

Money and Peer Production

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I'll try to deal with the question of the relations between these two realities: money and Peer Production. What are these relations today and what they might be in the future? Especially if one thinks that Peer Production is a germ of the future society.

The question is not so simple, first of all, because money and Peer Production rely on different and antagonistic principles.

Money is based on exchange, on symmetric exchange. I give you something and you give me something of equivalent value. Money, as an universal equivalent of value, is used 1. to allow that exchange, 2. to measure the value of what is exchanged and 3. to hoard the value of what is exchanged.

On the contrary, Peer production is not based on any symmetrical relation. There is not exchange of equivalents at any level of the process of production. There are different definitions of Peer Production, insisting more or less on different aspects of it. I'll use here something close to the Michel Bauwen's definition of P2P which refers to the three moments of the process.

1. Input, raw material is "open" and "free", gratis.
2. The process of collaboration is based on "voluntary participation" and not on wage or coercion relationships.
3. The output, the result of the collaboration is "universally available", free, gratis.

How these two antagonistic realities can relate to each other? The answer depends on the historical framework we consider. If we think that one day a full developed Peer society will exist, it is clear that things will be different according to the advancement of the process which leads to such a situation. Thus, I will deal with three specific moments: 1st. within the framework of dominant capitalism; 2d. in a period of "transition" defined by the fact that Peer Production has started to extend to the material (non digital) domain; 3d. in a full developed Peer Society.

I had thought at the beginning that I would follow here the Germ form theory and its 5 step model (of Stefan Meretz and Stefan Merten) to distinguish the different moments of that evolution. But I realized that it would have been too long to describe that theory. So I choose to use a more simplified presentation.

But, before going forward, I think it is necessary to say a few words about the frequent idea that money and symmetric exchange are something "natural", almost inherent to human nature, which has always been naturally accepted and that therefore which will always exist.

Symmetric exchange did not exist within the old primitive communities. Within these communities there was no private property nor exchange. Production and distribution were organized as in a big family. Exchange developed first as a marginal activity at the fringes of these communities, through the exchange between them under the form of direct barter. Animals furs against salt, for example. That was a collective exchange, between communities. The first forms of money appear later under the form of "commodity money". A specific good, common and directly useful to all is used as mean of exchange. Many goods have been used as such: shells (in the 5 continents), grains, oil, cattle (the Roman word for money, "pecunia" derives from "pecus", meaning cattle). Later precious metals silver or gold have been used as money. It is only around the 6th century BC that fiat money, State money appears in Greece and probably a little bit later in China.

But exchange through money will remain essentially marginal during almost one thousand years, before the development of capitalism. Under the slave societies, Greece, or Roman Empire as in the feudal society, the main economic activity remains agriculture. At that level, between the slave and his master, between the serf and his lord, the economic relations are mostly based on direct contributions under the form of products or labor. It is only under capitalism that money plays a dominant role in social life. Capitalism places money at

the heart of the two main dimensions which define a mode of production: the goal of production and the way the producers participate to production. Profit under the form of money becomes the real goal of production. At the same time, wages, paid with money, become the medium for most workers to participate to production. The labor force becomes a commodity by itself and has a money price in a specific market. The tendency to imagine that the present use of money is something natural coming from the beginning of humanity is completely wrong.

Another common and wrong idea is that symmetric exchange and money were naturally accepted since the beginning of their existence. In fact the rejection and the mistrust of money are very old. In the 4th century BC, Aristotle, made a pitiless criticism of money, of exchange itself, opposed to "household management" logic. He wrote, for example:

"There are two sorts of wealth-getting, (...); one is a part of household management, the other is retail trade: the former is necessary and honorable, while that which consists in exchange is justly censured; for it is unnatural, and a mode by which men gain from one another."

He also said : *"All paid jobs absorb and degrade the mind"*.

In the Christian Bible you can also find a denunciation of trade and money with the famous passage about Jesus chasing the merchants from the temple. More generally, it is the same mistrust which explains that in the "heavens" described by religions, money is absent. With the development of capitalism criticisms of money became more frequent. Thomas More in the 16th century in his Utopia. The Diggers in England, in the 17th century who said: *"When humanity started to sell and buy, it lost its innocence"*.

