Creative Destruction and Cultural Lag in the Digital Age

By

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Abstract:

Recently, there has been renewed interest in the two ideas of "creative destruction" and "cultural lag" both brought together in this article to analyze cutting-edge changes in the digital world, especially as they relate to consumption. Several studies have documented that we are increasingly living in a hybridized environment of swiftly evolving devices and technologies. Within this context, cultural lag refers both to the conflict between digital versus material consumerist developments, as well as to the subsequent delays in social understanding. Creative destruction describes the introduction of new forms of consumption that eliminate existing ones. However while all destruction tends to lead to cultural lag, this is especially true in the case of creative destruction. The article will also suggest at the end that not all destruction, especially, but not exclusively, as it relates to the environment, is necessarily creative. It can also be mainly, if not exclusively and totally, destructive.

Keywords: cultural lag, creative destruction, digital platforms, consumption

Introduction

This article analyzes contemporary digital consumption practices under the lens of cultural lag and creative destruction. We are live in an increasingly-hybridized environment of swiftly evolving devices and technologies. Within this context, cultural lag refers to the conflict between digital versus material consumerist developments, as well as to the subsequent delays in social understanding; creative destruction instead describes the introduction of new forms of consumption that eliminate existing ones. Conversely, digital technology has come to mimic the behaviors of people, algorithms not only exemplify contemporary Weberian rationalization, but a new level of McDonaldized hyper-rationality. McDonaldization represent the evolution of Max Weber rationalization theory and is considered the process thorough which the principles of the fast-food restaurant: efficiency, calculability, predictability and control, are coming to dominate more and more sectors of life (Ritzer 2018).

In this article, we focus on the relationship between creative destruction and cultural lag in the domain of sociology-- consumption in general, especially sites,

or means, of consumption (Ritzer 2010), in which the authors have most frequently worked in the last few decades. For example, non-material culture, especially in the realm of ideas (e.g., "shop until you drop"), continues to lag behind changes in material culture (e.g., the disastrous environmental effects of the resulting hyper-consumption [Ritzer 2012]). However, the basic argument to be made here about cultural lag is that rapid changes in the non-material digital world are adversely affecting much of the material world of consumption, especially by "creatively" destroying at least some of it (e.g., many shopping malls ["dead malls"], chains of shops, big-box stores).

Literature Review: The Concepts of Creative Destruction and Cultural Lag

The idea, if not the concept, of "creative destruction" is traceable to early mythology (Rosenberg 1994) and, more specifically, to theorizing in the 1800s by Friedrich Nietzsche (1908/2007) and Werner Sombart (Reinert and Reinert 2006:72). However, this concept has now come to be closely associated with the work of Joseph Schumpeter (1942), who was the first to

articulate explicitly a version of the concept (1942; McCraw, 2007). His variant has proven to be the one that has been the most influential and, over time, it has become Schumpeter's most famous idea-- the idea that is most associated with his work. The idea of creative destruction has had "legs" and it continues to be unusually useful.

The less well-known, but nonetheless still important, concept of "cultural lag" was created by William F. Ogburn (1922/1964). Most generally, cultural lag involves a situation in which changes in one aspect of culture do not keep pace with changes in others. More specifically, it is usually a situation more accurately termed "socio-cultural lag" in which changes in non-material culture (e.g. ideas) lag behind changes in material culture (Brinkman & Brinkman 1997). Culture can be defined as "the customary beliefs, social forms, and material traits of a racial, religious, or social group" (Merriam Webster). Hence, the material component refers to "traits" such as physical inventions and conditions, and the non-material component refers to "customary beliefs" and "social forms." In other words, Ogburn argues that technological advancements precede social understandings and approaches. One example is the ongoing dispute that warfare is failing to keep up with the sudden development of weapons of mass destruction that are capable of destroying a significant portion of humanity.

