardly even a place to own a car. The boom of the late 1980s and early 1990s that had erected LA's skyline had not fueled residential growth. Angelenos who wanted to chase the dream of property ownership were effectively chased out of downtown.

But things change. Last month, I moved back to "DTLA," as it's now affectionately known. Today, once-forlorn corners boast shiny new bars, restaurants, and high-end stores. The streets are full of foot traffic, fueled by new generations of artisans, artists, and knowledge workers. They work from cafés or rented apartments, attend parties on hotel rooftops, and Uber religiously through town. Yes, there are plenty of dogs. But there are babies and children too. In a little over a decade, downtown's generational turnover has replaced a faltering economy with a dynamic one.

What happened? Partly, it's a tale of the magnetic power possessed by entrepreneurs and developers, who often alone enjoy enough social capital to draw friends and associates into risky areas that aren't yet trendy. Even more, it is a story that is playing out across the country. In an age when ownership meant everything, downtown Los Angeles languished. Today, current tastes and modern technology have made access, not ownership, culturally all-important, and LA's "historic core" is the hottest neighborhood around. Likewise, from flashy metros like San Francisco to beleaguered cities like Pittsburgh, rising generations are driving economic growth by paying to access experiences instead of buying to own.

Nationwide, the line between downsizing hipsters and upwardly mobile yuppies is blurring—an indication of potent social and economic change. America's hipsters and yuppies seem to be making property ownership uncool. But they're just the fashionable, visible tip of a much bigger iceberg.

James Poulos *is a columnist at the* Daily Beast *and a senior contributor to* The Federalist.

Rather than a fad, the access economy has emerged organically from the customs and habits of "the cheapest generation"—as it has been dubbed in *The Atlantic*, the leading magazine tracking upper-middle-class cultural trends. Writers Derek Thompson and Jordan Weissman recount that, in 2010, Americans aged 21 to 34 "bought just 27 percent of all new vehicles sold in America, down from the peak of 38 percent in 1985." From 1998 to 2008, the share of teenagers with a driver's license dropped by more than a fourth. And it isn't just cars and driving: Thompson and Weissman cite a 2012 paper written by a Federal Reserve economist showing that the proportion of new young homeowners during the period from 2009 to 2011 was at a level less than half that of a decade earlier. It's not quite a stampede from ownership, but it's close.

In part, these changes can be chalked up to the post-Great Recession economy, which has left Millennials facing bleak job prospects while carrying heavy loads of student debt. But those economic conditions have been reinforced by other incentives to create a new way of thinking among Millennials. They are more interested than previous generations in paying to use cars and houses instead of buying them outright. Buying means responsibility and risk. Renting means never being stuck with what you don't want or can't afford. It remains to be seen how durable these judgments will be, but they are sharpened by technology and tastes, which affect not just the purchase of big-ticket items like cars and houses but also life's daily decisions. Ride-sharing apps like Uber and Lyft and car-sharing services like Zipcar are biting into car sales. Vacation-home apps like Airbnb have become virtual rent-sharing apps. There's something powerfully convenient about the logic of choosing to access stuff instead of owning it. Its applications are limited only by the imagination.

That is why we are witnessing more than just a minor shift in the way Americans do business. It is a transformation. Commerce is being remade in the image of a new age. Once associated with ubiquitous private property, capitalism is becoming a game of renting access to goods and services, not purchasing them for possession.

Why Ownership Matters

If you suspect that this sea change carries political consequences, you're correct, and you're in good company. For major pro-liberty economists of the twentieth century like Friedrich Hayek and Milton Friedman, political freedom is impossible without economic freedom—and economic freedom is impossible without free markets. Although that idea had become almost a truism by the late twentieth century, today it is more important than ever to revisit the logic behind the ideal.

In *Property and Freedom* (1999), Richard Pipes restated the liberty argument for ownership by showing how the history of ownership in England and Russia charted two different political paths. In the English case, the possession and maintenance of property over generations led to the development of a political culture that not only prizes personal freedom but nourishes the practice of self-government. In the Russian case, by contrast, private property only came to exist because absolute rulers revocably granted it on case-by-case terms. Without an organic and cohesive property tradition, freedom does not arise because it cannot even really be imagined.

