

Intellectual Commons, Commodification and New Business Models

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Abstract. This research project analyzes the possible relationships between immaterial commons (*i. e.*, the practices of sharing around intellectual or cultural goods)¹ and commodification (the process of turning something into a commodity: a private good produced to satisfy market needs); in particular, it poses the question of whether commodification can arise in or from within a commons, and how do so-called “open business models” affect that possibility.

Keywords: intellectual commons, commodification, open business models

1 Introduction

Since the advent of digitization (and, specifically, the “technical revolutions” brought about by microprocessors and global computer networks), we have seen a sharp rise in the possibilities of sharing immaterial goods. This trend, which has many positive consequences (particularly in fighting social inequality), paralleled another, also observed since the second half of the 20th century, but that went in the opposite direction: the worldwide expansion and stiffening of intellectual property (IP) laws, which increased the possibilities of *commodification* of immaterial goods (a process with negative consequences that will be mentioned in the following sections). The first trend was caused in great part by the reduction in costs of production, reproduction and dissemination of immaterial goods. Some costs – particularly those related to production –, however, remain, and a series of approaches to attempt to cover them are being developed. Among those approaches are the so called “open business models”; while it is feasible that they help sustain intellectual commons, it is not yet fully clear, on the other hand, if they can also avoid the negative consequences of commodification, and which approaches are better in this sense. Evaluating the possible interactions between open business models and commodification is the main practical goal of this research.

¹ While this research does not directly explore the concept of virtual goods, it overlaps with the research’s main object: immaterial goods shared through digital technology.

2 Theoretical / methodological framework

As frequently happens with researches exploring collaboration and critical views of intellectual property, this project is interdisciplinary, drawing from the fields of media studies, economics, law, sociology and philosophy. Its perspective has, though, two features that stand out. The first is a philosophical approach (slightly favoring conceptual analysis and qualitative empirical examination), grounded particularly, but not exclusively, on political economy (Karl Polanyi, Karl Marx and David Harvey) and critical views of contemporary society (Hardt & Negri, Zygmunt Bauman, Elinor Ostrom). The second is an (also slight) focus in the field of education when analyzing the practical effects of these issues, in order to narrow down a bit the scope of the considerations.

The research is divided in three main topics: intellectual commons (in the context of commons theory); commodification (as a general societal issue, and as it affects intellectual commons); and open business models (a broad categorization of types, exemplifying them and exploring how they each relate to commodification).

3 Intellectual commons

The main source for the research's treatment of commons is the work of Elinor Ostrom. With a sophisticated mix of conceptual rigor and a broad empirical analysis, her work dealt a strong blow to the very popular idea of the "tragedy of the commons": the belief that all commons are doomed by definition, because individuals are guided only by an extreme rational self-interest. Through the study of many examples gathered all over the globe (from collectively managed forests in Switzerland to shared systems of irrigation in the Philippines), she showed that in many cases commons do prosper, as people are able to communicate and devise functioning systems. Her work also identified a series of design traits that are present in such commons.

While I recognize Ostrom's research as a fundamental contribution to the field, I also try to provide a critical reading of it. One of her theory's limitations is the fact that, in many ways, it is still based on a severely individualistic perspective: the model of the individual as guided by rational self-interest is not discarded, but rather made more complex through the internalization of additional variables, such as social norms and mid- and long-term considerations. That, along with the fact that her research was mostly focused on small-scale commons,² makes it difficult to attempt a more systemic approach to the interactions between commons and society (as well as between different commons) with basis on the theory that she developed. For example, her categories display a certain blind spot with regard to the possibility that a commons might be based on the exploitation or dispossession of another commons somewhere else. This is

² It would also be reasonable to contend, however, that this focus on smaller commons is as much a limitation as a deliberate characteristic of her approach, in order to allow for more detailed empirical work.

exemplified, in this research project, by an analysis of the linkages between the growing consumption of personal computers, smart-phones and tablets (that underpins development of Internet-based commons), and the dispossession of Congolese people because of civil war (largely financed by the mining of coltane, one of the minerals used in current gadgets).

In my research I also compare Ostrom's commons approach to that of Hardt & Negri. While their work lacks the conceptual systematization and empirical operativeness which strongly characterizes Ostrom's approach (and which has inspired many to work and collaborate on the field), they have the merit of attempting a more universal and systemic reading of commons. They try to go beyond the casuistic analysis of many localized commons, and look for unifying features of (and explanations about) all the shared "commonwealth" that humans generate through labor (particularly immaterial labor).

