

The Future of Digital Proudhonism

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Gavin Mueller's recent article for the *boundary 2* online journal, "Digital Proudhonism" is a Marxist critique of what Mueller describes as "Digital Proudhonism," a catchall term for those who believe that technology is lowering class barriers. Digital Proudhonism is not a formal ideology but rather an undercurrent expressed by a variety of individuals from all over the political spectrum. For Mueller, Digital Proudhonism is the unofficial ideology of those who think that simply by removing intellectual property we can destroy concentrated wealth and unjust power structures in society. He sees this as a pro-capitalist position, or at least one that lends itself to use by capitalists. In particular, he claims many of its proponents have capitalist leanings or sympathies.

The first problem is that the Digital Proudhonists he describes are from a variety of political and economic backgrounds. To make my analysis easier I'll only include the main left wing thinkers he discusses (as those on the right/center presumably don't care about ending capitalism all that much). But even restricting our search to this group, the thinkers he critiques are not as simplistic as claimed.

A survey of their beliefs:

- Cory Doctorow is some sort of uncommitted generic libertarian leftist, and has openly entertained the idea of a planned economy.
- Paul Mason is a self-described "radical social democrat" who sees government intervention in the financial and energy sectors as vital for a transition to a postcapitalist society as well as supporting reforms like universal basic income.
- Finally, Kevin Carson is an anarchist without adjectives who wants to move as much economic activity as possible *outside* the cash nexus, while also recognizing the utility of markets for coordinating activity.

But even beyond the complexities these thinkers display, Mueller is wrong about how essential intellectual property is for modern capitalism. The statement that most demonstrates his ignorance of how capitalism works is his assertion that capitalism without intellectual property is "capitalism precisely as Marx described it." Such a statement reveals a deep, *deep* lack of understanding of our modern economy. Today profits are not primarily generated through extracting

surplus value from workers, but instead by deriving various rents on economic activity. While some of this rent extraction is through the physical ownership of property, much of it stems from financialized rents on products or services, as well as intellectual property.

I'm curious as to what Mueller sees as the post-intellectual-property business model of various companies. Off the top of my head, intellectual property no longer being enforceable would annihilate the entertainment industry and the software industry, as well as cripple the hardware and biotech industry (and that's just the short term effects). Sure we'd probably still have industries like agriculture, manufacturing, retail, and energy production in the hands of capitalists, but refusing to enforce intellectual property would still result in the *biggest transfer of wealth ever seen in human history* and could be done entirely by simply refusing to enforce the law against those who transgress. Unlike physical property, which can be protected even without the state, intellectual property quickly escapes individual ownership once freed.

Mueller also argues markets naturally concentrate over time, but gives no justification for why other than Marx's 150+ year old critique. But as we've already seen, modern capitalism is reliant on rent extraction through artificial scarcity backed by the state which means that orthodox Marxism is horribly out of date as an analytic model through which to understand modern capitalism. Dismissing the arguments of Kevin Carson as "petty producer fantasies" ignores his rigorous, radical analysis of modern capitalism and various alternatives. In Mueller's description of how Digital Proudhonism might work for the production of physical goods, he conflates Chris Anderson's (liberal) vision of how makers might send CAD files to manufacturers to have things built with Kevin Carson's significantly more radical proposal.

Because Carson is not just against such economic approaches for ethical reasons but also economic ones! Mueller's critique of him completely overlooks his extremely detailed argument for why we should return to localized peer production of material goods. Such calls aren't the dreams of returning to yeoman self-sufficiency, deliberately crippling economic output so to live out fantasies of information age makers, but are instead the result of a radical analysis of how markets were deliberately bent towards mass production and mass distribution for the benefit of the state and capital. Kevin Carson has shown in painstaking detail how the industrial factory model of production was only sustainable in the 20th century thanks to unprecedented levels of state intervention in the economy, as well as the supremacy of the United States in the postwar era, which led to this industrial model being exported around the world.¹ Conflating a radical economic analysis with that of Chris Anderson who writes for a popular audience is obviously fallacious.