For Pipes, the upshot for today's policymakers is straightforward but challenging. The rise of a robust welfare state does not just reduce the number of people who possess property. More importantly, it prevents people from partaking in the tradition of ownership, the experience of which alone can create a culture of freedom.

Pipes disappointed some readers by complaining that the welfare state could not readily be cast aside. But for many Republican policymakers of the time, flush from forcing President Clinton to keep his promise of ending "welfare as we know it," there was no need to entertain such a radical remedy. Nevertheless, their sense of triumph was short-lived. Despite the rise of "workfare," which saw a reduction in government entitlements and increase in productivity, simply reforming welfare did not recreate the tradition of ownership in areas where it had begun to die out.

The difficulty was deepened by the popularity, in intellectual circles, of a potentially problematic understanding about the relationship between property and freedom. Even Republicans followed too closely in the footsteps of John Locke. As Jeremy Waldron explained in *The Right to Private Property* (1988), Locke maintained that rights to property were special, arising as the result of actions that qualify people as owners—such as mixing their labor with the land, in one of Locke's more famous examples. This understanding of property can be incentivized, sustained, and protected through policy measures like tax cuts or credits. Other philosophers, however, advanced a view that is harder to implement through policy. Hegel, for instance, theorized that the very concepts of human freedom and integrity could not develop and flourish unless the possession of property was a general right, exercised by virtually all.

In *The Servile State* (1912), Hilaire Belloc made an argument similar to Hegel's. In laying out the case for a distributist alternative to both capitalism and socialism, Belloc worried that a Lockean view could allow property to become so concentrated that the popular tradition of ownership would collapse. But he disagreed with Marx's claim that this process was inevitable. Belloc intimated that a government facing a severe concentration of property would have to take radical measures to restore the tradition of ownership.

It has never been crystal clear just what such measures would be. For while some theorists worried that freedom's foundation in ownership required the state to break up concentrated private property, others observed that the concentration of property in the hands of the government threw the future of freedom into question in a somewhat different way. Raising the specter of "the public interest state," Yale law professor Charles Reich warned in the mid-1960s that a public policy organized around the dispensation of largesse fostered a theory of property wherein government could give or take away without regard to the due process of law. Although he insisted that most of the social objectives pursued by the liberal state were "laudable," he adjudged their "great difficulty" to be "that they are simplistic," apt to wipe out the individual autonomy and dignity that welfare regimes had ostensibly been created to vouchsafe. "More than ever," he concluded, "the individual needs to possess, in whatever form, a small but sovereign island of his own." But because government had become such "a major source of wealth," reaching across classes from the disenfranchised and destitute to the business-industrial elite, Reich deduced that the only way to preserve liberal freedom while ensuring social security was to "create a new property": to sanction a private property right to government largesse.

The Hinge of Technology

We are now on different cultural ground than Belloc, Reich, Friedman, and even Pipes had imagined. And unfortunately for today's conservatives and libertarians, almost all of whom are still persuaded that freedom rests upon ownership, that idea is directly challenged by the new logic of possession and use woven into the origins of digital commerce.

On the one hand, we have become accustomed, when installing software—computer programs, smartphone apps, video games, etc.—to clicking our blind assent to so-called "end-user license agreements," which function roughly like government largesse in their lopsidedness: if you want the goods, you agree to the terms, narrowed and capricious as they may be or may one day become. Recently, what has been good for the software goose has become good for the hardware gander, with many of our devices, like our iPhones, being "owned" only in a sense dramatically attenuated by the terms of the contracts we sign when we pay for them. Not only have tech companies expanded the logic of licensing to the four corners of their market, but that full-bore advance has marched apace with a growing public belief that these terms are reasonable and commonsensical.

