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The Wealth of Networks: How Social Production Transforms Markets and Freedom
Yochai Benkler

New Haven and London, Yale University Press, 2006, xii + 515 pp., US\$40.00, ISBN 978 0 30011056 2

This is a fascinating and humane book about the future of information, innovation, culture, the economy and society. Yochai Benkler, ‘the leading intellectual of the information age’ according to Lawrence Lessig, has a big idea whose impact is already apparent in the remarkable cases he details. He calls it ‘social production’—individuals working alone or together to produce goods and services without being paid for them in the market or subsidised by the state. Benkler recognises it is not a new concept. Indeed, he thinks it is already pervasive, the ‘dark matter of our economic production universe’ (p. 117). People give directions to strangers, help out at school sports days, donate blood. Nor does he think human behaviour has changed, so that people are suddenly more co-operative or altruistic. What he thinks ‘is special about our moment is the rising efficacy of individuals and loose, non-market affiliations as agents of political economy’ (p. 16).

This, for Benkler, is primarily a technical and economic shift. The processing, storage and communication technologies of our times, he argues, are making it much easier and cheaper for individuals to organise themselves into affiliations of all shapes, sizes and durations to ‘socially produce’ economically valuable outputs. The widespread availability of personal computers with affordable, high-speed connections to the Internet means the capacity to produce and distribute information, knowledge and culture has been ‘radically decentralised’. A ‘networked information economy’ has superseded the ‘industrial information economy’, which was dominated by high capital costs. It is now much more feasible for people motivated by something other than money and who do not control vast resources to co-operate to make big things happen. Information, knowledge and culture, for Benkler, are the biggest things around.

Extending Coase’s analysis of the firm, Benkler argues that social production offers public and private organisations a new way of getting something done. Rather than choosing between doing it themselves or contracting it out to a profit-seeking organisation, they may be able to tap the non-monetary drives of people sufficiently interested to contribute perhaps even a tiny, unnoticed share of their time or resources. The job gets done, people feel good about it. Depending on the task, Benkler thinks the results might even be better than goods and services produced by markets, the state or some combination of them.

The remarkable results of social production can be seen in open-source computer software, created and modified not by a single development team within a commercial organisation like Microsoft, but by many individuals whose improvements become available to all other users. It has acquired a large or dominant place in software for web- and email-servers and web-scripting. The powerful super-computer, SETI@home, was created by aggregating the idle processing capacity of millions of individual computers whose users volunteer them for the job. Each performs tiny computational tasks which together create staggering processing capacity. The on-line encyclopaedia *Wikipedia*, whose entries are written and modified by interested volunteers, has become a serious rival to commercially produced encyclopaedias like Britannica. Slashdot offers ‘news for nerds’, written, edited and ranked by its readers. File-sharing applications like Napster and Kazaa mobilised the capacity of networked PCs to create highly efficient storage and distribution systems. Multi-player online games draw huge numbers of participants who make up characters and actions rather than consume linear narratives constructed by others.

The possibilities and implications of these new forms of production, Benkler argues, are immense. Individual autonomy and freedom expand; participation in the political system grows; a more critical culture emerges; social justice improves; global development is fairer. Determined to distinguish his analysis from early internet Utopianism, Benkler explores several areas where he thinks this could occur, or where existing forms of social production provide useful models—open-source software; academic research and publication; and commons-based scientific research about food and medicines. Unlike markets, which provide incentives to solve problems whose beneficiaries can afford to pay, like teenage acne, he thinks social production will be more likely to address problems like HIV/AIDS in the developing world, because it will be motivated by the passion of some people whose resources and expertise can be combined in newly productive ways.

These are big claims and Benkler argues them carefully, drawing on a wide range of disciplines. He is a lawyer, but places a lot of emphasis on economics, technology and political theory. Happy to be described as a ‘soft determinist’, he thinks technology ‘sets some parameters of individual and social action...it can make some behaviours obsolete by increasing the efficacy of directly competitive strategies’, although he accepts that very different social relations can emerge around the same technology (p. 17). Whether networked information technology will improve innovation, freedom and justice depends on social choices made about how it is deployed. The second-last chapter is devoted to the policies he thinks are needed if social production is to thrive. It sets out a familiar critique of recent trends in United States law and policy about intellectual property, information and telecommunications, along with praise for the Federal Communications Commission’s more recent embrace of commons-based licensing of spectrum for some wireless devices.

When Benkler is riffing around the idea of social production, explaining what it has already achieved, pushing it into new territory, seeing how far it can go, what kinds of

problems it might help to solve, what kinds of obstacles it might confront, the book is absorbing. Eventually, however, I found the idea applied too confidently to too many different circumstances, with too little understanding of the role social production already plays, and Benkler's thinking too heavily shaped by the narrow experience of academics, lawyers and computer scientists as producers of information.

The oppositions he sets up between monetary (bad) and non-monetary (good) motives, between property-based (bad) and commons-based (good) forms of production, are puzzling. A shift away from market and state-sponsored production to social production will, he thinks, bring the 'rich diversity of social life smack into the middle of our economy and our productive lives', as though it is not already there (p. 53). Someone who creates a wonderful piece of music or animation or takes a fine photograph and wants to be remunerated for their work is seen as a 'romantic maximiser', seeking to enrich themselves only by excluding non-payers. Someone who makes their work available for free, perhaps hoping for fame or a position in the market economy, however, is a social producer, engaged in a politically progressive act. A friend of mine, who earns a living three days a week developing pricing models for a telecommunications company, chuckled when told about this new 'modality of production', social production. 'Men are finally noticing it because they are doing some themselves,' she said. Looking at the two young children she spends the rest of her time raising, she said 'I produce people. They are *sooo* non-profitable.' Many people who share Benkler's commitment to social justice are already engaged in a mix of activities, selling some goods or services in markets, attracting some state or philanthropic subsidies and doing a lot of sharing and unremunerated helping out. Why we would all be better off if they shifted from sales and subsidies to more non-market-motivated sharing, and how they would eat while they did it, is not clear.