This doesn't mean the Marxist critique is completely outdated. I still think it has some teeth when it comes to questions around industries that are extremely capital intensive, such as microchip foundries, or futuristic technologies like nanomachines or modular thorium nuclear reactors that are likely to be initially expensive. Such technologies could potentially result in the runaway economic concentration that Marxists fear. Grappling with such problems is vital going forward and I would love to see them get more attention in anarchist discourse. But Mueller's reliance on Marxist dogma is hardly progress on these issues. Just because economic concentration is possible does not make it guaranteed. Market anarchists have devoted considerable time to considering the variety of mechanisms that erode this accumulative tendency, as well as the various ways in which the state *suppresses* such countervailing forces on behalf of capital.

However Mueller isn't completely wrong. One good suggestion he makes is that: "[C]reative workers could align with others in the production chain as a class of laborers rather than as an

assortment of individual producers, and form the kinds of organizations, such as unions, that have been the vehicle of class politics.”

While this misses the fluid, decentralized potential of digital labor, I do think that there’s ample room for critique of the “digital artisans” who utilize electronics that have significant negative impacts on the countries in which they are made or disposed of. What considerations should the anarchist hacker writing cryptography or building a cop-monitoring drone have for the workers who produce the complex hardware that enables such technology that they work on? Workers who, more often than not, have shitty working conditions and deal with environmental toxins. Such questions are of course relevant.

But even here the Digital Proudhonist critique of intellectual property has teeth! Modern electronic hardware is not built to be disposed of properly, nor is it built to be easily upgraded or even recycled. We don’t have modular technology that we can fit together as we desire and we’re forced to work with what we’re given. Such a state of affairs is largely the result of intellectual property law making it illegal to modify your tech, while also making it difficult for upstarts to manufacture technology that would be more sustainable. You can’t just ignore the impact of such dynamics on how societies structure their economies.

Another line that shows Mueller has done the bare minimum of research is Mueller’s straw-man argument that “this revolution is a quiet one, requiring no strikes or other confrontation with capitalists.” But Carson, being an anarchist, *has of course* written countless words on current struggle against the state and capital. He has also provided a fantastic summary of what various thinkers see the future of networked conflict being like.² It is by no means exhaustive or the final word, futurism being an art and not a science. But it is a substantive argument for why decentralized networked forces might be able to take on much larger, much better equipped hierarchically structured forces. Obviously he’d like to avoid outright conflict in the process of reaching a better world, but to say that he is in denial about the possibility of it occurring is laughable.

From where I stand, Mueller’s solutions are hardly an improvement. Calling for the “democratic control” of digital labor is a nice pleasantry, but what does it actually *look like*? The administrative problems we’ve seen on social media platforms like YouTube and Twitter do not arise because of a lack of democracy, but rather as a result of size. I trust nationalized “democratic” social media even less than I trust private monopolies. Also what does it mean to democratically control the means of cultural production? Do we really need democratic oversight for the creation of production tools like GIMP or Audacity when users can modify the programs as they see fit? Even special effects heavy Hollywood movies (to give one example of where socialization might actually be appropriate) largely rely on labor to create those effects with the physical tools being relatively cheap in comparison.³ What does socializing tools mean when the main costs involved are not the physical equipment but the individual talent. The Digital Proudhonian answer is to give everyone access to the equipment, open source all the software, and let individuals self-organize as they see fit. The computationally intensive processes could be done by timeshared supercomputers or networked clusters. Mueller’s solution of “unions and political parties” is not only vague, it also ignores what has already been achieved through direct action by creatives using open source software or pirating proprietary software, in other words seizing the means of production for themselves. Sure there’s maybe a space for parties or institutions to open doors that individuals couldn’t but ideally our praxis should prefigure the world we want

as possible. Trying to impose a 19th century solution on a 21st century problem raises all sorts of complications.

