Kevin Carson
Credit As an Enclosed Commons
2020

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Innovation is collective in the same sense that Wikipedia, or Free and Open Source Software, is collective. It's the product of a stigmergic, permissionless process that aggregates many large or small contributions into an overall design — a social product that's bigger than the sum of its parts, and not attributable to any one of them.

People like Elon Musk and Jeff Bezos have fortunes in the tens of billions of dollars, and are well on their way to doubling those fortunes since the beginning of the COVID-19 pandemic despite the rest of us living through a depression, not because of any special intellect, insight, or originality on their part. That insight, although not universal, is fairly common. They've made those enormous fortunes because they have a monopoly over a function that's necessary to put insights and visions into practice: venture capital, or credit. And once the innovations are actually developed, they rely on another monopoly — intellectual property — to extract further rents from it.

The aggregate wealth of billionaires amounts to thousands of dollars for every human being. And it's wealth they've extracted by erecting a toll gate that impedes, and charges tribute for, that basic function of grabbing components off the shelves that were created by our collective, social intellect, and putting them together in new ways according to the insights produced by collective intellect. Because of this toll gate the innovations created by social intellect, rather than enriching all of us with increased quality of life and reduced labor, are made artificially scarce and costly for all of us. And the extra cost we pay goes into their pockets.

They are rentiers, who parlay their monopoly on the venture capital function into feeding off of the insight and intellect of the *real* value creators, and off of the need of consumers. And they were put into the position to do this by a system that was created to make people like them rich at the expense of the rest of us.

Let's destroy that system.

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The sole function of Bezos and Musk was to provide financing, because they had the money. And the fact that the teams that actually did the work were in the position of relying on rich venture capitalists for the seed capital, and that the latter were in possession of that capital in the first place, was a function of history, and of structural faults within the system.

My primary focus in the previous column was on the nature of those structural problems — particularly the capitalist credit system — which prevent engineering and production workers from organizing and financing their own innovative efforts. I don't intend to rehash that here.

But in my discussion of the availability of all the prerequisites for the innovations attributed to Musk and Bezos, and the obviousness of putting them together according to a given pattern, I failed to note how this generalization is borne out historically by the concept of "steam engine time." Most major innovations are the product of social intellect. This is reflected in the fact that, when the technical prerequisites or components all exist in our collective toolkit, and the need for an innovation demonstrates itself, that innovation simultaneously appears in a number of different places.

The obvious example is Tesla vs. Edison (ironically). But look at calculus. The Greeks and Arabs had developed trigonometry, and the Arabs had developed algebra. And then humanity reached the point where a mathematical tool was needed that could handle things like orbital mechanics artillery trajectories, and the like, and what happened? Newton and Leibniz developed calculus independently.

Most innovation is creatively combining off-the-shelf components already created by social intellect, in response to problems that any number of people notice when they arise. And when the problem, opportunity, or unmet need shows itself, any number of individual innovators, or teams of innovators, start grabbing those components off the shelf and putting them together.

— thereby making that function a source of rents for those who own the stocks — is the problem.

What it boils down to is that the function of providing liquidity and keeping things moving — a function that by rights should be organized horizontally and cooperatively as a social commons, with no cost beyond that of administering the zeroes and ones in a database — has been enclosed. And just as the class that enclosed the land commons used their monopoly to extract rents from those who worked it (and continue to so so!), the class that has enclosed the credit and money commons extracts rents from us going and coming.

In 1649 at St. George's Hill, in England, a group of landless peasants who called themselves the Diggers told the landlords "Your claims to this land are based on robbery, and we declare them null and void." They tore down the enclosures and began cultivating the land. It's time for us to do the same with money.

Part II

In a previous column, I examined the way in which those who praise Elon Musk, Jeff Bezos, and their ilk for their "creative genius" or "value creation" are misplacing the credit. All the components of Tesla designs, and of the Amazon online shopping and logistic model, already existed. The "big picture" concept of how to combine them, far from being some once-in-a-century insight reserved for great entrepreneurial brains like Musk and Bezos, was fairly obvious. It was the same level of "genius" that occurs every weekend in thousands of weed-fueled college dorm bullshit sessions, and which Musk himself displays virtually every time he appears in a podcast. And the actual work — putting them together and optimizing them — came entirely from workers, whether they were engineers on the development teams or production workers on the shop floor.