Benkler rejects the self-interested *homo economicus* of mainstream economics, but he likes the conclusion that goods and services should be priced at their marginal cost. Since the marginal cost of digitally-stored and delivered information is close to zero, information should be free. Because it is both an output and an input, reducing the price of information would encourage people to use more of it, benefiting individuals and society. The same argument could be made about any other product that is an input to other production processes, but giving the output away is unlikely to attract people to invest their time and capital in making it. Benkler is also comfortable with the cross-subsidies that economists tend to abhor. Professors give away their research, cross-subsidised by teaching or publication subsidies. Musicians give away their music, cross-subsidised by live performances. Lawyers give away information, cross-subsidised by other services. Benkler is much more confident than I am that these and similar models are necessarily better, from the point of view of individual autonomy, democracy and freedom, than simply paying people for the work they do.

He is especially enthusiastic about the capacity for social production to improve the quality of the media. The 'mass media' he criticises, however, is a much less diverse and complex creature than the media I see, hear and engage with. Occasionally Benkler mentions movies, but it is always 'Hollywood', not Bollywood or any of the other

cinemas around the world sustained by markets, state subsidy and an apparently never-ending supply of often poorly-remunerated passion and craft. There is hardly a hint that cinema, including Hollywood cinema, may be a complicated instrument that has liberated, explored and expanded human capacity, while also, in some ways, at some times, in some places, stifled it. Benkler spends a lot of time on academic journal publishing, which he acknowledges is a highly unusual model, but never discusses commercial book publishing, a media sector with a much more decentralised capital base than television, and therefore a much more useful case study for the emerging networked information economy.

What he mostly means by ‘the mass media’ is broadcast television in the United States. This now attracts less than half the audience for television, which itself is just one part, though still a big and important part, of America’s media. It is certainly not the world’s media. This leads to a structural critique which is almost all about limited channel, advertiser-supported media. It is not much help in understanding digital multi-channel pay TV with hundreds of channels, the cinema, DVD, music or books, which all get summarised into ‘the mass media’. The critique is also mainly about one-way, so-called passive media, which is constantly contrasted with active, participatory online media. Audiences for the former are zombies on couches passively receiving ‘the finished goods of industrial information producers’. Participants in the latter are the agents of a democratic, progressive, folk culture. Talk radio does not straddle the two, but remains firmly mass media, representing only ‘the pornography and violence of political discourse’. Even if you are regularly depressed by the output of ‘the media’, perfectly able to share Benkler’s optimism about both the experience to date and the potential of online and mobile media, it is harder to accept that a system that produced the Marx Brothers and Meryl Streep can be so completely barren, or to believe that blogs and emails sent to listservs are necessarily more self-expressive acts than calls made to Fox News. When confronting some of the evidence of what is happening in online media, especially the concentration levels, Benkler stresses that it should not be judged against some hypothetical, Utopian standard, only against ‘the mass media’. But having caricatured it so comprehensively, it is hardly a contest.

I’m not sure Benkler is right about quite how much of the capital required to produce and distribute information, knowledge and culture has been ‘radically decentralised’. He recognises as much in acknowledging the importance of common carrier principles in the development of the open internet using telecommunications infrastructure; his continuing concern about ‘net neutrality’; and his demand for more liberal access to twentieth century cultural outputs like music and images to support twenty-first century cultural production. His summary claim that ‘What the emerging networked information economy...needs, in almost all cases, is not regulatory protection, but regulatory abstinence’, contradicts the long list of specific dangers that have already been averted by state action, the problems he identifies in Chapter 11 that seem unlikely to be adequately addressed without it, and, as John Quiggin has pointed out, the internet’s own state-sponsored origins.

I am wary of Benkler's conviction about the results of social production, or even that it will be commons-based, rather than market-based, activities that are most encouraged by the technologies of the networked information economy. More than two years on from the finalisation of his text, two new landmarks of social production, MySpace and YouTube, have arrived and been acquired, their diversely-motivated social producers now feeding the bottom-lines of News Corporation and Google. It is the kind of thing 'Hollywood' and 'the music industry' have been doing for generations, drawing the innovation that so often occurs in the margins into the mainstream. Rupert Murdoch, scourge of over-priced movie stars, must be pleased to discover he doesn't have to pay his new creatives. Technologies do set parameters for what is possible, or easier, or cheaper, but it is difficult to judge, except with hindsight, exactly what the parameters set by particular technologies are. I agree with Lior Strahilevitz, who, in a perceptive review of Benkler's book, argues 'Social production is like tofu. It has no values of its own. It absorbs the preferences of its users.' Anna Funder's *Stasiland* describes arguably the most complete system of social surveillance ever devised, in the former East Germany. The state sponsored a lot of it but the key to its comprehensiveness lay in the active participation even of those who were not required to do so. Non-monetary motivations like fear and mistrust drove a terrifying, socially-produced outcome.

Benkler is an optimist about human nature and the capacities of the technologies of our times. He has done a brilliant job of articulating some striking achievements and emerging possibilities, and his heart is in social justice. He wants change, and pessimists don't achieve much of that.

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