4 Commodification

The definition of commodification used in this research is mainly borrowed from Karl Polanyi. A commodity (the result of a process of commodification) is something produced mostly to satisfy the needs of a *market system*; that is, something produced according to "market signals", in order to be sold in markets, and to generate money to purchase more commodities. This can be contrasted, for instance, with commons-based production, which aims to satisfy the need of a commons' community (either directly, or in a more direct way than through market signals). One should note, however, that commodification is not a binary measure, but rather a continuum of shades of gray; and that commodification it is not the same as plain commercialization (the act of offering something for sale), which, even though a requisite to commodification, can coexist – as showed by plenty of ethnographic evidence gathered by Polanyi – with ways of production that place societal needs in first place with regard to market imperatives.

One of the negative consequences of commodification is that, being at best an indirect measure of communities' needs, it frequently distorts them; this can be easily exemplified through the issue of neglected diseases in pharmaceutical production. Although more than a billion people are affected by those life-threatening diseases, research to fight them receives practically no private investment, while less serious conditions for which there already are advanced treatments available (as is the case of erectile dysfunction) continue to receive lots of investment – for the development of so called "me too" medicines. This shows how, in important cases, market signals correspond much more to profitability than to communities' needs; and how commodification can strongly reinforce social inequality and concentration of power.

Since the second half of the 20th century, one of the areas in which commodification has significantly advanced is intellectual goods; a landmark in this trend is the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), a section of the World Trade Organization treaty which effectively raised the bar on IP rights worldwide. IP rights are decisive for commodifica-

tion of intellectual goods, as they provide the possibility of holding exclusive rights over such goods. This is something necessary in order to legitimately sell a good, and particularly so in the case of intellectual goods, where – unlike what usually happens with material goods – ownership or possession are not easy to determine.

Commons and commodification appear to be in principle mutually exclusive, both because of this requirement of exclusive rights in order to sell a good, and because of the different aims guiding their processes. As contemporary society is growingly dominated by commodities-based production – and close to the market system described by Polanyi –, it should not be surprising, though, to encounter situations where commons exist side by side with (or embedded in) processes of commodification; but those are situations that will likely display a certain amount of conflict or contradiction – the main interest of the research’s next section.

5 New business models

This part of the research maps relevant “open business models” involving intellectual commons, and how they relate (positively or negatively) with commodification. By open business models, the research means those business approaches that do not rely on the kind of exclusive control of immaterial goods that characterized most of the IP-based industries. The main business models selected so far for analysis are those involving: sale of additional services; sale of additional goods (for instance, hardware, or “premium” proprietary versions of the shared intellectual goods); donations (crowd-financing, or direct corporate sponsorship); payment by authors; and financing through advertising. So far, the research approaches those models as they manifest in free software projects, open access publishing and Wikipedia – selected because of their relevance with regard to education.

Donation and crowd-financing are probably the ones in which commodification is less present, although that can vary case by case. While the intellectual good is mostly decommodified, it is possible that intermediaries, such as crowd-financing platforms, provide their services in a more or less commodified way: pricing can be less related to the cost of the services provided, than to what is possible to charge according to market offer / demand (in a way that mimics financial services in general). Also, donations and sponsorship by corporate 3rd parties can be conditional on pursuing the needs of the sponsors (and not those of the community), and thus partially commodificate said commons.

Sales of services and goods “transfer” commodification from one arena to another; the “balance”, however, can be positive – as IT services, for instance, were usually already commodified. Payment by authors, as in the case of golden open access publishing, presents a similar scenario: while the previous commodity was, say, the scientific paper sold to readers (or in most cases, to libraries), now the commodity is constituted by a mix of the editing services intermediated by the publisher, and the journal’s prestige, brand etc. (as some journals seem to

charge much more than costs of editing plus a reasonable profit margin); and that commodity is now sold to authors, not readers.

Finally, financing through advertising mutates commodification in a more radical way: while the shared intellectual good might no longer be a commodity,³ its users (and producers, in some cases) become one; their attention (or personal data) is being sold to advertisers. This is problematic not only because of the direct privacy implications, but also because it is particularly severe in terms of commodification: they are a commodity whose purpose is selling more of other commodities; furthermore, as I argue more extensively in the research, advertising revenues tend to rely on a general increase of consumerism. Branding is also considered as a peculiar form of this model.

This section of the research is being developed now, and is the one where there are more open questions. While input and criticism are strongly welcome for all the research, they will be particularly useful on issues such as: what other business models could be included here, and where are interesting sources to look for them? What interesting cases related to such models merit a more detailed analysis? Considering current and future scenarios, what is the probable relevance of these models in comparison to one another (particularly when considering their effects in the field of education)? In what ways could commodification be gauged in these models?

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³ Although this is not always the case: producers can choose to guide production towards maximizing advertising revenues, to the detriment of previous aims.