The anti-capitalistic socialist movements that appear as from the 19th century naturally develop at radicalized that rejection.

No. Symmetric exchange and money are not natural and have not been easily accepted by humans along history.

That was a long parenthesis, but I think it is important to see how the absence of symmetric exchange and money in the Peer Production relationships are an achievement of an old human ambition.

But let's go back to the main question: the relations between money and Peer Production.

And let's deal first with these relations within the framework of dominant capitalism.

I. Money and Peer Production within capitalism

In a capitalist society, Peer Production is inevitably dependent direct or indirectly on capitalist money, since hackers, and all "peer producers", need to make a living, and, in such a society, one needs money to get food or computers. Money can be accepted in order to develop a Peer Production project, but in that case the main preoccupation must be to prevent money from subverting the core logic of it.

But things are not so simple. Capitalism has understood the profit it can get from forms of Peer Production and has developed hybrid forms where capitalist relationships are mixed with Peer Production. One of the most significant examples is the participation of capitalist corporations (as IBM) to the production of free software, as for Linux. If we refer to the 3 main characteristics of Peer Production (free and open input; free volunteering production; universally available output), one can say that in this case we have hybrid aspects at the three moments of the process: 1st. at the level of the input: raw material is partly capitalistic as the computers, the offices, etc. are privately owned by the IBM) corporation, but, at the same time, for software production, free/open software is also a "raw material"; 2. at the level of production, this is not based on free volunteering, but some aspects of the production are new, non capitalistic, as the cooperation between programmers of antagonistic corporations; 3. at the level of the output, the result can be oriented by corporations more towards their own needs (commercial management software, for example) but the output remains universally available.

The "social networking" also generates hybrid forms. Let's consider MySpace or YouTube: 1st. the input is partly capitalistic (the infrastructures and the financing by advertising), but for the rest most of the input (videos, blogs, etc.) are free and open; 2d. the production process is based partially on capitalist wage relations for the infrastructure management, but the rest is based on free volunteering; 3d. the output is supposed to be universally available, but corporations impose limits and try to extend these limits, provoking

open conflicts with users/producers. (See for example the site : "why-i-am-deleting-my-myspace-account-and-you-should-too").

Hybrid forms also developed in the past transitions between modes of production. Between the 6th and the 10th century, many landlords, including the Church, had simultaneously slaves and serfs (or "coloni" which were the first form of serfs). Between the 12th century and the 19th century many hybrid forms developed especially in the cities where capitalism developed within feudal relationships.

In the past, the evolution of these forms has been often slow, with periods of acceleration but also periods of recession. The example of the Arsenal of Venice, which in the early 16th century employed some 16,000 people and could produce almost a ship per day using production-lines, something not seen again after until the industrial revolution, illustrates how non-linear this evolution can be.

The dynamic of that evolution depends on many factors. The evolution of technologies is one of them, but it is far from explaining everything. Here the social consciousness, the social and political conflicts play a crucial role. For example, in the past, the European wars of religion after the 16th century and the bourgeois revolutions of the 17th to 19th century, were indirect or direct expressions of the conflict between the old feudal logic and the raising capitalistic one.

To day in the present conflicts concerning the use of Peer Production aspects by capitalist corporations, we are witnessing the same kind of conflict between the old logic and the new. The dynamic of that conflict depends and will depend not only on material-technological realities but also on social and "political" struggles, at micro and macro scales. And things should become harsher when peer production will pretend to extend to the realm of material production.

Finally, just a remark about the role of advertising in the financing of some hybrid forms of Peer Production. Hegel said that History advances by its "dark side". The reality of the relations between some forms of Peer Production and capitalism are a good illustration of that. Many free, gratis services offered in the web are financed by advertising. But, advertising is based on techniques developing pavlovian reflexes in the population in order to make them buy specific goods. It is based on the famous Goebbels formula: "*A lie repeated a thousand times becomes a truth*". To a certain extent the development of non market relations remains dependent on one of the darkest side of capitalist totalitarian manipulation.

As long as the material means of production remain under the capitalist logic governance, the peer production realities will be in a way or another limited.

But let's consider what could be the relations between money and Peer Production in a situation where the material means of production begin to be collectively owned, put into the commons. As I said at the beginning of this presentation, this would be the start of a new period of transition.

