

2022



Annual **PETER DRUCKER CHALLENGE**

Towards A Passion
Economy

Heads Or Tails

Student Entry

**Peter Drucker Challenge
Forum 2022**

In Honor of Peter Ferdinand Drucker Born 19 November 1909, in Vienna, An economist, management consultant, and educator.

Word count:- 2928

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HEADS OR TAILS

Prologue

My time at university shattered the foundation of everything I believed in. I had a strong belief on the groundwork of the economic system. I decided to take a look into economics and management particularly the works of Peter Drucker. These two fields defined my perception at the time, but my stay at the University would weaken it. It would instill a sense of perplexity in their place, which persists to this day. So I delved into the academic study of both of these areas in search of definitive answers after my fundamental beliefs were shattered. The lack of it only added to my confusion, so I wandered around looking for something solid to hold onto as I write this essay.

Introduction

Often said: It is more productive to convert an opportunity into results than to solve a problem - which only restores the equilibrium of yesterday¹. How true? is the passion economy a come-back against the industrial revolution that solved most of the world's economic problems—while both "enslaving" the proletariats for the benefit of the bourgeoisies². Knowledge is power, is that why people who had it in the past often tried to make a secret of it³? With increasing levels of awareness, lesser need for human labour and higher levels of diversity in specialization would the start-up entrepreneur feel purpose in his works by following the status quo or taking a stance in this "passion economy" ?

I shall decide with the outcome of a coin toss.

¹ Peter F. Drucker

² Ali abdaal

³ Peter F. Drucker Post-Capitalist Society, 1993

UNDERSTANDING THE PASSION ECONOMY

Simply put, the passion economy is a new wave of niche communities that are challenging traditional social media giants. Instead of the generalised and non-specific content of larger social media platforms, the niche communities focus on creating and sharing content that resonates with individuals⁴

The Coming of age paradigm shift from traditional 9-5 jobs to being your own boss is nothing new but the media's attention to this phenomenon has risen dramatically in recent years. According to Adam Davidson, this cultural shift was more than an attempt to manifest an idea of what might happen in the coming decades, and critics quickly arose to dismantle his argument with, as I would call it, ad hominem attacks.

Having a side hustle is generally perceived as "cool", society is now used to seeing students launch a channel or start a social media page and in doing so these content creators directly or indirectly promote what is known as the "passion economy" – a profoundly Anti 9-5 jobs approach to work propaganda that has spread across several niches on the internet from "self-help" to "lifestyle content" using words like the *rat race* or *the hustle* to define it.

- The "ideal labor dream," the Four-Hour Workweek Phenomenon", has gained traction and appears to be reasonable because giving up so much of one's time for a boss one doesn't like or being surrounded by coworkers one dislikes is what the majority of employees experience.
- As a result of the increasing slanders by corporates on social media, there may be a challenge to the overall representation of creatives, influencers, and other 9-5 advocates.

For passion economists, once start-up creators achieve "success", the majority of them will abandon their traditional jobs in favor of content creation, eventually abandoning digital 9-5 jobs in favor of freelance work that "pique their interest." These big tech firms

⁴ The rise of the passion economy :<https://www.forbes.com/sites/benjaminvaughan/2020/07/17/the-rise-of-the-passion-economyand-why-you-should-care/?sh=3402abc817b9>

will continue to pour more money into this system because just like any other economic system "The persistence of a belief over time creates a self-fulfilling prophesy".

We hear quite often multiple incidents of the Viral ' broke to rich' celebrities using certain passion platforms thereby reinforcing the sustenance of that economy.

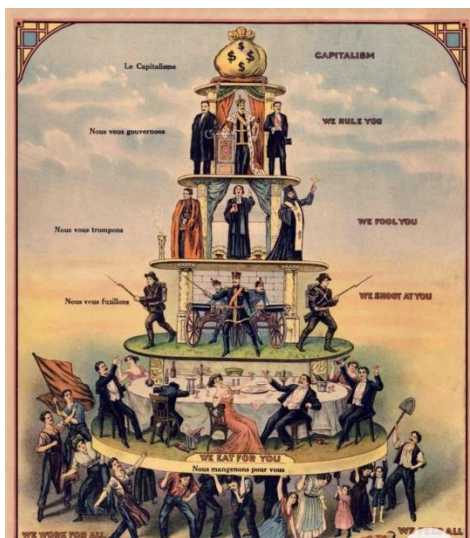
TECHNO-FEUDALISM OR POST CAPITALISM



Techno-feudalism:- Where monopolies of tech platforms replace markets and market competition. Consider a peasant village that pays homage and taxes to a king in exchange for the use of "his" land. This is analogous to Amazon and its smaller outlets while competing with each other

pays to Amazon its brand⁵. As these tech companies wealth grows, the chances of becoming as powerful and wealthy as these *kings* decreases.

