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The Common as a Mode of Production: Towards a critique of the political economy of common goods

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### Introduction

In the neoclassical categorisation presented by Paul Samuelson, there was only room for two types of goods: private and public. Private goods were commodities produced by companies; public goods, as market "failures", had to be produced by the state (1). This representation of the economy was a good translation of the working logic of the Keynesian-Fordist model of growth. Only later, with the early signs of the crisis of Fordism, such binary taxonomy of public and private goods was completed with the addition of two further categories. In primis, in the mid-sixties, with so-called club goods. Above all, this concept provides a way to justify the extension of the reach of the rule of commodities over a series of services for which an access fee can be charged. Later on, it was the turn of "our" common goods and their integration into the neoclassical categorisation resulted from the debate sparked by Garrett Hardin' theory of the Tragedy of the Commons.

Combining the attributes of rivalry and non-rivalry, of excludability and non-excludability, neoclassical theory claims that features intrinsic to goods can determine their belonging to one or another economic domain. So, club goods such as motorways and subscription TV channels, would be identified as such by their being non-rivalrous and excludable (Buchanan 1965; 1967).

Let us consider common goods, typical examples of which include pastures, irrigation systems, forests, fisheries, etc. In the standard classification of economic theory, these too are seen to be characterised by two natural attributes: rivalry and non-excludability. Why rivals? Because resources would be scarce. Why non-excludable or at least difficult to exclude? This is less

clear. Depending on the theorist, two contradictory explanations are given. The first is that their physical structure would make it difficult or impossible to demand an access fee, thereby favouring the behaviour of free-riders and/or passengers, as presumed in Garrett Hardin's Tragedy of the Commons theory. The second, as Elinor Ostrom, among others, has demonstrated, refers to the fact that access to these goods is based on forms of collective regulation different from those of the market. On this basis, they can then be integrated into the category of non-excludable/rivalrous goods.

To the temptations of a naturalist approach it is necessary to oppose the theoretical and political need for a materialist approach to the Common, as it alone can, in our view, comprehend the reasons for its current popularity and organise its potential. According to this approach, the Common is always a social and political construct, whether it refers to a mode of organising or a set of criteria to ascribe the status of common goods to a set of resources, goods or services. The ontological foundation, determined historically, of the current position of the Common, cannot be ascribed to the intrinsic nature of goods, but to the ability of labour to self-organise, an ability that in contemporary capitalism relies on the potential autonomy of the cooperation of cognitive labour.

For those who approach the Common in the singular, the Common is neither a predetermined set of goods, nor a third intruder between State and the market, but a general principle of organisation for society. As Michael Hardt and Antonio Negri claim (2012), the "common" is not an object, a substance that precedes and transcends human existence; the "common" is a socially and historically determinate activity that continuously produces new institutions, and these are at the same time the conditions and the product of the "common" itself. Compared to economic theories of common goods, this results in a double reversal in theoretical and methodological terms.

### From characteristics intrinsic to goods to labour as the ontological foundation of the Common

The first reversal questions the argument that it is the intrinsic nature of certain goods that makes them common rather than private or public (2). The classification of goods, both the more classical based on the concepts of excludability and rivalry, and Ostrom's classification based on concepts of excludability and subtractability, risks creating a schematic, linear vision of the division of the economy between the public, private and Common domains. The

relevance of this division is, however, undermined by a simple observation of the real dynamics of the economy. In fact, no good is destined, because of its intrinsic traits, to become, ipso facto, the subject of any particular management model, be it private, public or common. Any number of examples can be produced to support this assertion. Numerous goods, such as health and education, are theoretically divisible in terms of consumption and, therefore, rivalrous and excludable through price, like private goods. However, they are often produced by the state, local authorities and the third sector in the form of non-commercial, social services. The opposite is just as true, in the sense that no value-in-use escapes as such from the sphere of commercial, for-profit production, as demonstrated by the growing pressure that the private sector exerts on a whole series of public and common goods (3).