On the other hand, our shifting sensibilities have also helped hasten the offloading of ownership by popularizing services where once only goods would do. "Service" was once characteristically an arrangement that kept owned goods in working condition over years, perhaps decades; then, after an era of "planned obsolescence," wherein products grew cheaper and more disposable, the current era of services arose. Today, not only has technology awakened us to the experiential advantages of short-term rentals over vacation homes, or Uber ("everyone's private driver") over flashy cars in the driveway. Despite the collapse of newspapers, subscriptions are booming—to everything from newsletters, podcasts, and on-demand video to short-term goods like shaving kits and steaks. The AMC theater chain recently announced it will begin experimenting with a flat monthly rate for an unlimited number of movies, in effect bringing the Netflix subscription model from the small screen to the big. Evanescence has become a cultural feature, not a bug. Snapchat, the app whose users' pictures and videos disappear after viewing, brings a level of immediacy and impact to the social Internet akin to attending live sports or music events. Not coincidentally, sports and music figure significantly in users' "snaps."

Importantly, however, at a time when Facebook's Mark Zuckerberg has deliberately eliminated clothing from his list of cognitive cares by adopting a bland uniform of hoodies and casual wear, elites are using their massive advantage in purchasing power in a manner unlike the industrial barons of old. Although the ethic of conspicuous consumption and status wealth is still on display on Wall Street, the future appears to belong to a new generation of the independently monied and independently minded, for whom ownership functions primarily as a means to the privileges of experiential choice.

The upshot of these marked changes in the culture of commerce creates problems for partisans of liberty, problems pointed in two directions. Not only is contemporary culture too Lockean, defending special property rights at the expense of a robust, general conception of them. In other respects, it is not Lockean enough. Despite the vogue for experience, too much of the propertied elite embraces a system of political patronage that further concentrates property at freedom's expense. The rise of the sharing economy has shifted massive sums toward innovators whose financial success has enabled the rise of what Noam Scheiber, in an influential *New Republic* essay on Obama consigliere Valerie Jarrett, pointedly termed "boardroom liberalism": "it is a view from on high," he wrote—"one that presumes a dominant role for large institutions like corporations and a wisdom on the part of elites. It believes that the world works best when these elites use their power magnanimously, not when they're forced to share it. The picture of the boardroom liberal is a corporate CEO handing a refrigerator-sized check to the head of a charity at a celebrity golf tournament. All the better if they're surrounded by minority children and struggling moms." Indeed, Silicon Valley has shown itself to be comfortable with influential pro-corporate operators of both parties. Meanwhile, more broadly, the affinity for ownership that arises from a proverbial "hard day's work" is on a decline among rising generations—not so much because they are lazy, but because, increasingly, the satisfaction they derive from work is in the access to experience it unlocks. Plus, even many younger Americans who sense the hollowness and corruption of materialistic patronage prefer to focus self-interestedly on pursuing their alternate path, not fighting against the subsidized concentration of property. In this way, the relationship between ownership and freedom is eroded at both ends.

New Economy, New Politics

Rather than looking for answers among intellectual historians, perhaps the right should now look to the futurists. Indeed, some of today's best futurists help provide a key insight: the transformation in how we do business involves a wholesale rejection of the social structure of the market.

To be sure, this kind of futurism is very much in the air. Capitalists and free-marketeers concerned to keep the wheels of productivity humming have clued in, advocating for a consumerism of experience. American religion, so often animated by the hope of reconciling material and spiritual plenty, has a stake in the pitch as well. Academic studies "proving" that experiences conduce more to happiness than property does trickle down into the public mind by way of reports like James Hamblin's recent *Atlantic* article summarizing the science: "Experiential purchases like trips, concerts, movies, et cetera, tend to trump material purchases because the utility of buying anything really starts accruing before you buy it." That's because, one hypothesis runs, "you can imagine all sort of possibilities for what an experience is going to be." The alternative? "With a material possession, you kind of know what you're going to get." Under the banner of possibility, the idea of ownership is reconfigured as an obstacle to opportunity.

Conservatives have gotten in on the act, without much undue ideological strain. In a *New York Times* column entitled "Abundance Without Attachment," American Enterprise Institute president Arthur Brooks advises that America surmount the "Christmas Conundrum" of gift-grubbing by pursuing abundance but avoiding attachment. "First, collect experiences, not things," Brooks writes with Emersonian heft. Americans are apt to lower their spirits in the "dogged pursuit of practicality and usefulness at all costs." As Aristotle knew, and Brooks counsels, experience affords knowledge of that which is "admirable, difficult, and divine, but useless." The economy of experience, intimates Brooks, at last achieves the American conservative's dream: lighting the denizens of democracy with an aristocratic passion.

