

## THEME 02

# Individualism in the 21st century

INDIVIDUALISM

MODERNIZATION

SOCIO-CULTURAL  
DYNAMICS

Individualism is deeply rooted in Western societies. However, the term is not used unambiguously through history and across the world, and is correlated with a range of social and economic phenomena. An inquiry into the socio-cultural determinants of individualism can provide insight in how individualism is developing in our age.

## Our observations

- In his book [“The Lonely Crowd”](#) (1950), David Riesman et al. identify three main socio-cultural types of personality: tradition-directed, inner-directed and other-directed people. The first belongs to people living in relatively stable and undifferentiated societies, where socialization takes place through religion and ritual associated with age and status. As the modern processes of differentiation and rationalization take hold, fixed social patterns disappear and tradition loses its legitimacy. Expansion then becomes the new goal within modern societies, requiring a personality type that can live without the certainty and solidity of tradition and has a strong autonomous life orientation to respond to new challenges and possibilities of modern societies (inner-directed). The last personality type is not aimed at a particular purpose in life, but responds flexibly and quickly to changing social circumstances and fluid cultural contexts. Its frame of reference is formed by what others think and do (i.e. reference groups) and the more general and abstract cultural signals of modern society that fits the modern consumer culture.
- We have written before that (East) Asian philosophy [perceives reality radically different](#) than Western. On the most abstract level, Asian ontology perceives reality as a dynamic and continuous process of changing and evolving substances, whereas the Western view perceives the world as a collection of discrete and individual ‘essences’ with accidental properties. For example, Chinese see a chair as a seamless whole composed of as single substance (wood) that can transform at any time (in a door for example), while a Westerner sees an object composed of various components (four legs, back and an armrest).
- A 2010 study examined the link between the individualism-collectivism dimension of cultures, and innovation and long-run growth. It found that a [more individualist culture leads to more innovation and to higher growth](#) because individualist cultures grant higher social status rewards to personal achievements and thus provides not only monetary incentives for innovation but also social status rewards. The observed relationship between the degree of individualism and innovation/growth remains strong even after controlling for institutions and other potentially confounding factors. The study also performed instrumental variable analyses to discover a significant and positive two-way causality between culture and institutions.
- Many economists [did not predict the 2008 financial crisis](#). Since then, economic models have been criticized for not fully capturing the [complexity of \(economic\) reality](#). One example is the view of man on which many microeconomic models are founded: the *homo economicus*, which perceives man as a rational being with clear oversight of his/her own preferences and has the cognitive abilities to maximize his/her own utility function. However, the nascent field of [‘behavioral economics’](#) becomes increasingly popular, as it explores how psychological, emotional, social and cultural factors influence economic decision-making and shows how our thinking suffers from significant ‘a-rational’ biases.
- In her book [“The Age of Surveillance Capitalism: The Fight for a Human Future at the New Frontier of Power”](#) (2018), Shoshana Zuboff argues that capitalism has extended the sphere of the market towards our human experiences that it sees as the new raw materials for exploring new commercial practices. Within our [sensor-based economy](#), the extraction of data has become so pervasive, that it captures and interferes with all our communication, movements, behavior, relationships, and even our own thoughts and emotional states of mind.



## Connecting the dots

Our word 'individual' is derived from the Medieval Latin *individuis*, meaning 'one and indivisible. The word 'individualism' was first used by in the early [19th century by Owenism](#) (a group of revolutionaries aimed for radical reform of the European society into utopia communities), although as a pejorative. However, with the ongoing process of modernization in the 19th century and the [idea of progress](#) during that century, individualism became valued more positively. Since then, it has become the moral stance that emphasizes the moral worth of the individual and the intrinsic value of self-determination and independence, and the political philosophy that gives precedence to the individual over the state or social group and make it the foundation of political legitimacy (like in liberal democracy, but also in existentialism or anarchism).

Before modern society, free individuals were eccentric figures who explicitly withdrew from the social order (and often had a religious, spiritual and ascetic lifestyle). In traditional societies, man was primarily seen as a member of a community he had not chosen for and his collective identity was more important than the individual. The modern processes of structural differentiation and rationalization have radically altered the personality type that fits the modern society and economy. Structural differentiation (i.e. more specialization of roles and institutions of social life) led to a greater detachment of the individual from its social environment, loosening the grip of the immediate environment and community on the individual's social role. Rationalization ensured that tradition and traditional institutions becomes less determining, hence that the individual has the cognitive ability to carve out a more independent domain of social life for itself. That means that individualization, and with this the notions of freedom and autonomy, is an intrinsic characteristic of the process of modernization. As such, individualization on the macro-level is considered as a process of 'liberation', in which man gains more autonomy and freedom over what he wants, feels, and thinks.

