

# Intellectual Commons, Commodification and Open Business Models

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# Outline

- Perspective and theoretical framework
- Objectives
- Development:
  - 1.(Intellectual) commons
  - 2.Commodification
  - 3.Open business models

# Perspective and theoretical framework

- Mostly theoretical approach
  - Critical analysis of theories about commons
  - Some case studies, but they're exploratory
- Interdisciplinary research
  - Political economy (Polanyi, Marx, Harvey)
  - Commons theory
  - ◆ Philosophy, S&T studies, education...

# Objectives

- Analyse the possible relationships between commons and commodification
  - Are they incompatible?
  - Can commodification arise within a commons?
- ◆ Assess how emerging business models based on intellectual commons affect that relation
  - ◆ How different models affect commodification?

# Commons

- Definition: community sharing things
  - *practices* of sharing  
(rather than just communities or resource pools)
- Examples:
  - land (*quilombos, faxinais*)
  - fisheries, irrigation systems, forests...
- Attempts in applying it to intellectual goods
  - ◆ culture, software  
(Wikipedia, GNU/Linux...)

# Intellectual commons

- Debate regarding free software [FS]: open access, or managed commons?
  - *open access*: freedoms in FS licenses
  - *managed*: empirical studies show communities are structured, and follow some principles and norms
- Importance of the question: most approaches consider open access as “non-commons”

# Commons:

## New Institutional approach

- Most renowned / successful approach
  - Elinor Ostrom: Nobel Prize in Economics
- Ostrom disproved Hardin's "Tragedy of the Commons":
  - commons are not doomed to overuse
  - empirical studies
    - led to design principles (clearly defined boundaries)
- Limitations: blind spots to systemic issues; "community-level individualism", scale

# Intellectual commons

- Ostrom's work: small-scale, material commons; what about the sharing of knowledge?
- Economists' typology of goods: immaterial = public good
  - not easily *excludable*, also not *rival*; (material commons: not *excludable*, but *rival*)
  - Nina Paley's *Copying Is Not Theft*
    - that could explain why open access works here
- But... there's always a “but”. :-)



# Rivalry, excludability: intrinsic characteristics?

- Rivalry, excludability:
  - are not binary variables, but a continuum
  - are also not absolute givens
- Change in time and space (for the same good)
  - *time*: a software now and 30 years ago (TeX, e.g.)
  - *space*: a software in Silicon Valley and in Africa
- Historical and social codetermination
  - better than essentialist approach

# Commodification

- Commodity: something produced according to market needs (instead of communities' needs)
- Problem: markets signal communities' needs indirectly (and often distort them)
  - Medicines: neglected diseases vs. “me too” drugs
  - Markets' logic is much better at satisfying the profit motive than communities' needs
- ◆ But: commercialization is not necessarily commodification (e.g. FS)
  - ◆ Commodification: shades of grey instead of binary

# “Open business models” (I)

- Ways to finance the production of intellectual goods that do not rely on exclusive IP
  - Sale of services (FS; Red Hat)
  - Sale of hardware (FS; IBM)
  - Donations-based (crowdfunding)
  - “Freemium”
  - Payment by authors (open access publishing)
  - Advertisement (mass media, then internet)

# “Open business models” (II)

- In some commodification ceases (donations)
- Some shift commodification somewhere else (sale of services / hardware, freemium)
  - Balance can be positive:  
those were commodities already
- Payment by authors reverses the relation:  
authors (and not readers) buy the commodity

# “Open business models” (III)

- Advertisement shifts and exacerbates it
  - user becomes the commodity (sale of personal data)
    - “if you’re not paying for it, you’re the product”
    - Google, Facebook; behavioural targeting
  - Relevant advertisement: good or bad?
    - good: no pet food ads for those who don’t own pets
    - ◆ improved targeting increases consumerism: barrage of images of things you desire (unsustainable)
    - production geared to “ad-friendly” material
    - ◆ privacy issues; providers as security bottleneck

WIP: comments highly appreciated!

Thank you / Obrigado

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