II. Money and Peer Production in a transitional period

I won't really deal here with the question of how the material means of production will become part of the commons. Some people think that this will be the result of a pacific evolution of capitalism led by enlightened sectors of the ruling class. Others that it will come from the cooperation and the aggregation of small communities. I'll just say here that I think that it will be mainly the result of global social and political struggles where the main protagonists will be the working people, the population directly exploited by capitalist relationships. But let's leave here this problem aside.

The situation would be the following. A significant share of material means of production (factories, power plants, oil fields, land, etc.) become collectively owned in one or several countries. But, because we are just coming out from a world dominated by scarcity or limitedness, it is impossible to apply immediately the principle: "*To each according to his needs/desires*" without limits. The question is then: how can be organized the distribution of goods collectively produced? Since symmetric exchange and money have been the most efficient "necessary evil" to manage situations where scarcity exists, are they, here, an inevitable

necessity?

I must say clearly that I don't pretend to have a definitive answer. But I will propose three kind of remarks in order to deal with the problem. The first one concerns some lessons from history; the second deals with the classic "Marxist" answer based on the principle "*To each according to his work*"; the third concerns a proposition of solution.

1. *Some lessons from history*

We need to be careful not to have a fetishistic vision of money. You cannot "abolish" money without eliminating the necessity of symmetric exchange. The Argentinian experience in 2001, where the State was in bankruptcy and became unable to issue normally official money, shows how in a situation of scarcity, if official money disappears, money re-emerges "spontaneously" from the need of exchange to survive. During the second world war cigarettes were used as money by prisoners and are today used as a form of money in U.S. prisons . On a much larger scale, during the 20th century there were many situations, especially during the first years of the Russian Revolution or in periods of war, where governments tried to ban free exchange and restrict the power of money in order to impose rationing solutions. The result has always been that market and money reappeared in their worst form: black market.

Symmetric exchange and money will disappear only when the need for them has disappeared, when abundance or rather "ampleness" has been reached for produced goods, as for air or sea water. In the internal world of Free-Software and Peer Production, money has disappeared not only because of ethic convictions but because of the intrinsic nature of digital goods which makes them abundant as soon as they are created.

If symmetric exchange is needed, money is required. And if money is needed we must assume it and try to find the ways to prevent all its most negative aspects, and in particular the possibility to accumulate money and the power of the issuing organs.

"Newly designed money", electronics and P2P open here a lot of possibilities. But in any case, that would be a provisional solution, a *lesser evil*. That would not be a "Peer" solution. "Peer Money" is a contradiction in terms.

2. *The classical Marxist solution: "To each according to his work"*

The classical Marxist solution, as defined by Marx in his *Critique of the Gotha Program*, for the distribution of products in a situation where ampleness is not yet reached, can be summarized by the formula: "*To each according to his work*".

In principle, that would be an overcoming of capitalism, since it represents an overcoming of the basic foundation of capitalism: wage labor and its rule "*To each according to the value of its labor force*".

But, in order to function, that system needs a complex and huge effort of measuring. On the one hand it must measure the value of each producer's "contribution", calculated in abstract/simple-labor hours. On the other hand, the value of each product . That poses difficulties at a qualitative and a quantitative level.

At a *qualitative* level it poses 2 important problems. First, the question of making a distinction between "work" for necessity and "work" for pleasure. Second, the measuring of work in abstract terms which needs the transformation of "complex work", the work of experienced or more educated workers, into simple abstract work. That is a hazardous if not an impossible task.

At a *quantitative* level, measuring how many hours everyone is working and on the other side what is the "value" of each product and each service, all that implies a quantity of effort which one can wonder if its not a hindrance rather than a factor of fluency.

All this remains under the logics of exchange and measuring exchange values. Things would be much more easier - especially with Internet and P2P - if the distribution and production were evaluated in use-values, needs and possibilities in physical terms.