But all this is nothing compared to Mueller's strawmanning of Digital Proudhonists by comparing them to *actual fascists* through guilt by association. In the most jaw-dropping paragraph of the essay, Mueller claims:

Proudhon and his beliefs fit naturally into the dominant ideologies surrounding Bitcoin and other cryptocurrencies: that economic problems stem from the conspiratorial manipulation of "fiat" currency by national governments and financial organizations such as the Federal Reserve. In light of recent analyses that suggest that Bitcoin functions less as a means of exchange than as a sociotechnical formation to which an array of faulty right-wing beliefs about economics adheres, and the revelation that contemporary fascist groups rely on Bitcoin and other cryptocurrency to fund their activities, it is clear that Digital Proudhonism exists comfortably beside the most reactionary ideologies. Historically, this was true of Proudhon's own work as well. As Zeev Sternhell describes, the early twentieth-century French political organization the Cercle Proudhon were captivated by Proudhon's opposition to Marxism, his distaste for democracy, and his anti-Semitism. According to Sternhell, the group was an influential source of French proto-fascist thought.

This is the sort of trollish conflation and simplistic pattern matching I expect out of an InfoWars video or a Breitbart article, not a Marxist academic in a *fucking* peer reviewed journal. First of all suggesting that the Digital Proudhonists who are avowedly on the left – Mason, Carson and Doctorow – "exist comfortably" alongside the most reactionary ideologies is absurd. Mason and Carson have written longform strategies on how to fight the recent reactionary resurgence in the West. Meanwhile Doctorow is a longstanding champion of technological freedoms that impact everyone, being one of the most prominent figures against the "war on general purpose computing." If that's existing comfortably alongside fascism, I'd love to hear what Mueller thinks an aggressive stance looks like.

Then there's the fact that Proudhon was not a goldbug, with his view of currency being much closer to David Graeber's than any libertarian viewpoint (i.e. currency is created out of debts instead of limited commodities that have intrinsic value). Those closest to Proudhon's intellectual tradition, like many at C4SS, have not uncritically accepted Bitcoin. Since the technology emerged, the Center has had commentary from a variety of perspectives on Bitcoin (and cryptocurrency more broadly). While the Center has no official stance many figures have emphasised the necessity of a diversity of options going forward.

Consider Kevin Carson's analysis of the problems with Bitcoin:

But far more important than questions of security and opacity to the state is the question ... of Bitcoin's functional role as a store of value or specie-mimic. So if neither party to a transaction has Bitcoins ... there is no source of liquidity for an exchange of services between them. ... [I]t's maladapted to the primary purpose of an alternative currency: to provide liquidity for exchanges between people in a local economy who need a way to transform their services into purchasing power in a stagnant economic environment in which there's "no money."⁴

Or William Gillis' critique of the current approach to cryptocurrencies:

[T]he implicit goal of One Big Currency is just as unreasonable as One Big Union. Any flat global currency will radically fail to match the topologies of trust, reputation, and other diverse human realities it floats on top of – lurking instabilities are inherent. Introducing parallel competing currencies all modeled on the dream of a universal standard hardly solves the problem.

My own inclination is that exchange facilitating human reputation systems will trend towards a rhizomatic federative model with every community, collective or congealing association floating their own “currency” in a sense, built to be dynamically reconfigured, and with routing protocols fluidly negotiating the network topology on the fly for individual transactions while retaining far more directed information regarding lines of trust and repute.

Such an analysis of cryptocurrency is likely missing from the vulgar libertarians that have either drifted to or are drifting towards the alt-right, because they tend to assume that *any* scarce resource such as gold or cryptocurrency naturally becomes a currency.

But this is both theoretically and empirically false! As Graeber described in detail credit proceeds currency and is based entirely on trust and therefore is intensely subjective. As for rare metals, Chris Shaw shows that so-called universal currencies like gold were not the result of individuals converging upon a single solution, but instead imposed through the state both controlling the supply of gold while also being able to give it value through coercive taxation. Imposing currency on a populace via coercive taxation destroys what should be an organic ecosystem of trust replacing it instead with a static rigid construct that not only serves power but also fails catastrophically.