The case of water is a perfect example. Considered to be a common good, water has become the object of a powerful process of privatisation, generating numerous social and political conflicts, including within Europe. For example, in Italy, in 2011, a popular referendum (4) sanctioned the wholesale rejection (by 95% of voters) of a process of commodification that had been driven by various legislative decrees inspired by European directives. Despite the result of the referendum, the re-municipalisation of water management still meets strong resistance in many towns. Even goods considered to be purely public goods, such as defence, justice and home security, can be produced by private suppliers according to the logic of commodification and profit. In the United States, the private sector has been entrusted with a significant portion of the penitentiary sector. In Italy, another symbolic and extreme case, as highlighted by the research of Gambetta (1992), is the Mafia-business enterprise, a private security industry that commodifies the state functions of legitimate violence. A further illustration of how the classification of a good does not predetermine the way it is managed is knowledge. Its nonrivalrous and not easily excludable nature, places it in the category of public goods (5). In fact, its production and the mechanisms for its circulation are far from being guaranteed by the public sector alone and/or according to a non-commercial logic. Knowledge is the object of a growing process of privatisation, as evidenced by the strengthening of intellectual property rights typical of cognitive capitalism. In contrast, knowledge-intensive communities, such as free software or Wikipedia, can produce knowledge as a common good, making it available free of charge, in a manner alternative to the models of both private and public sectors.

In short, there is no objective economic criterion that draws a dividing line between the public, private and common domains according to characteristics that are intrinsic to goods. These

divisions are instead the result of political decisions that represent balances of power and compromises, which, at a given moment, establish themselves between the subjects and the interests that originate from each of these spheres. The Common is, therefore, the product of a social and institutional construct that elects it to this status. It does not refer to an essence that precedes it, but to the forms of governance and cooperation that ensure its production, reproduction and distribution. As such, the Common potentially refers to any kind of resource, good and service, even if this certainly does not mean disregarding or abstracting from the specific management problems that each of these may present.

Finally, in contrast to what the static typology of standard economic theory seems to postulate, the very nature of goods, the hierarchy of needs and the method of satisfying them, evolve over the course of history. All these elements are the result of historical dynamics in the development of productive forces and social relations that continuously alter the norms of production and consumption. Other observations allow us to illustrate the importance of this claim empirically and theoretically. Just think of how the development of collective production of man for man (health, education, research) (6), which in Europe were traditionally guaranteed by the collective services of the welfare state, takes on growing prominence compared to what used to be the privileged sphere of the development of industrial capitalism and large, private corporations: the industrial production of standardised material goods destined to private consumption in family units. Even the rivalrous or non-rivalrous, excludable and nonexcludable character of numerous goods changes with the technological evolution of the forms of their production. Therefore, for example, the digitalisation of books, music and films releases the distribution of cultural goods from their physical format, making them pass theoretically from the category of private goods (rivalrous and excludable) to the category of collective goods (non-rivalrous and difficult to exclude) (7). Last but not least, this historic context is perhaps even more important for the subjects of production, or rather, for the composition of the workforce. Just think, with regard to this, how in the 1950s and 1960s, the very idea of innovation and research activities that developed outside academic institutions or the R&D (Research and Development) laboratories of large companies was practically unthinkable in the context of economic theory. Today, on the other hand, there is a growing realisation that many of these activities rely on social networks and knowledge-intensive communities that organise themselves autonomously within society. In this context, the formation of knowledge-intensive communities, for David and Foray (2002) allows the affirmation of a knowledge based economy.

It is therefore the very approach of the theory of public and common goods that must be overturned. We must not start from an abstract typology of goods, but from the concrete, historic forms of work that produce the goods themselves. In short, it is the ability of work to cooperate and organise itself differently compared to the logic of private and public that ultimately determines the propensity of a series of goods or resources to be managed according to the principles of the Common. Now, in post-Fordist societies, this growing ability of labour to self-organise depends on the development of a diffused intellectuality and forms of cognitive organisation of labour that break away from the logic of the division of labour typical of industrial capitalism. The social diffusion of knowledge and the re-composition of the work of design and execution form the necessary preconditions for a powerful return of the Common and its ontological foundation on the scene of contemporary capitalism.

