

14 Some notes on the social antagonism in netarchical capitalism

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An analysis of the new logic of the Web 2.0 sharing platforms and Linux-type commons-based peer production discovers two distinct logics with two different underlying social contracts, and their accompanying lines of tension and struggle. Sharing communities face off with platform owners, and commons communities face off with their business ecosystem. Netarchical capitalism is a concept, which can explain a new type of strategy by capital to both enable and profit from the direct social creation of value. If our views are correct, new ways of thinking are required that are not just a repeat of traditional arguments against capitalist exploitation, but require the continued strengthening of sharing and commons communities as the key agents of social change.

Different models of the common have different social contracts

The social web facilitates an unprecedented level of social sharing, but it does so mostly through the vehicle of proprietary platforms. The issue therefore is to clearly distinguish the invisible architecture, i.e. the ‘protocol’ of the facilitating technology, which needs to be separated from the ownership issue as such. By protocol we mean, following Alexander Galloway’s definition, the totality of visible and invisible technical rules which constrain choice and behaviour in online environments (Galloway 2004).

This protocol needs to be sufficiently open to allow for the process of sharing to occur, but at the same time, it has to be ‘sufficiently closed’ to create scarcities that can be exploited by the platform owners, and this is a clear line of tension between the user community and the corporate hierarchy. Indeed, openness creates value, but enclosure allows capturing and monetizing that value. Total openness does not allow any corporation to capture that value in any exclusive way, and by destroying scarcity, and therefore the tension between supply and demand, it undermines market logics.

For platform owners, openness will always be a double-edged sword. On the one hand, it is beneficial to open up and create a stronger and wider commons, from which more value will be derived, on the other hand, total openness also means total loss of control, and therefore difficulties in capturing value for one’s

own shareholders. This means that tension between the community of users and the platform owners is structural, as well as the competitive antagonism between the different platforms competing for user adherence.

We therefore believe that the social web obeys to an underlying, but unstable social contract. This social contract basically says, from the point of view of the users:

we appreciate the facilitation of the sharing processes, and we understand that operating such platforms comes with a cost, and with an expectation of profitability. We therefore allow our attention to be monetized through advertising, as long as it does not interfere to with our sharing. If the interference crosses a certain line of acceptability, we will either revolt, or go elsewhere.

Note that the social web has as basic orientation the convergence of individual and collective interests, that it is geared around the sharing of individual expression, and that it therefore is based on weak ties in the user community. Such weak ties are the very reason that the user communities are not easily able to create their own platforms, and why they need third parties.

The social web and its sharing economy should not be confused with the commons economy, which has its own infrastructure. The commons economy exists when the communities are geared towards the production of common artefacts, and not just towards the sharing of individual expressions. Real common production, because it requires a qualitatively higher level of coordination and engagement, therefore creates stronger ties between participating individuals. These different logics of participation are also reflected in different forms of open licenses that are used for sharing versus a commons, i.e. Creative Commons vs General Public License. Because of these stronger ties, we notice that commons-oriented projects, unlike the sharing oriented platforms, have their own infrastructures. Instead of a dual structure between user community and proprietary platform, the commons economy has a triune structure, combining the self-organized producer¹ communities (Bruns 2007), democratically governed for-benefit institutions² (Eaves 2006) which insure the necessary infrastructures, and an ecology of businesses which create marketable scarcities around the commons.

Different social contracts have different business models

The former point is very important. Though they are intertwined, and hybrid forms may exist, generally for sharing platforms, it is crucial to distinguish between the logic of sharing, and the logic of selling attention. The former is the precondition of the latter, but the former cannot be reduced to the latter. The platform is the precondition for the sharing, and the sharing a precondition for the attention economy that will benefit the platform owners. The overwhelming majority of sharers are not in the game for personal monetary gain, but rather to

1 exchange creative expression, for which they obtain various non-monetary benefits, such as reputational gains. The notion of crowding out means that the logic of sharing, or the logic of commons production for that matter, cannot be contaminated by the competing logic of monetary gain. Introducing monetary gain actually destroys the logic of sharing. The latter only works if voluntary engagement is combined with universal accessibility, and there is no perceived inequity between the volunteers. This is the reason why revenue-sharing schemes are generally counterproductive. The lack of revenue sharing cannot therefore be equated with a simple concept exploitation, and any calls for 'fair revenue sharing' are actually counterproductive, since they would not only reintroduce capitalist and monetary logics in the sharing community, but would actually also destroy and displace the post-capitalist sharing practices.