Such analysis of the intersection of trust and control and how that impacts how currency operates is missing from modern Marxist analysis of capitalism. Marxist assumptions that markets *a priori* concentrate as a result of competition simplifies dynamics to the point of ignoring not just these problems with currency, but other entropic forces that would countervail against such concentration like broader issues of trust, information flow, barriers to entry, coordination problems, lack of non-market means of meeting one's needs, etc. Ironically enough the Marxist simplification of the market to the dynamics described in *Das Kapital* limits radical analysis the same way neoclassical economics assumes highly rational actors and disregards environmental consequences. In failing to consider dynamics in the economy that might counteract the trends towards concentration through making large institutions increasingly more costly to maintain, Marxism becomes epistemically blind towards a whole host of dynamics that are essential for theorizing about any non-capitalist economy.

And these dynamics are absolutely what we should be talking about! In 2019, we will hopefully see the publication of Aaron Bastani's *Fully Automated Luxury Communism* and Leigh Phillips and Michal Rozworki's *The People's Republic of Wal-Mart*, both of which argue that non-market socialist economies are possible, and present formulations for how they might function. Phillips and Rozworki in particular will examine the economic calculation problem using the internal management software of Wal-Mart and Amazon (both of which have internal economies larger than the USSR at its peak). And there's good reason to believe that such considerations about distribution mechanisms won't just be the subject of campus socialist clubs and Jacobin

think-pieces, but rather could in fact influence the policy of the left wing parties in the West. For example, Shadow chancellor John McDonnell, in conjunction with the UK Labor party, has hosted a series of conferences articulating new economic visions for the 21st century. While speakers included individuals that fit within the social democratic politics like Joseph Stiglitz, Yanis Varoufakis, and Mariana Mazzucato, it has also hosted radicals like Paul Mason and Nick Srnicek who've openly argued for the supersession of capitalism. Furthermore there's every reason to believe that we'll see such ideas gain traction among leftist intellectuals who serve as the base for other political parties or movements, just as the emergent reactionary right has created a "globalist anti-globalism" which has exported figures and ideas across borders, we're also seeing something similar with the left, both top-down from the intellectuals or the policy makers and also bottom-up through social media debate and discussion (and of course, memes).

As there is *very real reason* to believe that such theorizing could at some point form the basis of left wing politics going forward, the Center for a Stateless Society and the radical critiques it has made of collective action problems should absolutely be part of the discussion. I'm certainly a fan of comparing modern capitalism to the USSR (see Mark Fisher's *Capitalist Realism* or David Graeber's *Bullshit Jobs: A Theory*) but if the only debate going forward is over whether we want Jeff Bezos, a democratically elected Jeff Bezos or mass voting to decide upon economic decisions I'll be incredibly disappointed. Collective action problems are intrinsic to any complex society and retreating to either management by technocrats/algorithms or constant involvement in the local assembly is hardly progress towards a world I would want.

But I welcome such analysis all the same. While I may disagree with the directions such authors ultimately want us to go, there is absolutely value to be had from analyzing the internal planning software of firms like Amazon or Wal-Mart and having discussions about how they might be used to solve various collective action problems. Left wing futurism that is both optimistic and high-tech has, unfortunately, been underdeveloped for decades now and I welcome its return to the discourse.

And hopefully such a turn to futurism will also drag Marxists into the 21st century. Both in terms of understanding the technological possibilities, but also in terms of the ideological fault lines that are emerging. The Marxist conflation of markets and capitalism have resulted in centuries of confusion that still befuddles them to this very day. The so-called Digital Proudhonists are beginning to move beyond such errors, or have resolved them completely. It remains to be seen if academic Marxism can do the same.

1. Kevin Carson, *Homebrew Industrial Revolution* describes how the so-called "economies of scale" were promoted by massive state intervention.
2. See Chapter 3 of *The Desktop Regulatory State, Networks vs. Hierarchies: The End Game*, as well as *Bring on the Drones!*
3. The main cost of special effects in Hollywood movies is either human labor or computational processing. To give one example the 2013 Pixar film *Monsters University* used a 2,000 computer data centre that included one of the top 25 supercomputers at the time of writing to render the film. Each frame took 29 hours (!) to render. From *Special Effects Aren't Cheap: The Cost of CGI*, Misk, Dan Martens.
4. Kevin Carson, *The Desktop Regulatory State*, pg. 194

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