### The general principle of the Common as a mode of production

To start with, this category indicates a general principle of self-government of production and society. Its basis can be identified in the self-management of the organisation of labour and in the non-appropriability of the main tools of production and the material and immaterial resources on which a society's economic and social reproduction depends. This point represents the first fundamental difference compared to the capitalist systems founded on the state-market formula, where democracy is relegated in political terms to representative democracy and is entirely separate from the economic sphere, the sphere in which strategic decisions depend on private and/or public property, which both share the principle of absolute ownership. The same applies to the break that the Common represents in relation to the old models of existing socialism, where collective ownership of the means of production remained purely formal, while "real economic ownership", which Bettelheim (1970) called "possession", was the monopoly of a bureaucratic class. The result was the recreation of the same models of production created by industrial capitalism based on the vertical division of labour between design and execution. This configuration also explains the speed at which this bureaucratic class assumed private ownership of key Soviet companies following this new fantastic phase of primitive accumulation, which was the so-called transition of Soviet economies to a market economy.

In contrast to both the capitalist system and real socialism, therefore, ideally, the Common as a mode of production, makes democracy re-descend into the same sphere as the economy and the strategic decisions regarding questions concerning: how to produce, what to produce, for who and to satisfy which needs. More precisely, extending the apt definition that Benkler uses for common information goods to all goods, we can assert that production is based on the common when "no one uses exclusive rights to organise effort or capture its value, and when cooperation is achieved through social mechanisms other than price signals or managerial directions" (Benkler 2004, 1110).

### The categories of the Common as a mode of production

At a secondary level, the introduction of the concept of the Common as a mode of production enables the identification of the meaning and hierarchical articulation of the other notions used in the political economy of common goods, (commons, common goods, common property). At the same time, it is completed by the consideration of other dimensions needed to define a mode of production, such as the method of developing productive forces, methods of distribution and social validation of productive activity. To sum up:

The concept of commons in the plural refers to the concrete, decentralised expressions of this general principle of production organisation, which, with specific, flexible methods, can be adapted to the management of every type of good, service and resource. Indeed, let us be sure to remember that rejecting an approach that makes the Common depend on the intrinsic nature of goods, does not at all mean ignoring the specific limitations presented by the collective management of different types of products and resources. In contrast, theoretical reflection and conricerca (co-research) on the practical organisation of the Commons must always start from the awareness that productive models, as forms of common ownership, must constantly adapt themselves to the characteristics of the goods produced. For example, it is clear that the organisation of labour needed to produce a material good of the industrial kind, on the one hand, and care work as an example of production of man by man, on the other hand, have profoundly different characteristics. In the first case, production, especially if it involves a reproducible (in the sense intended by David Ricardo) and standardised good, can respond to quantitative criteria.

1) of efficiency in terms of productivity (output-volume). In production of man for man, efficiency is instead primarily qualitative, and the very concept of productivity largely loses its meaning. The same consideration is valid, for example, for the limitations created by the management of so-called traditional common goods where the objective is the preservation of rare or non-renewable resources and common information goods (software, data, designs,

music files, etc.) for which there are no limitations associated with scarcity: the objective can, therefore, be the simple growth of resources, since we are dealing with the logic of an economy of abundance. Extending this argument, we can observe how the principles of copyleft common ownership, which are perfectly functional for the free software model, cannot simply be transposed into the production model of artisans. They have to consider the limitations of scarcity presented by material production that requires specific rules both with regard to the contribution to production of the commoners and the distribution of wealth thereby created.

- 2) The notion of common goods refers to the category of goods or resources produced and/or managed by the commons, regardless of their specific characteristics in terms of rivalry and excludability, and materiality and immateriality. Their common trait, what allows us to call them common goods, comes from two features. On the one hand, they are products of horizontal forms of cooperation based on the Common as the mode of production. While on the other hand, the value of these products is not measured, as it is with goods, in terms of exchange value (i.e. relative prices), even though, in our view, simple commercial production (C-M-C') that drastically excludes capitalistic forms of accumulation (M-C-M') can be compatible with the logic of the Common. However, returning to a fundamental distinction between the concept of value and wealth that Marx applied in Critique of the Gotha Programme (1875), the measure of common goods is that of a social wealth that adheres to at least three objectives:
- a. That of satisfying collective needs based on a social utility that has nothing to do with maximising the individual utility prized by homo oeconomicus and neo-liberalism.
- b. That of being products that, in contrast to many goods, develop the capability of individuals, to use a term dear to Amartya Sen, which allows their power to act, justice and the quality of their living conditions to increase at the same time. It is also worth noting that the concept of capability and the alternative indicators that emerge from it, such as the human development indicators of the United Nations Development Programme present, despite their limitations, a concept very close to the one that Marx drafted in Grundrisse. Here we are referring to the passages dedicated to the essay on machines and the hypothesis of the General Intellect, in which Marx (1968, pg. 75) illustrates how in a society situated outside the law of value, the main fixed capital would become the development of man himself in whose brain all society's accumulated knowledge can be found.