Gone is the ascetic, renunciatory conservatism of midcentury theorists like Christopher Lasch, or Philip Rieff, for whom "experience is a swindle; the experienced know that much." Rieff, a nearly anti-political sociologist, associated the culture of experience with analogue, not digital, technologies, such as psychotherapy. Indeed, Rieff wrote, "the secret of all secrets" and "interpretation of all interpretations" taught by Freud was "not to attach oneself exclusively or too passionately to any one particular meaning or object." Or, not so covertly, to any particular institution or person—a direct attack on traditional conservatism if ever there was one.

And so, as the cultural right has struggled to choose between attitudes toward attachment, the economic and political landscape has shifted decisively underfoot. At the turn of this century, one of our more idiosyncratic futurists, Jeremy Rifkin, had already raised the point, tying cultural and technological change together to account for our spirited turn against ownership. He argued that markets, which once drew people to mingle face to face at specific sites, have been replaced by networks, which disperse us as widely as our transactions. For Rifkin, and some others among the futurists, the eclipse of the market is the hallmark of a new economic—and political—age.

Rifkin laid out his vision in an underappreciated book called *The Age of Access: The New Culture of Hypercapitalism, Where All of Life Is a Paid-For Experience* (2000). As its subtitle implies, Rifkin argues that "ownership is steadily being replaced by access" as we increasingly allow only "suppliers to hold on to property," charging us user fees or dues. "The exchange of property between sellers and buyers—the most important feature of the modern market system—gives way to short-term access between servers and clients operating in a network relationship." This "shift from ownership to access," says Rifkin, means "profound changes in the way we will govern ourselves in the new century." Hence our current predicament.

Rifkin's prophecies were not popular. For conservatives, he was too anti-corporate; for liberals, too contrarian. A reviewer at one progressive news site mocked Rifkin for suggesting that, instead of celebrating autonomy and self-sufficiency, the American of tomorrow "will be dependent on others—via telecommunications—to confirm the various parts of his fragmented identity." Today, corporatist Democrats are busy selling this identity right back to networked voters in urban enclaves. Maryland Governor Martin O'Malley recently proclaimed wireless Internet access a "human right"; back in 2005, San Francisco's then-mayor Gavin Newsom said it was a "fundamental right." Increasingly, a life without Internet anywhere is a life without access; increasingly, a life without access is a life not worth living.

The Threat to Liberty

In opposing that judgment, Rifkin offered a more than dispassionate analysis. As the twentieth century came to an end, it seemed to Rifkin that the Disney-fication of life would enslave us to a dizzying new kind of economic inequality. For him, hope was to be found in marginal counter-revolutions like the "Battle in Seattle" of 1999, where environmentalists, multiculturalists, and labor unions came together to combat the globalization of networked finance.

Today's disillusioned Obama voters have seen how that protest movement turned out. Ironically, Rifkin's own liberalism is probably responsible for the brief and muted response to his prophetic warning about the waning of ownership. Even as George W. Bush's push for an "ownership society" flopped, progressives credulously flocked to Barack Obama as the kind of community-centric savior Rifkin might have called for. Then they watched in growing horror as the mainstream left cast aside civil liberties for a more dangerous cult of access than any Rifkin had imagined.

The list of betrayals is long. Instead of "the most transparent administration in history," progressives got the fiercest crackdown on leakers and whistleblowers in history. Instead of a White House where no lobbyist could tread, they got a team of cronies—ultimate insiders devoted to patronage politics on a comprehensive scale. Instead of a renewed respect for the press, they got carefully rationed access to power, used to control reporters and exact loyalty. Instead of a clean break with the Bush era's push for "total information awareness," they got a surveillance state, more than willing to access Americans' intimate information, anywhere, anytime. Because progressives put equality above liberty, they did not anticipate these changes in fortune. And because Rifkin was not a conservative, he did not warn that politics in the age of access was a threat to liberty above all.