Another critique is necessary to the systems based on the principle "*to each according to his work*". The measurement of labor contributions, is supposed to create a motivation for participating in social production. But as such, this "motivation" is based on the old bourgeois principles: if you do not work, you do not eat; if you don't work enough, you won't have enough, and this, regardless of the social material possibilities. To learn to participate to the social production in a different way than under the whip and the blackmail of individual starvation, under economic coercion, is a basic need as soon as the main means of production become collectively possessed

The history of Peer Production realities brings here evidence that this is not Utopian, that this is not an impossible dream. Who would have said only 20 years ago that products like Linux or Wikipedia, representing millions of hours of "work", could have been realized without any economical coercion? Why would it not be the case with material production? The social atmosphere created by the fact that the means of production are on the hands of society, in the commons, should engender an enthusiasm and a collective spirit which could be the most powerful motivation to participate to production, without individual economic coercion.

But most important: in a society where the means of production are not privately owned any more, the organization of production in every place can be the task of the producers themselves. Further, the design of the produced means of production can be essentially specified according to the pleasure they can offer to their users. Producers are the "end-users" of the means of production. Transforming the world of production in order to make it a pleasant one should be a top priority since the beginning of a post-capitalist transition. As far as things will depend on humans will, we should rather bet on such a method than on individual economic coercion as an incentive to participate to production.

3. *Another possible solution*

As far as there is still not a sufficient amplex of goods and capacities of production in order to allow free and unlimited distribution, how to restrict the consumption to the prevailing possibilities of production? If we abandon the wage principle: "*to each according to the value of his labor force*"; if we refuse the principle: "*to each according to his work*", what principle to use?

I only see one possibility: *to each according to the social possibilities*.

It is a sort of "*to each according to his needs/desires*" but limited, restricted by what is really possible, as in the household/domestic economy, or as in a fishers village where after drawing collectively the net, fishes are shared between the population.

This is a conscious, direct way of dealing with limitedness in terms of use-value. It is the logic consequence of the fact that the means of production are collectively possessed (in the Commons). If we participate to production as collective possessors, production can be distributed collectively, taking into account permanently and dynamically what is possible and what is needed.

As already said, P2P networks make possible instantaneous and ubiquitous availability of the necessary information for such a system.

The question is then: will consumers respect voluntarily the restrictions when they exist? Is not such a system going to collapse because of multiple abuses?

Such a system means a great degree of collective consciousness, of self responsibility. That may seem wishful thinking when envisaged from the point of view of the capitalist social jungle. But we should not underestimate the change in mentalities which would be induced by a society where production is oriented directly and exclusively towards human needs, where orientation of production is permanently collectively agreed. One of the most important contributions of Free Software and peer-production has been to prove with facts that humans can cooperate, share and produce the most complex things without money profit incentive and without State coercion.

Some people thought that Wikipedia would never develop because it would be permanently destroyed by "vandals". The intelligence of Wikipedia has been to have confidence in the collective spirit of contributors, to base its rules on the needs of that confidence and not on the danger represented by vandals. Vandals existed ever since the beginning of Wikipedia, but they remain a small minority and the care of the majority has allowed to neutralize their negative action.

Collective consciousness will be a key element in managing the transition into a post-capitalist society.

III. Money and Peer Production in a full developed Peer society

I'll be very short here. I don't see any reason for the existence of money in a full developed Peer Society where generalized abundance is a reality. Maybe some people might like to "play" with money and exchange. But in that case they can play Monopoly.

Conclusions

I'll draw two conclusions.

The first is about the fact that, historically, symmetric exchange developed first not at the center of the primitive communities but at their fringes, through the trade between them. Its movement was from the periphery to the center. The disappearance of exchange and money should follow the reverse process, from the center to the periphery.

The second conclusion is about the existence of two contradictory tendencies in the present society.

One towards a deeper penetration of market relations in all domains of social life. Introducing property and money everywhere. I recently read, in the P2P foundation blog, that even Yoga is being privatized, especially in the US where more than 2 thousands 5 hundred copyright patents concerning Yoga have been taken!

The other tendency is towards the elimination of property and money, a tendency towards what could be called GRATICISM. The development of the Peer Production reality is the main aspect of that tendency. But, as Hegel said : "*Contradiction is the root of all movement and vitality*".

In front of the collapsing and devastating reality of capitalism, it is urgent to develop, to support the dynamic force of that contradiction, the movement towards a full developed Peer society.

The question of knowing what could be an alternative to the capitalist society is crucial for all the social movements which develop and will develop in the future against the existing order. It is at this level of consciousness that the Peer production reality should play a determinant role. Even if it will certainly be in the long run...

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