

## The case for a collective passion economy

### Disrupted to the core

We have gotten used to change. Even just in my lifetime technology has disrupted every aspect of our everyday life. Cellphones were still a luxury when I was young with the most exciting feature besides calling being a game of snake, whereas today they function as full-blown computers. They tell us the temperature of our home when we are on a different continent, connect us with friends and strangers all over the world, and give us access to more information than we could ever process. Technology like this has changed the way we communicate, how we learn, how we live, work, and more. We have mastered learning new things constantly, to cope with continuous change, and to adapt quickly. Technological disruptions have improved our lives in many ways but also confront us with unprecedented political and social issues.

A prominent example is the automation debate: How will rapid advances in automation technology impact the way we work in the future and especially what consequences could it have on the working class? A significant number of people have existential worries when looking into what the future might look like. In a global study of their employees, PwC found that 60% of their workers worry that automation is putting jobs at risk (PwC, 2021). For many workers, automation is not an opportunity but instead a threat that might leave them unemployed. Additionally, they are frustrated with the government's response, because for a few politicians the inevitable technological disruption is on the top of their agenda. This is the reason an increasing number of people are losing faith in established governments. They look towards more radical political movements that promise to protect their needs first without finding sustainable solutions like Donald Trump with his "America First" campaign (Harari, 2019).

This imminent technological disruption will completely change the way we work. However, the jury is still out on what this new working world will look like. Some theories lean toward shorter working times, like the 4-day-workweek (Bregman, 2018). Others believe that the passion economy might be the solution, allowing individuals to create jobs that didn't exist before by utilizing and monetizing their unique passion. In this essay, I will dive deeper into this concept of the passion economy. I will explore how it fits into other developments, moving our society, what opportunities and challenges could arise, and what version of the future I want to work in and shape.

### The Rise of the passion economy

One phenomenon we have been able to observe clearly is the gig economy. We see workers willing to trade in job security for more flexibility across sectors. However, more often than not gig economy workers are choosing gigs more out of necessity than conviction. There is widespread criticism of gig models by unions and governments warning about the lack of protection and security for workers. Abraham Harold Maslow (1943) defined basic human needs as physiological needs including the need for basic resources (food, water, housing, basic income) and security. This is one of the reasons why the gig economy is considerably less stable and sustainable than the economy of the 20th century is because it forces workers to trade

security for flexibility and basic resources. This combined with the fact that gig economy jobs are often very one-sided not utilizing the worker's unique skillset leads to high turnover rates and a volatile supply of workforce for organizations.

There are theories, however, that the passion economy can bridge this gap and is able to provide both flexibility and security (Jin, 2020). At first glance, this sounds very promising. The idea is that individuals can find a niche audience for their very specific talent or passion. In the past, it was very hard to monetize a passion unless you found a large audience interested in the topic. In today's interconnected world, it is possible to be connected directly with a small, niche audience that values your content or service. While consumers are unwilling to pay for mass-market content, they are much more inclined to do so if they feel like the content or service is one of a kind and a relationship has been built. In a blog post, Kevin Kelly (2016) points out that a creator only needs a "thousand true fans". If each of these true fans from around the world spends 100 dollars on one creator's service because it is a match for their specific interest and needs, the creator would have an above-average annual income of 100,000 dollars from their passion.

What is especially charming about this system is that the creator can work flexibly as they are their own independent business. They have the potential to be very effective with their market activity because they create their own blue ocean market outside of much competition. Beyond this, they can meet one further need in Maslow's hierarchy of needs, the desire for self-actualization by doing something multi-dimensional, and creative that they are passionate about. In the passion economy, the individual becomes the brand or company that is being sold. In the past, in order to build a brand creators needed marketing or PR agencies. They would not only influence the way the brand was built with their concepts and visions, but also take a cut of the potential profits. Today it is possible for creators to cut out the middleman and directly communicate with their audience, making it much more accessible and authentic.

The technology to facilitate the passion economy has been available for several years. Based on this it is important to look at further factors that have encouraged this emerging economy. One aspect is the increasing demand for flexibilization among workers, that has already been mentioned. Beyond this, we also see a shift in generational preferences. A Microsoft report (2022) showed that 70% of Gen Z and 67% of Millennials are open to a side hustle or new business opportunity. Further enabling the passion economy are the growing automation possibilities, which are encouraging people to orient themselves more towards creative jobs. Another trend driving this emerging economy is our society's changing relationship with social media. Trust towards the existing platforms like Instagram, Facebook, Twitter, etc. is eroding both on the side of the users and the creators. A study (disciple, 2020) showed that 52% of respondents want to significantly reduce the time spend on social media platforms. Users today are tired of social media giants profiting from their attention. Furthermore, because of the oversupply of free "standardized" content users increasingly desire genuine online connection and community. This further encourages creators to find small communities of like-minded individuals where they can have a significant impact with their service.

## Partial Passion

In his book “crush it”, Gary Vaynerchuk (2009) outlines what individuals need to do to make a living doing what they love. The first step is identifying your passion. But what if a person doesn’t know what their passions are? Many of us have hobbies and a myriad of different interests but don’t know what our one passion would be to completely focus all our energy on. Peter Drucker in his book on managing oneself (2008) elaborates on how most people don’t know what their strengths are. If individuals don’t know what their strengths are, how are they supposed to know what their passions are? The passion economy builds on authenticity in service that can only be conveyed when based on real passion, not a brief fascination.