Ideas about the desirability of consumption are lagging behind or, at a minimum, have been slow to catch up with these changes. Even as more and more people consume online, they have been unable to fully understand the nature and magnitude of the changes taking place in the "means of consumption" (e.g. shopping malls), especially in the "new", non-material (digital) means of consumption (e.g., Amazon.com; Ritzer 2010), as well as the even greater changes in store for the means of consumption in the not-too-distant future. In other words, thinking about, ideas on, and even behavior toward, the means of consumption lag behind these dramatic changes. As a result of this disparity, people's understanding of the latter changes and their implications for them and their lives is lagging behind changes in those material realities. It is a bewildering time, especially for those consumers who are not "digital natives" and continue to consume in dying consumption sites such as shopping malls and department stores (Bennett, Maton & Kervin 2008).

But, the more important cultural lag in this realm is the failure to understand the degree to which, or even whether, consumption is adversely affecting the environment. For example, a recent UN report (Flavelle 2019) indicates that climate change threatens the world's food supply and its fisheries and breadbaskets by reducing land and water resources, as well as food supplies of all sorts.

Within its name, the term "cultural lag" implies a lack of efficiency, which imagines mismatched "cogs" of variables preventing the "machine" of culture from functioning properly. This phenomenon is framed as unwanted, unnatural, and perhaps destructive. The negative lens through which Ogburn seems to portray the concept was perhaps informed by his existence in an era of increasing rationalization, in which efficiency is a standard rather than a goal.

This paper aims to emphasize the existence of cultural lag in contemporary society, deemed the "Digital Age," in which the virtual world is increasingly being merged with the physical. Certainly, the technological advancements in the present age have revolutionized communication, but society has historically faced and overcome the issues of usage, induction, and organization around each new invention and its associated dimensions.

Nevertheless, there appears to be a significant lag between the hyper-changes that have been taking place in digital consumption sites (e.g., Amazon.com; Pinterest) and the rise of hot new ones (e.g., Poshmark where people can buy and sell new and used clothing, shoes, etc.) and the much slower changes in bricks-and-mortar consumption sites. It is clearly easier to create or to change digital sites; material sites, because of their materiality, are more difficult and time-consuming to create and to change. However, the increasing augmentation of the digital and the material worlds (e.g. Amazon's Whole Foods chain of supermarkets; its AmazonGo, a chain of brick-and-mortar convenience stores) suggests that the lag will decline over time. For example, Amazon.com can clearly institute changes online (in prices, for example) as well as in its Whole Food markets than that chain of markets could when it was an independent entity of bricks-and Foods supermarkets. Cultural lag, or at least this example of cultural lag, would disappear when and if the bricks-and-mortar businesses and the digital fully augment one another.

Beyond the lag between the material and the digital worlds, knowledge and understanding of these worlds, especially their interrelationship, trails far behind the changes taking place in and between them. It is one thing to keep track of changes in the material world (e.g., the opening or closing of a nearby bricks-and-

mortar shop or mall), but it is quite another to do so in the much more rapidly changing and ephemeral digital world, to say nothing of one where the two augment one another. Changes in the material world are difficult enough to follow (the rapidity and regularity with which bricks-and-mortar shops and even chains now open and close), but people's knowledge and understanding are likely to be even more challenged by changes in the digital world as well as in these two worlds and their interrelationship.

The digital realm is undeniably distinct from its technological ancestors. Serviced by a variety of general and specialized platforms, it embodies and expands upon benefits introduced by preceding inventions, introducing drastic changes through the manipulation of dimensions such as time, distance, and volume. Video messaging allows for instantaneous, nearly face-to-face interaction regardless of geographic distance. Information has become weightless, with vast amounts of data stored in a borderless digital realm to be retrieved by anyone with access. Even smart devices, especially portable smartphones, are a significant departure from their grounded predecessor, the desktop.

Moreover, digital technology is beginning to imitate, even exceed, human behavior. Algorithms, beyond their exemplification as contemporary pinnacles of rationalization, analyze and embody the data collected in a new form of McDonaldized hyper-rationality. Ironically, unpredictable human decisions have become so predictable that digital technology now reflects the irrational human behavior it had previously attempted to eliminate. Artificial intelligence often portrays a stark caricature of humanity, such as the social humanoid robot Sophia, who can portray at least 60 different facial expressions. The juxtaposition of the dehumanized robot programmed with human behavior is understandably unnerving and disorienting for many individuals, and this new technology results in a societal struggle to comprehend humanity's own philosophical value.