- c. That of adhering, in terms of the human/nature relationship, to an ecological obligation to reproduce resources from generation to generation.
- 3) Common property refers to social relationships of property based on use, mutualisation of resources and non-appropriability, according to complex forms that each time must also adapt to the characteristics of the goods produced and/or the resources managed by the commons. The question of common property is without doubt one of the most complex aspects of defining the Common as a mode of production. In the fourth chapter, edited by Francesco Brancaccio, we will take a much more detailed look at these aspects. For now, let us just remember that, at the centre of this argument, there are three main drivers that are the subject of an intense debate.
- a. The first, building on the work of the Rodotà Commission, is the introduction into the Italian Civil Code of a new category of goods, strictly linked to the list of inalienable universal rights. The notion of common goods of the collective is, therefore, defined as "things that represent utilities functional to the exercise of fundamental rights and the free development of persons". This definition has, in our view, the great merit of steering clear of any references of a naturalistic kind. This also enables us to clearly redefine the relationship between Common and Public, if, following the argument presented by Ugo Mattei, we consider that in relation to the management of these goods, the Public must present itself, "as a simple trustee administrator (on the basis of a mandate or, at the most, a trustee property) and certainly not as an owner, free to abuse, sell and privatise them indiscriminately" (Mattei 2011: 6).
- b. The second idea is at the centre of a pilot programme in Naples, where, with Council Resolution no. 446 of 01 June 2016, the City Council institutionally recognised that a series of occupied municipal buildings are "spaces that by their very vocation (territorial location, history, physical characteristics) have become buildings for civic and collective use for their value as common goods". The scheme involves introducing a form of social property based on a use that is of great interest because of the relationship it establishes with the bottom-up creation of the Common and the parallel it establishes, including therein, in terms of legal terminology, between the urban commons at the time of cognitive capitalism and those of the common lands at the time of the development of agrarian capitalism during the first historic phase of the primitive accumulation of capital. This type of scheme may start a trend and become a model both for recognising the legitimacy of a variety of occupations and for socially validating, at least partially, the creation of wealth generated by the activity of the commons.

- c. The third driver refers to the copyleft model and the way in which it used and subverted, in an ingenious manner, the principles of private property and of copyright from the inside to create a protected public domain that enriches itself permanently due to the properties of knowledge (Coriat 2015), a domain in which "no free rider can any longer operate to strip the creators, which is what was permitted by the absence of rights before software with a GPL licence" (ibidem, pg. 3). Of course, things are often more complex: copyleft is in fact much less inviolable and more fragile when faced with the strategies of large companies than Coriat imagines. The logic of the Common rests on an open conception of the growth of productive forces and technology, which it aims to encourage at the same time as democratic access to the instruments of production, collective appropriation of a technical culture and free circulation of knowledge.
- 4) Another crucial aspect for defining the Common as a mode of production is the following: the Common, like every other mode of production, must in turn depend on mechanisms for the distribution of the wealth produced and on social validation of the activities that support and guarantee its sustainability. There is no particular form of recognition and remuneration for the productive work completed within the commons. Due to the primarily non-commercial and free nature of their activity (in the sense of labour that is both offered freely and is unpaid), social validation of the activity of the commons remains largely dependent on public recognition and private sector financing. This is one of the main weaknesses of the development of the Common as a mode of production. This fragility helps to explain why, for example, some of the most significant examples of the open source and free software model have had to accept types of financing from large digital economy oligopolies that risk compromising their design autonomy. We will return to this issue, which is crucial for the sustainability of the Common, later on in our analysis. For now, let us focus on how this observation introduces a third level of analysis of the Common as a mode of production.