Today, we know better. But without a Rifkin of their own, conservatives are still playing catch-up.

Until then, the right's best guide to the age of access today may well be a globetrotting, Springsteen-loving baby boomer, the music industry critic Bob Lefsetz. Lefsetz's online newsletter is a Tocquevillian gold mine of aphorisms about access—the product of a lifetime of experience in the old sense of custom and habit and hard-won knowledge, not the new sense of one-off events.

Like Tocqueville, Lefsetz shows that the culture of access springs from deep roots in the predicaments of democratic life itself. "With so much to do and so little time," he writes in a typical missive, "that which is not instantly intuitive is cast aside and denigrated. We don't want frustration on our way to usability." Our judgment? "It doesn't matter what it can do if we can't access it." Just as Tocqueville cautioned that patronage could prove irresistible in our competitive age as one of the last shortcuts to success, Lefsetz counsels that "it pays to know someone" on the inside, "because they can gain you access." But, he warns, "they'll only provide this if they think it's of benefit"—after all, "they don't want to abuse their relationships." Even our privileged gatekeepers are "overwhelmed" and short on time. Tocqueville alerted us to the fatiguing fickleness and speed of public opinion; "hype is momentary," Lefsetz confirms, because the communications class is so "dazzled" by access that their "antiquated marketers" and "brain-dead writers" produce endless news flashes for "a public that shrugs." Lefsetz writes about music. But as any politico will recognize, he is telling a story that plays out every day in Washington—and well beyond.

That is why Lefsetz is so important to partisans of liberty. Unfortunately, as he shows, fewer and fewer Americans care about owning things. That is not just a problem because it cultivates passivity toward concentrated property and power. It also takes away the habits of experience developed by ownership that make freedom a concrete, incarnate reality. If those habits of experience are replaced too fully with *à la carte* "experiences," freedom transforms too—into the kind of abstract, limitless, and violent ideal it was in revolutionary France. "Just because you play," Lefsetz observes, "that does not mean you will be successful, that does not mean you're entitled to a job in music." Alas, "with access has come delusion." The post-ownership individual insists that "if I can put it on iTunes you should buy it." Today, bereft of ownership, more and more Americans believe they are entitled to access—and to be accessed. That is an idea virtually the opposite of freedom.

The High Cost of Access

For the left-wing combatants of the Battle in Seattle, the kind of freedom that arose from ownership was a fraudulent illusion. But their nihilism actually enabled the elites they raged against. The insiders' view, as Lefsetz reveals, is that if you're not availing yourself of the latest and greatest in government subsidies and benefits, you're getting a raw deal. If you're not paying to play with the regulators in Washington, you're mistreating your stakeholders. President Obama is unashamed to champion these views. When corporate titans claim to care about issues on his agenda, he told *The Economist*, he asks them a simple question: "is your lobbyist working as hard on those issues as he or she is on preserving that tax break that you've got? And if the answer is no, then you don't care about it as much as you say." Today, if you reject the logic of access, the powers that be have no sympathy. As they see it, you're foolishly acting against your own interest.

Policy reforms can beat back the culture of elite patronage, but restarting a tradition of ownership is another matter. The task for lovers of liberty is a cultural one—to push back against Americans' yearning for the fleeting sense of entitlement that comes with renting access. Unhappily, however, the wisdom-loving aristocrat's appreciation for non-attachment is a harder sell than a sybaritic adventurism once restricted to a dedicated class of decadent nobles. That is why the political case for broad-based private ownership is essential to the future of freedom. In a democratic age, the experiential jolt of ersatz exclusivity is a drug of choice for millions who fear they are likely to lose in the competition of all against all. Our shared sense of political insignificance contributes more to our cultural conditioning than is commonly understood. Reasonably yet blindly, liberals are still congratulating themselves that more young people today reject the materialistic appeal of upward mobility. Now is the time for political conservatives to reveal the true cost of the age of access: it is harder than ever to lift yourself up without buying into a corrupt system you can never hope to change.