There are, of course, major generational differences in the ability to keep up with and understand these changes. For example, tech-savvy young people (i.e., "digital natives") may be quite comfortable with the rapid-fire changes on and of digital consumption sites. The lag in their case might well be that they don't bother to keep up with changes in the material world of consumption because they spend little or no time in it. They may be oblivious to, and unmoved by, for example, the demise of shopping malls since they do most, if not all, of their shopping online on sites like Amazon.com. Shopping malls- often now dead or dying- are part of

an old economy that is fast being supplanted by digital malls of one kind or another. Why bother to learn about new bricks-and-mortar malls or shops when everything is available online and increasingly deliverable in a day, or less, in some places? (We sometimes joke that Amazon.com's goal is to deliver things the *day before* they are ordered.) With all of the information we provide to them about us, is it not difficult to imagine that in the near-future Amazon will be able to anticipate our needs on the basis of our search behavior and, then, fulfill those needs before we express them. In fact, they already accomplish this through the application of big data collected from prior searches, orders, etc. in order to suggest new goods and services we ought to purchase. The degree to which they will be able to do that increasingly accurately will lead consumers to have even less need to venture very far from the computer.

However, older people are either minimally knowledgeable about the digital world <u>or</u> are more-or-less excluded entirely from it. In itself, that is a kind of cultural lag. They may not be just suffering the effects of cultural lag, but they may be immersed in a different, older, culture that has little or no relationship to the cutting-edge digital culture of today. This suggests a very different kind of cultural lag where people are stymied in dealing with a newer culture because they continue to be rooted in an older one. This indicates a deeper, broader, and more all-encompassing cultural lag than is usually suggested by that term. That is, people can, indeed are likely to, lag on a variety of cultural fronts rather than one or a few of those fronts.

In terms of the preceding discussion of creative destruction, there is, for example, a lag between material changes in cities that rely on tourism and are thereby drawn to the expansion of Airbnb, as well as all of the changes associated with it, and people's understanding of those changes and their implications. For example, those who are eager to make their dwellings available to Airbnb are well-aware of what they stand to gain economically, but not necessarily aware of the changes in their community and/or the often-negative implications for them. For example, they may well not be aware of the changes that are likely to be wrought in the local community they have known which may well be decimated by the expansion of global, Disneyized and McDonaldized sites of all sorts.

Creative Destruction and Digital Consumption Platforms

Schumpeter's concept of creative destruction has

proven especially useful in thinking about innumerable historical developments such as the ways in which the creation of the automobile industry contributed to the destruction of the horse-and-buggy industry. More recent examples include the destruction of the typewriter industry by one that produced the computer and its associated hardware and software. Most importantly for our purposes, creative destruction continues to be quite useful in analyzing some of the most recent, and even the yet-to-fully emerge, economic developments. In terms of the latter, in the offing is the destruction of at least part of the industry responsible for today's cars and trucks (as well as truck- and taxi-drivers) by the creation of new, or dramatically altered, industries involved in producing self-driving vehicles, as well as their various components. Then there is the destruction of the traditional news media, especially newspapers, and their replacement by an array of digital news platforms (Schlesinger & Doyle 2015).

We now live in the midst of a new and particularly powerful phase of creative destruction, one that involves a rapid evolution of digital technology, swift proliferation of new digitally-based organizations, and the following destruction of various business sectors and their enterprises rooted in the material world. Examples include the destruction of many different kinds of shops and businesses in the United States by Amazon.com, walmart.com, and eBay. Elsewhere in the world similar destruction is being wrought by, for example, Alibaba.com. However, not all materially based businesses are in jeopardy. For example, McDonald's and other fast food chains are safe, at least until a way is developed to deliver food digitally.

Beyond the role played by the expansive giants such as Amazon.com, narrower internet sites are destroying, or threatening to destroy, a nearly endless array of small businesses. Examples include the decimation of accounting firms by turbotax, law firms by RocketLawyer, insurance agencies by esurance.com, banks and loan companies by lending tree.com, pharmacies by healthwarehouse.com, and a large part of the taxicab industry by ride-sharing companies such as Uber, Lyft and Didi Chuxing.