Part I

Whenever someone like Jeff Bezos or Elon Musk is attacked from the left for their parasitism, the outcome is as certain — and much swifter — than the return of Halley's Comet. Without fail, we see a swarm of outraged conservative, libertarian and centrist voices — ranging from Koch-funded op-eds and Stossel columns to bedbug commentaries at the New York Times to bootlickers in the Twitter replies — pointing out that Bezos and Musk are "value creators." So let's take a look at that value they create, shall we?

Did Elon Musk come up with the idea for the electric car, or for the lithium ion battery? Did he even personally design an improved version, or even an improved component, of either of those things? No. The only halfway original thing that can be associated personally with Elon's creative genius in any real sense is a damnfool unworkable underground tunnel system that impresses nobody but city councils and Twitter sycophants.

Every single car that came out of one of Tesla's shops, every single component in it — every Tesla shop itself, for that matter — was built by someone other than Elon Musk, using materials that were previously shaped by someone other than Musk and ultimately dug out of the ground by someone other than Musk. The idea of making an electric vehicle more efficient, making a battery more efficient, or producing them more efficiently, was an idea that would occur to most people remotely familiar with the existence of electric cars. And while specific ideas for how these goals might be achieved, and of the most promising research and development paths for achieving them, might occur to a much smaller number of people more closely associated with the electric car industry, I would bet that just about any design engineer working for Tesla had better concrete ideas on the subject than Musk.

The same goes for Bezos. Automated warehouses using RFID tracking, automated logistics chains, and online shopping were all things that existed before Amazon. Much of his overall business

model had already been pioneered by Walmart — not by the Walton family, but by engineers and logistics experts in their hire — and tying it together with the rest wasn't some once-in-a-century insight waiting for a visionary genius on the level of Jeff Bezos to come up with.

No. Not only the production labor, not only the materials, not only the designs, but even the parts of the overall concepts that required any actual work and expertise and weren't obvious to anybody, were the doing of people other than Musk or Bezos. The only reason that either of them is spoken of with reverence today is that they had money, or were in a position to be listened to by people with money. Actually setting things in motion required money to prime the pump.

There is a constant flow of goods and services from those whose labor produces them to those who consume them, with the workers in one industry supplying the workers in another industry with the necessities of life they consume, as they in turn produce their own goods for workers in other industries to consume. At no step in the process does any material good ever come from anything but the labor of human beings or from free gifts of nature. At no step does Elon Musk or Jeff Bezos lift a finger extracting materials from the ground, transforming them into goods, or transporting them to anyone else.

What we have, in functional terms — what's depicted in the upside-down world of capitalist ideology as Musk and Bezos "creating value" through their "investments" — is a system of workers constantly advancing the products of their own labor to each other through a system of mutual credit. This function of advancing liquidity, of priming the pump, is an entirely social function that could be performed cooperatively. There's no stored up value involved — just a constant horizontal flow of goods and services from one group of workers to the other, as they produce them.

The ideas might occur to any number of people, all the materials and labor come from people other than Musk and Bezos, and in a

more rational world the entire operation might have been set in motion entirely for the benefit of those producing and consuming the goods, without Musk or Bezos skimming their hundred billion off the top or making their workers live in RVs and piss in bottles.

But under the rules of the capitalist system that prevails over most of the world, the social function of priming the pump — of providing liquidity to get things moving — is reserved for those who have accumulated large stocks of money. The very function of creating money in the first place is legally limited by law to institutions with some minimum level of capitalization. The expansion of the money supply, the creation of the very medium of liquidity itself, comes from the owners of money lending it into existence, and accumulating more money in the process. And because this class has appropriated the function of financing production, it accumulates even more money through control of the means of production — money which, in turn, becomes the source of further rentier income, and so on.

These are rules set up in the first place in the interests of those with such large stocks of money, by a state controlled by them, in order to enforce their monopoly over credit and over control of the means of production. To be in a position to prime the pump and set things in motion, you either have to be a billionaire yourself or know how to sweet-talk billionaires. And it goes without saying that all the billions in the possession of billionaires are the returns from previous monopolization of the credit function and from control of the conditions under which workers are allowed to produce.

Let's stop for a moment to consider the sheer inefficiency this imposes on society, from a design standpoint, in order to enable the owners of capital to extract a surplus from the rest of us. The money function properly understood should be entirely one of horizontal flows, and not of stocks at all. The fact that stocks of any size are a prerequisite for a license to perform the money function