This problem is further elaborated by Robert Kegan (1983), whose studies showed that only a fraction of the population has the ability to define their completely independent goals for themselves based on an understanding of their own identity and ideology. A larger portion of the population anchors their goals based on societal expectations and social groups. The passion economy would be a great opportunity for those who have a clear grasp of their own identity and ideology. On the other hand, for those with a more self-authoring mind, whose identity is embedded in a larger social construct, it would be much more challenging to find a niche market to build with a unique passion.

There are two conditions that need to be met for an individual to benefit from the passion economy. Firstly, they need to know what their unique passion is that they want to monetize. Secondly, the market for this passion must exist and have the potential for the individual to provide a unique value. The author of the book the passion economy, Adam Davidson explained in an interview (Davidson, 2020) that he believes the passion economy is only attainable for about 20% of the population. Even assuming that these conditions are met, I believe it is questionable whether the passion economy can scale. The reason demand can be created is that the creators focus on small highly specialized markets with particular needs and demands. These are automatically restricted in potential growth. Furthermore, as mentioned, the growth of the passion economy has been fueled by mistrust in the social media giants, if it were to become mainstream, it is questionable if it would be able to stay democratic as bigger players get involved or if the trust would erode here as well.

On a societal level, trends like the passion economy are great examples of rugged individualism. Everyone follows their passion, focusing on their interests and goals. Especially in a team or organizational context, this can lead to conflicts. I believe that working in this individual way might come more naturally to some cultures than others. While in the US individualism is common and valued, Asian countries like China or Japan are much more collectively oriented (Hofstede, 2003). In collective cultures, more emphasis is placed on a sense of belonging. Harmony should be maintained and if this is disturbed this leads to feelings of guilt and shame on an individual level. Under these conditions, it is much more challenging for individuals to pursue individual goals and passions when they don’t align with the collective expectation.

Another question that arises is whether elements of the passion economy can function within traditional models or organizations. If organizations enable the passions of their employees, this could be a rewarding experience for both parties. The employees would be more fulfilled, and the employers would benefit from more motivation and engagement. For this to work, organizations would have to fundamentally change how work is organized. The idea of self-organized workforces based on existing competencies and strengths has already been explored

(Völkl & Meifert, 2021). However, it should be explored how to best align individual passions with the objectives of the organization.

There are many opportunities for individuals to gain flexibility, financial stability, and self-actualization in the passion economy. At the same time, many studies from different disciplines have indicated that most people are not able to truly pinpoint their passion. Further skepticism on whether the passion economy could scale points out that mistrust in the very technology that has enabled its rise could be its fall. Last but not least, it seems that the passion economy is much more compatible with western individualistic cultures, rather than a more collective eastern interpretation.

### The future of the passion economy

Peter Drucker famously said: “The best way to predict the future is to create it” (1995). We share the belief, that we can shape the future we want to work in. To conclude this essay, I will outline the version of the future passion economy that I would want to work in.

My vision is a collective version of the passion economy. While the pure form of the passion economy might only be attainable for some, I believe that elements could be accessible to a larger range of people. We could all benefit from working conditions in which we utilize our passion and interest. One approach to collectivizing the passion economy would be by forming communities and not just for the consumers, where it exists now but also for the creators. Every creator functioning as their own organization is neither efficient nor sustainable. By working together in communities, the creators can make use of synergies. They can save resources, as well as inspire each other to new solutions, making them better off as a group.

Another approach could be to try to integrate aspects of the passion economy into our organizations. Currently, many companies are struggling to find the right talent and keep them engaged. At the same time, these talents are looking for jobs where they can be effective with their strengths, and passions towards a greater purpose. To bring these together, organizations must be very clear with their purpose and strategy so that individuals can explore how their passion can fit within these visions.

Furthermore, organizations have the chance to address two groups of people that are not benefiting from the passion economy. Those who don't know what their passion is and those that don't want to make their passion their job. For the first group, companies can help these individuals figure out what their passion could be. With the help of development programs, mentoring and coaching organizations can enable talents to reach their true potential. However, some people specify that they don't want to make their passion their job. For some, the problem is that their greatest passion is not their greatest skill, for others, it's the worry that they will get tired of working only on one passion. Many worry that if they make their passion their job, it will not be their passion anymore. Organizations can address this group by allowing them to work flexibly and self-organized on a variety of different topics utilizing different strengths and passions.

To operationalize this collective passion economy, companies can facilitate internal marketplaces for projects and communities. Employees have the freedom to offer communities and projects based on their individual passions. Others can be inspired by the available options

and join different causes. This gives those with a passion the possibility of self-actualization in the context of the organization. Because of the community building aspect, a collective and a sense of belonging can be created.

Writing this essay has not only taught me about the teachings of Peter Drucker, and possible future economic developments, but also gave me a chance to reflect on my passions and the world I want to work in. I am excited to shape my future working world, collectively with more passion and more purpose.

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