In contemporary society, digital processes and technologies are generally thought of as intrinsic and also beneficial, especially as they innovate or re-envision daily proceedings. At the surface level, the digital era adds value to the navigation of life through consumerism, from shopping for essentials to booking accommodation for a vacation. The physical space is becoming increasingly intertwined with the digital, and

this trend simultaneously perpetuates and is perpetuated by the digital offerings of companies. Changes in digital technologies have also informed the structures and business models of companies. Either by choice to develop a new service as in the case of many tech start-ups, or by being compelled to remain competitive as is the case for conventional brick-and-mortar businesses. Companies of all types have come to integrate varying levels of digital technology.

However, the focus here will be mainly on the creative destruction being wrought by the rise of the so-called sharing economy (Sundararajan 2016). Major examples include home-sharing companies such as Airbnb (as well as HomeAway and others), as well as ride-sharing companies. Airbnb poses a profound threat to the hotel/motel industry, at least in the long run. There will be casualties in that industry in the coming years, although home-sharing companies are unlikely to destroy it, at least any time soon. However, Airbnb poses a much bigger threat to those communities in which the homes it has on offer are proliferating. (As we will discuss below, such a larger threat is not unique to the present moment.) A recent essay gave Barcelona, Spain and Bologna, Italy as two examples of cities threatened in various ways by the proliferation of "home-sharing", but many other cities are similarly-endangered and others will certainly be threatened in the future (Mead 2019). Among the threats posed by Airbnb, or associated with it, are the decline in affordable housing, the demise of local businesses in the face of the proliferation of global chains such as McDonald's and Starbucks, and, more generally, the loss of local ambience.

From the perspective of Schumpeter's thinking, this can be seen as yet another of the "perennial gales" that are at the essence of capitalism. In his view, capitalism is not, cannot be, a static economic system. It, or at least its major components, must change in various ways. If capitalism did not change, it would die. Among the gales are the instances of creative destruction that mark capitalism's most dynamic periods. The current epoch of creative destruction, especially in the realm of consumption, has the basic earmarks of all such phases. What is new here is that the major gales in the past have occurred in the realm of production, but while they continue to occur there (e.g. of autonomous vehicles), the most important changes, at least in the United States, are occurring in the realm of consumption.

These gales emanate from *within* the economic system itself. They are not changes brought about by non-economic external forces (e.g., population growth), although more sociological factors such as

climate change caused by human action can lead- and are leading- to major economic changes. However, they are not the prime movers of such changes. While new technologies are at the base of many recent (and past) economic changes, these changes are being brought into existence and deployed within the economic system by capitalist enterprises and by the entrepreneurs who create and lead them. As a result of these changes, new economic forms (e.g., home-sharing, ride-sharing) are pitted against older forms (hotel chains, fleets of taxicabs) with the possibility, even the likelihood, that the new forms will win out and, in the process, greatly modify, if not obliterate, older alternatives.

Creative destruction is *not* a change that is minor, quantitative, or incremental in nature. Rather, it involves major, qualitative and revolutionary changes. As Schumpeter (1911/2007:64) famously put it: "Add successively as many mail coaches as you please, you will never get a railway thereby". Translating that into the terms of this essay, adding more hotels/motels to a chain, or creating new chains of hotels/motels, does not qualify as a revolutionary development in that domain.

The qualitative change that is the revolution in that domain involves Airbnb (and similar companies) and the expansion and centralization of the renting out of people's homes to vacationers (mostly) for short periods of time via the internet. Similarly, it is the use, through ride-sharing (again made possible by the internet), of people's private cars for public transportation that is revolutionizing such transportation. Such changes are not linear or orderly as would be the case by simply adding more hotels or taxis to the existing stock of each. Rather, at least in their domains, home- and ride- sharing are revolutionary changes. Further, these revolutions, these creative developments, serve to litter the economic landscape with the debris of economic destruction. In terms of this discussion, that debris is likely to be taxicabs, taxi drivers (many of whom already drive, at least part of the time, for companies like Uber), and taxi companies. For example, because of the dramatic rise of ride-sharing in New York City, taxi owner/drivers there have been decimated by the catastrophic decline in value of the medallions they were required to purchase at their peak value and whose prices have since tanked. Similarly threatened by Airbnb are at least some hotels/motels, their larger chains, as well as those who work in, and provide services to and for them.