However, there are also cultural factors that determine the balance between individualism and collectivism, which is related to more deep-seated beliefs about anthropology, political and moral philosophy and even up to how we perceive reality. Indeed, we see different degrees of individualism between various modern societies, such as Japan, the U.S., Russia and Spain. The relatively independent and individualist nature of Western societies corresponds to its atomistic apprehension of the individual and discrete objects, while the collective and interdependent nature of (East) Asian societies fits their more holistic and contextual view of the world. And in line with the idea of a static reality and abstract reasoning, Western anthropology emphasizes the importance of liberty and individual agency, in contrast to the [Confucian view of man](#) who focuses on (social) harmony and collective agency. However, despite these cultural differences, the process of individualization is significantly and positively correlated with economic growth and innovation, suggesting that if countries want to continue their process of modernization, they

need to foster the process of individualization and strengthen individual freedoms and autonomy.

However, the freedom and autonomy that are crucial to the process of individualization are being subverted from within. First of all, insights from psychology shows that man is not as rational as he often considers himself to be, with his thinking prone to significant biases. In real life, many people are not as rational as assumed by these models (e.g. many people, even professional investors, have significant [psychological biases](#)) nor do they have a clear idea on their own preferences nor how to optimize their own welfare over the course of their lives. That means that we have a lower degree of autonomy about what we think and want than we often think, invalidating the idea of ongoing rationalization. More structurally, the idea of the unique individual is often less a reality, as we are often encapsulated in larger systems of reference that undermine our individual freedom at the macro level. Modern individuals are increasingly finding themselves in a society in which concrete dependencies give way to anonymous and diffuse dependence on devices, structures and systems, and their lives run along programmed paths instead of a unique path of self-development. Examples of this are the fact that modern people often behave and dress more similarly than in previous times, or the fact that large bureaucracies often determine what we should do. This latter theme has been described in the literature of the early 20th century, when modern bureaucracies assumed a larger role in social life (e.g. in the work of Kafka, Orwell 1984, or Huxley's Brave New World).

These tendencies are reinforced by the nascent [information age](#). According to Zuboff, the animating idea behind surveillance capitalism is that the belief in human freedom and individuality is an illusion standing in the way of a more harmonious, controlled world. As such, the emerging system of domination by large data corporations uses everyday surveillance and actuation to channel people in directions preferred by those in control, a process she calls "instrumentarianism". This is not totalitarian, as it has no need for violence and no interest in ideological conformity, but is moving modern societies in a fundamentally antidemocratic direction and rendering the belief in individualism a myth. However, many new initiatives are emerging that want to fortify the autonomy and freedom of the individual, both in the digital and physical realm. For examples, digital systems can help to securely manager our online freedom in virtual spaces, leading to a higher degree of [autonomous digital identities](#). Likewise, new projects (e.g. Solid, IPFS, Freenet, Zeronet, Blockstack, SAFE Network) have been developing open-source protocols, conventions and tools which try to realize data ownership, open data, privacy and decentralized applications. This [emerging decentralized Stack](#) empowers individuals as the control nodes of digital systems. Lastly, digital technology helps consumers and citizens to connect and organize themselves on [cooperative platforms](#) to organize their own production and consumption of (often locally produced) goods and services (e.g. [agrihoods](#), [local service economies](#)).

## Implications

- **Although many new initiatives help to strengthen the position of the individual and hence his autonomy and personal freedom, it is questionable whether people are able to live with their "face of freedom" (a term coined by Erich Fromm). Especially in our times of [crumbling communities](#), [accelerating social life](#) and [loosening grip of tradition](#), the rapid process of individualization also creates new problems (e.g. new forms of [loneliness](#) or , paradoxically, [new forms of nationalism](#)).**
- **As countries that want to modernize should foster the process of individualism, it is important to invest not only in the governmental but also softer and socio-cultural institutions that stimulate personal autonomy and freedom. The education system, for example, has a big role in fostering the cognitive [skills to critically think](#), while organizations in the civil society (e.g. the football club, [bowling associations](#)) boost vital connections and dependencies for the individual that are not fostered by the state, household of market.**