2 There is of course an extra issue. While the users create social wealth, and the platform owners monetize it, what kind of return can be created? Google and YouTube have shown to what extent monetary value can be extracted from such social processes, but the user communities generally do not receive a direct monetary return.

3 The proper way to create a return for the positive externalities of the sharing or of the commons, is not through revenue sharing but through benefit sharing. The latter is characterized by a generalized support for the infrastructure of sharing or commons production, by a sustenance of the user community, and in such a way that no crowding out or inequity occurs.

4 In the case of commons-oriented production, or assuming that some sharing communities might have their own platforms, the situation is quite different. The case of the Wikimedia Foundation, which manages the infrastructure of Wikipedia, but not its value-creation processes, shows that for-benefit institutions are not naturally geared to capital accumulation or profit maximization, as we see the Wikipedia refusing advertising (as does, for that matter, the strong community oriented logic of Craigslist), and the blog of the Mozilla Foundation has featured discussions about the difficulty to allocate financial revenue in the context of the crowding out effect. Given this alternative, we cannot simply wish, if we deem monetization to be exploitation, call for an expropriation of that revenue, that it would simply be returned to the sharing communities. As, indeed, doing so would destroy the sharing logic, by making the monetary logic dominant, causing the crowding out effect to occur.

5 There is only one exception to this rule. Some platforms are specifically geared towards the freelance or minipreneurial creation of exchange value (threadless.com etc.), and therefore, in such cases, the issue of revenue sharing and monetary exploitation can arise. These are cases of distributed labour, but not of peer production. In this mechanism, it is the producers who take the full risk for their market-oriented production, the platform being merely an enabling marketplace, which receives a fee for its brokerage function.

6 Now, if all the above is correct and properly understood, then it follows that certain types of leftist discourse, about the exploitation of free labour, and the alienation of the user communities, are misguided and politically counterproductive.

The fact that user communities, both in a sharing or commons context, seem to have no beef with their proprietary partners, is not that they are alienated, but on the contrary, that they have a correct interpretation of their vital interests in the preservation of sharing and the commons as fundamental social advances with clear immediate personal and collective benefits. In the case of sharing, they naturally rejoice in the empowerment of the sharing, and understand the necessity of a sustainable business model; in the case of the commons, they understand the non-reciprocal nature of peer production, from which it inevitably follows that commercial use is acceptable, as the universal availability implies free usage according to need. Some of these usages may indeed be commercial. It is not a coincidence that the radical commons-oriented licenses, such as the GPL, allow for commercial usage, while the most chosen amongst the more moderate sharing oriented Creative Commons license, are the ones prohibiting commercial usage. The reason is that the GPL creates a true commons with a full non-reciprocal logic, and the CC is merely a license to modulate intensities of sharing under the control of individual proprietors. A true commons does not require revenue sharing, but benefit sharing so that the commons can be sustained, which is also in the self-interest of participating companies.

The political stress on exploitation is counterproductive because it requires to convince the vast majority of happy sharers and peer producers, that their joy in sharing is misplaced and alienated; it is in fact often a call to introduce monetary and capitalist practices (revenue sharing) in the sharing and peer production process. No industrial worker needs to be convinced that he/she is exploited, this consciousness comes naturally, he/she can feel it in his bones. Similarly, the consciousness that the sharing and commons orientation are positive social developments comes equally naturally.

This is not to say that nothing can be done on the monetization side, in favour of institutional vehicles, which would increase equity. Both sharing and commons-oriented communities would benefit from forms of monetization that are increasingly ethical and in line with the values of sharing. Therefore, rather than have the monetization happen through purely for profit companies, there could be a push for different forms of capital. An example of this would be the creation of cooperatives, such as for example the OS Alliance in Austria.

The key is to remember that non-reciprocity is only possible in the sphere of non-rival immaterial production, but that the sphere of physical production, where monetization can occur, requires that investment capital needs to be returned for new cycles of production. This can happen through market exchange, or through renewed economic forms based on reciprocity.

Social conflict in peer production

What then is the true social configuration of antagonistic interests, and the lines of tension that are worth concentrating one's energy on?

Not just the knowledge workers, but in fact all producers, are reconfiguring at

least part of their lives to the direct social production of use value through sharing or a commons approach. Peer production is not limited to highly educated knowledge workers but its principle of equipotentiality³ and the self-selection of granular tasks mean that it is accessible to all producers. Because knowledge is at the core of the networked information economy, such practices are at the very core of our society, as Benkler (2004) has convincingly explained. Because peer production is economically more productive, politically more participative, and more distributive as a form of ownership, it is also a post-capitalist mode of value creation that will inevitably move to centre stage.