Schumpeter credits Marx (as well as Werner Sombart) with a similar set of ideas. Most notably, Marx argued that the world-changing character of capitalism is captured by the phrase "all that is solid melts into air" (Marx & Engels 1848/1969:38). Marshall Berman (1982:99) is even stronger on this in contending that capitalism's concrete achievements (such as the steel, automobile and computer industries, but of greatest relevance to this discussion, hotel/motel chains and fleets of taxicabs) "are made to be broken tomorrow, smashed or shredded or pulverized or dissolved, so they can be recycled or replaced next week, and the whole process can go on again and again, hopefully forever, in ever more profitable forms." (A question for another day: What will succeed Airbnb and Uber? While the successors are not yet in sight, what is clear is that there will be successors and that they, too, will be supplanted.)

Schumpeter argued that creative destruction occurred in clusters. That does seem to be the case with Airbnb and Uber as key parts of a larger cluster where people's own resources are being used to generate income and, at least potentially, profits for those who possess them, but especially for the corporations that make possible their wide-scale use. Beyond the use of their automobiles and houses, the use of one's own resources to generate income for them also involves the use of home computers to produce for Amazon's "Mechanical Turk" (as well as the technology- 3-D printers- of additive manufacturing). All of this is traceable largely to the existence and utilization of computer platforms by the companies involved. This process laid its roots on prosumerism-- the phenomenon in which prosumers consume what they produce and/or produce what they consume. Digital technologies and Web 2.0 have enhanced the opportunities of prosumption and contemporary digital platforms are mostly fueled by prosumer's activity. The centrality of those platforms is at the heart of what has come to be known as "platform capitalism" (Srnicek, 2017). It is those platforms that allow the companies involved to manage, for example, an enormous number of cars and houses, tasks (and much else), as well as the burgeoning number of requests for them.

Overall, to Schumpeter, creative destruction-- the incessant destruction of the old by the new, is the essential fact of capitalism; it is what gives capitalism its dynamism. Because of that, the system is to be allowed to operate on its own; the government (or any external force) should not intervene in this process. In a variant of "survival of the fittest", older, less effective, forms are to be left to die away, while newer, more effective, forms are to be permitted to flourish. The old must be allowed (forced) to make way for the new. Schumpeter clearly believes in capitalism, sees it as a desirable system, and views creative destruction as a positive process leading to progress in that system. There are, however, threats

to continuing creative destruction, especially the rationalization process (to be dealt with below).

While Schumpeter recognized the destructive aspects of creative destruction, he focused on its constructive aspects. In terms of the latter, Schumpeter believed that the ever-present threat of creative destruction serves to keep those entrepreneurs who run existing businesses on their toes and being innovative in order to try (often vainly) to stay ahead of new developments.

Given the broad strokes of Schumpeter's theory of creative destruction, what can we say about the present moment defined by Uber, Airbnb, and other new platform-based businesses? For one thing, they serve to shift the focus in discussing creative destruction from production, industry, especially manufacturing, to the realm of consumption. This makes sense since, at least in the United States and other developed countries, the economy is no longer dominated by manufacturing, but is now led by consumption and consumption-oriented industries and businesses such as Amazon.com and Wal-Mart. Uber, Airbnb and the others mentioned (especially Amazon) are in the business of expediting and earning profits from consumption; they manufacture *little or nothing*! However, one significant instance of a recent development is the collection of user behavior and preferences by digital platforms such as Amazon, generating massive amounts of data ("big data") that are then processed by algorithms and, in turn, applied to the creation and modification of products and services (Dawar 2016). Platform-based companies often utilize these data as a marketing tool to promote user experience through services like recommendation engines or personalized advertising, which become competitive advantages when received positively. Even though the focus has shifted to an economic domain not considered by Schumpeter, the theory of creative destruction seems to apply beautifully.