Post-capitalism:



*"It is easier to imagine the end of the world, than the end of Capitalism"*⁶

*'the widespread sense that not only is capitalism the only viable political and economic system but also that it is not impossible to even imagine a coherent alternative to it'*⁷

-it is argued that the passion economy is just a transitory form of Capitalism-a post capitalism as it were. Even the learned scholar Karl Marx while pointing out the short-

⁵ Yanis Varoufakis (paraphrased)

⁶ Mark

⁷ Mark fisher *capitalist realism* 2009

falls of capitalism couldn't proffer any good alternative to it. Is that because no one else has thought of other better economic systems?

THE SIMPLE ENTREPRENEUR STANCE (HEAD)

The gig economy—the hot cake as it were, can create monetization for any single aspect of your life. Is that so?.

People can now earn a living while showcasing their uniqueness thanks to new digital platforms. These platforms give providers better tools for differentiating themselves from the competition, more support in growing their businesses, and more ability to build customer relationships. They're also fueling a new model of internet-powered entrepreneurship in the process.

It's similar to the relationship that exists between Amazon, the standardized, mass-produced monolith, and Shopify, the indie-focused platform that allows users to form direct relationships with customers. This shift is already visible in physical product marketplaces, and it's now spreading to services.

Meritocracy has been quite pervasive In Western culture. The belief that work must be HARD in order to be valuable. We're allergic to having a good time at work. "When are you going to get a proper job and stop making contents?" some of my family still asks. I believe that one of the reasons why content creation isn't considered a legitimate job is that it appears to be "fun" rather than "work" (amongst other things). So, why do we live in a culture where "HARD WORK = GOOD" and "FUN WORK = MEH"?⁸.

The Benefits:

- They are open to everyone, not just established businesses and professionals.
- Individuality is viewed as a benefit, not a flaw, and they concentrate on digital products and virtual services.
- They provide all of the tools needed to start, grow, and run a business.
- They provide opportunities for new types of work.
- They are open to everyone, not just established businesses and professionals.

⁸ Ali abdaal

- Investing (content creation=paraphrased) could be a form of activism to create the world they want to see⁹

Entrepreneurs can now monetize their uniqueness and creativity thanks to new integrated platforms. The passion economy will continue to expand in the coming years. We envision a future in which consumers can unlock, augment, and surface the value of unique skills and knowledge.

THE MANAGERS STANCE (TAIL)

Limitation questions to the passion economy

"Does every person in society really have the opportunity to follow their passions?"

"What about people who don't want to make a living out of their hobbies"

"Should we focus on creating the next generation of passion economy middlemen, should we look into something else or totally eliminate an intermediate?"

"As a passion economy entrepreneur are you investing in the platforms or your businesses in that platform?"

"How about those who can't afford to give up their jobs?"

"Who will do the equally important jobs that no one wants to do if everyone can pursue whatever they want?"

"Sure, automation will take over those repetitive jobs, but what about those jobs that can't be replaced, or those jobs that people are passionate about but loses"?

"What about jobs like doormen, receptionists, public relations specialists, and other professions that are heavily reliant on our economic system?"

"When did big tech companies creation gig become the only way out of poverty or a fulfilling job for many people?"

"Will our supposed *sovereign* country's economy now be reliant on some big tech company?"

Arguments against passion economy

⁹ Li Jin

Proponents fail to explain why the so-called "new economy" is only popular in liberal urban areas where the professional and managerial classes live and work; most people in poverty do not have this option. In fact, viewing the passion economy as a universal societal shift places the blame on an individual for not jumping on the "bandwagon" and participating in this new economy. *"You don't have your online business up and running yet?" It's the new gold mine, you're so old-fashioned".*

Back-lash to the world economic and political structures

On November 15, 2020, Portugal made it illegal for bosses to contact employees outside of working hours. According to the US Bureau of Labor Statistics, in July 2020 4 million Americans resigned from their jobs. The "great resignation," as it was later dubbed, prompting the global adoption/consideration of the four-day workweek. On December 8, 2021, Democrats in the United States considered debating and implementing the four-day workweek.

The big boss delusion

One is never truly their own boss. That's the big lie advocates of the passion economy try to sell, ultimately you are still working for a big tech company or a product manufacturer, or advertising agency mostly on your terms. How long will your freedom or creativity or passion last when you begin to feel restricted. Major advocates of the passion economy are either people who are successful at their passion jobs or people who benefit from it hence any economic system is never wholly subjective or objective.

Understanding the ambiguity of human interaction and a tip for employees

Society sucks, my job sucks, What's wrong with me? What am I doing with my life? I want to be creative too, I want to do what people on the internet are doing. Earning more money I don't want to be an object to my manager. In response to existence Simone de Beauvoir offers a context that uncomfortable states; there cannot be pure subjectivity or pure objectivity that is the ambiguity of human existence. The former being that we constantly evolve as a social, political, or economic framework and the latter being that there are rights, liberties and privileges our managers cannot take away. Because ultimately, the popular appeal to the passion economy is a search for meaning and fulfillment.