But peer production also reconfigures the ownership class. The twin pillars of cognitive capitalism, namely the extraction of surplus rent through intellectual property monopolies, and the monopoly of the means of distribution, are being systematically undermined by the distributed networks. Marginal costs of reproducing informational artefacts, the copy-ability of the informational core of high value physical products, and the social web as a universal distribution platform for informational artefacts and for open design of physical products, are displacing such monopolies.

It is therefore logical that, out of self-interest, sections of the ownership class convert themselves to the position of netarchical capitalists, those who enable and empower the sharing communities and entertain benefit-sharing agreements with the commons-oriented production communities.

What is the relative position of producing communities and the netarchical platform owners? The short answer is that they have both convergent and divergent interests.

To the degree that these platform owners enable sharing, they are allies of the peer producers and sharers. To the degree that such platform owners need enclosures and scarcities to enter a competitive market, the interests diverge. What is needed therefore is a literacy of participation, not geared towards the opposition against an abstract 'exploitation of free labour', but rather on the invisible architectures of sharing (which need to be truly open, participative and commons-oriented), and against the restrictions to freedom that proprietary capture requires.

On the macro-level, again the netarchical capitalists can be allies to the degree that they join the agenda for social policies geared to the promotion of sharing and commons production (see the stance of Google on the open spectrum as a positive example of policy convergence); but to the degree they may want to enclose openness the interests are divergent.

Conditions for a genuine circulation of the common

To flourish, the sharers and commonists need three things:

- 1 open and free raw material so that the sharing and common production can occur. Producer communities will naturally favour such approaches such as free software, open content, open access, .

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- 2 They need the lowest possible threshold of participation, so that any motivation, any granular contribution, can become possible and productive.
- 3 They need to protect the resulting commons from private appropriation, this require attention to the particular licensing requirements and vigilance against expropriation strategies, for example the a priori signing away of creative rights to platform owners.

All this requires a literacy of participation, an intelligent discourse of the relative convergent and divergent interests, not a knee-jerk opposition to platform owners.

The platform owners of the social web have a double logic. On the one hand, they need sufficient levels of openness for the sharing to occur, while they also attempt partial enclosures to dispose of marketable scarcities. This competing logic is a line of tension, and conscious user communities can ensure that openness is primary and not contaminated by proprietary logics.

The social web may well be a transitional stage. It is the result of the relative weakness of the sharing communities, but as the stronger commons-oriented communities are multiplying, they may very well create new distributed and open architectures that could eventually displace proprietary platforms (though this is not a certainty). These commons-created platforms can/could then be used by the sharing communities.

The need for capital which these platforms represent, is not just an objective necessity, but results from policy choices in the realm of infrastructure, and the lack of alternatives. Centralized server parks, such as the ones used by Google, could be replaced by true distributed peer-to-peer systems, using user-generated capital, therefore undermining the exclusive need for owned platforms. The call for open social graphs, for open and interoperable infrastructures, will probably gradually diminish lock-ins. At this time, the platform owners may switch from a focus on the creation of artificial scarcities, to the creation of true added values, as is now the case around Linux and some other open source software projects. Again, the realization for the need of such distributed infrastructures is a matter of literacy.

Notes

- 1 Bruns (2006) writes:

Prodsage can be roughly defined as modes of production which are led by users or at least crucially involve users as producers – in other words, the user acts as a hybrid user/producer, or produser, virtually throughout the production process.

- 2 Eaves (2006):

Companies or foundations that run open source project are not software firms, they are community management firms whose communities happen to make software. Consequently to survive and thrive these projects need to invest less in enhancing governance structures or employees who/that will improve their capacity to code. Instead, we should consider skills and structures that emphasize facili-

tation, mediation, and conflict management – tools, skills and structures that will enable the community to better collaborate.

(From David Eaves, <http://eaves.ca/2006/12/17/community-management-as-open-sources-core-competency/>)

- 3 This quote by Ferrer (undated) is a good illustration of the underlying value behind equipotentiality in peer production environments:

equals in the sense of their being both superior and inferior to themselves in varying skills and areas of endeavor (intellectually, emotionally, artistically, mechanically, interpersonally, and so forth), but with none of those skills being absolutely higher or better than others. It is important to experience human equality from this perspective to avoid trivializing our encounter with others as being merely equal.

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