For another, these developments point to a broader issue underplayed, or ignored, by Schumpeter. That is, while creative destruction occurs within the economy, what is overlooked by Schumpeter, given his determination to stay focused on it, is the larger impact, especially the destruction taking place in the larger society. Clearly, the economy is not a separate institution, but is intertwined with most, if not all, of the other social institutions, as well as the rest of society. So, creative destruction in the economy will, necessarily, lead to destruction (and construction) in the larger society, as well as in a variety of social institutions. There are many historical and contemporary examples of this including the hollowing out of cities in New England with the demise of the textile industry and, more recently, the decline of rust belt cities in the Midwest where steel and automobile manufacturing were centered. These changes, in turn, radically affected such social institutions as the family (disrupted by, for example, unemployment and the need to accept lower-paying jobs), education (decline associated with, for example, the hollowing out of cities and the decline in the tax base), and politics (the shift to the right by those hurt by economic decline [Metzl 2019]).

With this as background, we focus on Airbnb, especially the destruction it has wrought on the larger society.

Analysis: The Cases of Airbnb and Uber

Airbnb is expanding its listings dramatically, especially in some of the world's most desirable cities (and many other locales). Two cases in point are Barcelona, Spain and Bologna, Italy, although the list could be greatly extended since many more locales are being, and will be, profoundly affected as time goes by. Short-term, largely vacation, rentals offered by Airbnb and HomeAway, etc., have clearly brought more tourists to these cities and greatly expanded the amount of money spent there by them. While this has been welcomed by these cities and many of their businesses, it is having a destructive effect on the larger community that threatens the well-being of those cities and its full-time residents (Schumpeter tended to ignore the negative effects of creative destruction given his focus on its positive effects). Among them are:

- Tourist attractions such as Gaudi's Park Guell in Barcelona are choked by an ever-larger numbers of tourists. In order to keep the number of visitors down, the park added an entrance fee in 2019.

- The "touristification" of the city is being brought about not just by Airbnb, but other forces such as growing popularity and importance of budget airlines. As a result, the cities are drawing massive numbers of tourists and, in the process, driving away many locals and the small businesses that cater to them. Such cities have begun to feel like theme parks ("Disneyification" [Bryman 1999]) offering generic events such as pub crawls, as well as shops, products and restaurants ("McDonaldization" [Ritzer 2019]) that are parts of chains not indigenous to the area.

- The "feel" of the city is being altered in many other ways, especially for those who reside there. There are fewer locals, as well as local businesses, in the most desirable areas. These areas tend to increasingly feel less like the local neighborhoods they once were.

- Residential neighborhoods are treated to the sounds of arriving and departing tourists, as well as to late night bar-hopping and parties in rented apartments. Bars and restaurants that cater to tourists have proliferated in those areas.

- Those neighborhoods are often transformed so that they no longer reflect the local culture, but rather represent one that is "generically cosmopolitan" (with the *de rigueur* Starbucks, or one of its clones). This is another factor contributing to the homogenization of those areas.

- Apartment buildings have been transformed into something that more resembles a hotel. Apartments have been subdivided into several different rooms, each a separate rental. As is true elsewhere (e.g. New York City), there is little sign of the regular inhabitants of those buildings (if they still live there).

- In the most desirable areas, rents have been driven up as owners sell properties to those interested in taking advantage of the boom in short-term rentals in those areas. Fewer long-term rental properties for locals often translate into higher rents charged for those properties still available as rentals. With many buildings committed in whole or in part to tourist rentals, the housing stock available to locals tends to decline.

The reach of Airbnb and Uber, among others, has already extended beyond their original domains (housing, ride service). They, especially Uber, are branching out with the result that their impact, and the destruction (and creation) they bring in their wake, will expand exponentially. For example, Uber started is restaurant delivery service, Uber Eats, in 2014. This has since expanded into Uber Everything based on the idea that beyond restaurant meals Uber is able to deliver many other goods and services. Uber has also moved into freight delivery with Uber Freight. It is also exploring what can be done with autonomous vehicles and e-bikes (Isaac 2019). All of this creativity will bring

with it destruction in all of the realms touched by Uber (and Airbnb).