Though one may question his criteria Aristotle justified the supposed "slavery" because he believed that some people are incapable of making their own decisions or being in a group of men¹⁰

Collectivism- Why Workers Unions are important:

The gig serf or passion economy tend to individualize workers and prevents them from organizing and forming communities. It prevents base building, ideology forming collectivism and class consciousness

Unions : it is

- Solidarity, protection and advocacy
- Mobilizing and organizing
- Pick up lines and negotiations, marches and meetings
- Thinking, talking, building, meetings and planning
- Hope and Optimism¹¹ for employees

In doing so workers could demand full recognition of their values not just as workers but as human beings. It should be a basic requirement for every single company that wants to make sure workers work and lives are meaningful especially for jobs with low utility yet high demand.



Past event and latest innovations.

The sharing economy did have some utility but in face of a grander scheme is quite insufficient.

Inevitably as humanity continues to want more comfort there will always be more innovation. There are latest trends by some technocrats who uses block chain technology to return the earnings back to the content creators whilst using those platform.

¹⁰ *Philosophy and Logic General Studies Unit University of Benin*

¹¹ *Eve living Stone make bosses: pay why we need unions Pluto press 2021*

WHAT'S IN IT FOR EDUCATION

It Amazes me how far into the future Peter Drucker saw he stated that: Schools will change more in the next 30 years than they have since the invention of the printed book. Ten years ago, there were no college courses on some of the most important jobs today because they are so unique and different. His claim is backed up by Peter Diamandis, a futurist who claims that the world changed as much between 1900 and 2000 as it did between 2000 and 2016 and 2016-2022.

Being an educated person is no longer adequate¹²The passion economy has greatly reduced the prestige and hard work associated with a university degree by making information free and accessible (let us not forget that these "free" resources and information were written and produced by learned degree holders- creating a discontinues system).

We must now accept the fact that **learning** is a lifelong process of keeping abreast of **change**. And the most pressing task is to teach people how to learn¹³

PETER DRUCKER'S ADVICE FOR TODAY'S MANAGER

We live in a time when managers are confronted with a variety of management problem. It's the same as dealing with a high level of complexity. We propose a small relationship as a reflection of some of the most pressing dilemmas we encounter in professional lives.

Here are some of Peter Drucker's advice:

Education can no longer be confined to the schools. Every employing institution has to become a teacher¹⁴. It is the very nature of knowledge that it changes fast and that today's certainties will be tomorrow's absurdities¹⁵ We are accustomed to local and linear management; however, the new era necessitates a global and exponential mindset in order to capitalize on the tremendous opportunities for expansion that the

¹² Harvard book
review peter Drucker

¹³ Peter

¹⁴ *The New Realities*, 1989

¹⁵ *Post-Capitalist Society*, 1993

current disruption provides. Decision-making agility and the ability to anticipate the environment are essential for market survival. However, decisions are still made too high in the top management, and delegation and empowerment are still lacking. In an insane society, there are no healthy companies, according to Drucker. Companies must learn to make their operations highly compatible.

The critical feature of a knowledge workforce is that its workers are not labor, they are capital.” – “They’re Not Employees; They’re People¹⁶

An employer has no business with a man’s personality. Employment is a specific contract calling for a specific performance... Any attempt to go beyond that is usurpation. It is immoral as well as an illegal intrusion of privacy. It is an abuse of power. An employee owes no “love” and no “attitudes” – he owes performance and nothing else. The task is not to change personality, but to enable a person to achieve and to perform¹⁷. People are the main asset but more and more trumpets of robotization and artificial intelligence sound as if one were to choose. What it is about is empowering people with new tools. What comes is the sum of intelligences (artificial and human). People will always be the ones that will make the difference.

Corporations once built to last like pyramids are now more like tents... You can’t design your life around a temporary organization¹⁸

If Only Managers had heeded to Drucker’s advice.

What to learn from the big tech companies

These are some of the characteristics that companies with high sustained growth have in common:

- A DNA of passion for their clients,
- A focus on growth and innovation,
- Cost-cutting,
- Humility in constantly reinventing themselves, even when things are going well,
- Excellent people management, and

¹⁶ *Harvard Business Review*, February 2002

¹⁷ Peter Drucker

¹⁸ Ibid

- Market and societal credibility based on a solid business trajectory, humble leadership, and clear Corporate social responsibility (CSR).

These businesses avoid adopting systematic management fashions in favor of implementing only those new trends that they believe will add real value to their operations.

Finally, they are distinguished by their courage in this short-term economic environment: they are not afraid to bet on trajectories. They keep them from becoming conceited as a result of their achievements. They're a company with a sense of style, personality, and tenacity. They hope to square the circle with these ingredients: continuous creation of value for customers, employee commitment, shareholder profitability, and societal authenticity and credibility.

Lessons from my coin toss :- The mid-air toss wasn't just subjected to the Torque of my flip it was also subjected to gravity, air-resistance, wind speed and so on. The economy isn't just turned by big tech companies alone in this case SMEs, smaller tech companies, popular opinion, government legislation and global influences. Ultimately, the aim of the toss was not to prevent the coin from falling but to influence the fall in my favour. The economy system may change but the aim as a manager should be to influence it in your favour or as Drucker eloquently puts it: The greatest danger in times of turbulence is not the turbulence; it is to act with yesterday's logic¹⁹

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¹⁹ Ibid

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