Beyond this kind of expansion, Airbnb and Uber are expanding into ever-more areas of the world. In this, and other forms of expansion, they are driven by capitalism's need to expand or die. A static company will see its stock prices punished in stock markets which reward ever-increasing business and, especially, profits. In their drive to increase business and profits in the long-run, these businesses often incur major losses in the short term. In this (and many other things), the model is Amazon which has become a trillion-dollar company after years of deep losses. For its part, Uber lost almost $2 billion in 2018 and it is on target to greatly exceed that amount in 2019.

Schumpeter accorded great importance to entrepreneurs, "the Carusos of big business" (McCraw 2007:72). Most generally, they possess the ability to see how things can be done differently, especially by creating new combinations of existing resources, materials and means of production. For example, Henry Ford was able to improve dramatically the manufacture of automobiles (and much else) by adapting the assembly-line and its methods that he witnessed in the slaughter houses of his day to the production of automobiles. To Schumpeter, entrepreneurs like Ford were heroic figures. He saw them as unique individuals capable of seeing and doing things others were not able to see or do. Their enemy was the rationalization process. Schumpeter knew and was influenced by Weber and his theory of rationalization. However, while Weber had a broad theory of rationalization, Schumpeter focused more narrowly on the rationalization of the capitalist system. He saw this process as threatening the heroic (in Weber's terms, charismatic) entrepreneurs. Opposing entrepreneurs and their highly idiosyncratic actions are depersonalized (as opposed to personalized) actions; actions that are automatic rather than carefully thought out; actions taken by teams, committees and bureaus rather than by individuals. These developments sounded the death knell for entrepreneurs (similar to Weber's "routinization of charisma") and the entrepreneur's distinctive ability to be creative.

Also threatening the entrepreneur was what Schumpeter called the "capitalist engine". That engine is always on, moving forward, and in the process producing that which was new. This reified capitalist engine constitutes another kind of threat to the free-wheeling entrepreneur. The emphasis is on the capitalist system and not the capitalist entrepreneur. Standardized and bureaucratized innovation (if it can be called that) is

displacing the actions of the innovative entrepreneur. In other words, innovation is being routinized; the creative actor is being replaced by the system. The creative entrepreneur remains important in start-ups (not long ago, Airbnb and Uber were start-ups and entrepreneurs played key roles in their creation and initial history), but once they become giant enterprises, there is little room for the entrepreneur and more generally for creativity. Such enterprises are good at generating growth, but not at innovating and in bringing about real change.

However, this is certainly not true of all such entrepreneurs and the start-up enterprises they create. One already infamous recent example is the debacle of an enterprise, Theranos, and its creator, Elizabeth Holmes (Carreyrou 2018). Holmes conned many people (investors, famous supporters) into believing that rather than drawing one or more vials of blood from veins in the conventional way, she had invented a way of doing a wide array of blood tests from a tiny amount of blood derived from a mere finger prick. At one point, Theranos was valued at $9 billion but after the scandal broke, its value dropped to zero. Holmes is to be tried for fraud in 2020.

As mature organizations, Airbnb, Uber and the like will continue to grow, but the danger to them will come from the possibility that they will be less and less innovative. Among other things, that means that new, more innovative competitors will arise and perhaps threaten their current hegemony in one way or another. However, in the short run, those organizations and others like them will continue to revolutionize tourism, transportation, and much else.

DISCUSSION: Creative Destruction as a Cause of Cultural Lag *and* Cultural Lag as a Cause of Creative Destruction

All destruction is likely to cause cultural lag, but this is especially true of creative destruction. Destruction, in this case in the realm of consumption, is likely to lead to cultural lag in the economy, as well as in other social institutions. For example, the creation of new, successful brands is likely to lag behind the destruction, or at least the decline, of brands that were at one time well-known and very popular. Similarly, the creation of new consumption sites is apt to lag behind the destruction of older, no longer popular or viable, consumption sites.

However, creative destruction is a much more powerful cause of cultural lag than destruction without a creative component. This is because creative destruction, unlike destruction alone, is a double-edged

process. For example, the creation of new consumption sites can lag behind the demise of older consumption sites. However, in the case of creative destruction, the creativity associated with it can also cause cultural lag. That is, the creation of, for example, new consumption sites can, like their destruction, lead to cultural lag. For example, such sites may not catch on initially; it might take consumers time to discover and to begin to use the new sites.

The creation of online shopping sites creates cultural lag in at least two senses. First, material consumption sites lag behind these new sites. They are likely to try to find ways to try to catch up, but it is increasingly likely that they will be unable to do so. Eventually, many will far so far behind that they undergo a fatal spiral into oblivion (Sears and the numerous "dead malls" are good examples). Second, peoples' consumption behavior may lag behind these changes and many will stick with the older consumption sites even though they are increasingly obsolete (Sears continues to function in many places even though it is but a shadow of its former self). They will do so for various reasons including lack of knowledge of the new consumption sites, inability to use the new ones because of inability to access them, unfamiliarity with new technologies, or because of allegiance to the older ones.

Just as creative destruction can cause cultural lag, the latter can cause the former. For example, peoples' knowledge of and familiarity with new consumption sites may lag behind the development of those technologies. New technologies may founder or die because of this lag. They may die even before they have a chance to succeed. However, consistent with the theory of creative destruction, the premature death of such new technologies is likely to set the stage for the development of newer and better technologies. At the minimum, they would create the ground for better ways of communicating the advantages of the new technology to potential users.

CONCLUSIONS

As we stated previously, a key characteristic of the digital realm is its near-elimination of time as a variable. The expansive, malleable essence of digital space allows for the creation and rewriting of platforms with impressive speed; new platforms are born and speedily rise to economic success, leaving their outdated competitors in the dust. Conversely, because of their physical nature, brick-and-mortar sites are much more difficult and time-consuming to change in response

to market advancements, much less to create. Beyond its profitability to companies, speed is also valued by the consumers of digital platforms. Users become accustomed to the new standard of speed that takes place on platforms in which processes are performed in less than a second, and thus develop higher demands for greater speed, content, and consumption. Ultimately, these demands can never be fulfilled by the comparatively sluggish progress of physical sites and that will consequently speed their demise.

The destruction caused by cultural lag may have little or no creativity associated with it- it may simply be destructive. Climate change is a major and a dangerous example of this. The changes being wrought on the environment may destroy forests, farmland (through soil loss and degradation) and, ultimately regions of the world and people. Climate change will also have a negative effect on the world's oceans and seafood supply if counteractions are not taken. These changes could further fuel mass migration and the social problems associated with it.

Of course, these changes could also lead to creative responses such as increasing the productivity of land, eating less, especially meat (especially in affluent parts of the world), and eating more plant-based foods such as the Impossible Burger and other non-meat products from companies such as the company Beyond Meat. From an environmentalist perspective, positive benefits of eating less meat include improvement in health conditions and lifestyles and also decreases in harmful gas emissions and pollution. On the other hand, economists might point out massive unemployment as a side effect for those working in the meat industry, especially low-income workers who are most easily laid off although they may need the money the most.

The transformation from a meat-based to a vegetarian one may also be driven by a hyper-rational push through considerations of sustainability, a topic currently deliberated over for its imminence and what it suggests about the future of humankind. If vegetarianism were to be adopted globally by 2050, it is predicted that the world will experience approximately seven million fewer deaths per year, with veganism raising the number of lives saved to eight million. Moreover, livestock produce large amounts of methane; with the removal of red meat from the market, food-related emissions would drop by 60% (Springann 2019). In the context of this article, a question arises: Are we culturally prepared to change our lifestyle to such a degree?

However, such changes are unlikely to occur fast enough, and to be wide scale enough, to save many forests, much farmland, many seafood habitats and, ultimately, peoples' lives. Conversely, digital technology has come to mimic the behaviors of people. Algorithms not only exemplify contemporary Weberian rationalization, but also a new level of McDonaldized hyper-rationality, with a shape more and more similar to those of digital platforms such as Amazon or AirBnB.

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