### The organisation of the Common into "public" and "private"

This concerns the way in which the Common in the singular, like other modes of production, never presents itself in its pure state, but adheres to what, in the Marxist tradition, was called a social formation founded on the hierarchical articulation of different modes of production. Of course, the history of the Common precedes, crosses and overtakes the capitalist development of Modernity. For example, during the first stages of civilisation, in Max Weber's communal agrarian regimes, or even later, at the time of the feudal system collapse in England and the

Golden Age of the common lands, organisation founded on the Common presented itself as an economic and social entity that was effectively self-sufficient. But all this is in no way truer in the current historical configuration: the dynamics of the commons and their reproduction today depends, to a large extent, on resources from the public and private sectors, with which it cohabits in a complex relationship of conflict, competition, hybridisation and sometimes subordination. Therefore, the question that we are faced with today, in light of what history has taught us, is to find out whether, and to what extent, the development of the principles of the Common can give rise to a new hierarchical articulation between the common, public and private, in which the former can play a dominant role. There is an essential element needed to answer this question. Nowadays, the development of the Common does not concern only the economic and social conditions belonging to what Rosa Luxemburg called a pre-capitalistic exterior that capitalism would inevitably have destroyed and absorbed. The return to strength of the commons, even when it involves the so-called traditional commons, instead lies in the current context and above all in elements of the Common that the workers' struggles built at the most advanced moments of capitalist development, laying the institutional and structural foundations of an economy directed beyond the logic of capital. It involves what we could define, at least potentially, as elements of a post-capitalistic exterior, as is also the case with guarantees and the collective production of man for man guaranteed by the welfare state, which have been among the driving sectors of the transition towards a knowledge based economy (KBE) that fuels cognitive and financialised capitalism. The Common is no longer a simple pre-capitalistic residue even in its seemingly more traditional forms, such as those linked with the phenomenon of returning to the land. Instead, it presents itself in the Marxist sense as a new mode of production in the process of emerging, which unfolds within capitalism and which could become dominant compared to the logics of the state and the capitalistic market economy. Relocating it within the long history of the capital/labour relationship, one of the most salient aspects of the productive model of the Common is precisely to generate conflict, with new forms and strength, within the field of development of productive forces and of an ecological and less productivity-focused redefinition of the relationship between man and nature. This potential finds its founding principle in the formation of collective intelligence or widespread intellectual ability. Indeed, it is only the latter that allows us to explain the development of knowledge-intensive communities and impose a socio-technical trajectory founded on institutions of the Common capable of opposing the logic of the knowledge enclosures and the "becoming rent of profit" of cognitive capitalism. In short, applying the worker principle according to which it is the workers' struggles that precede capitalistic

development, we can affirm that analogously, the development of the Common has largely preceded and propelled the neo-liberal counter-offensive and the development of cognitive capitalism.

Contrary to a widely held belief, the Common is far from being only a defensive reaction by society against the private sector excesses associated with the new enclosures of knowledge and the living. It is instead and above all a real offensive movement that constructs the conditions for another economic and social organisation. The opportunity of transformation from the bottom-up and of self-organisation of production largely reverses the whole problem of its transition to the socialist tradition in which taking political power precedes and is the precondition for a programme of socio-economic change. The development of the Common reverses the material substrate of the theories postulated in both periods, both revolutionary and reformist. Furthermore, even in a scenario where the Common dominates social organisation, this would not mean the disappearance of every vestige of the public and the private, or of the state and the market. It would involve, instead, the establishment of a new hierarchy between Common, private and public (9). In particular, the potential supremacy of the logic of the Common would not mean the disappearance of the institutions of the welfare state and of its guarantees, but the transformation of its management model through the development of mechanisms of direct democracy and co-production, which would allow the transition from a statist model towards a post-bureaucratic Commonfare model.

#### Footnotes

- (1) To be precise, Samuelson insists on the concept of divisibility and indivisibility rather than rivalry. Apart from a few minor details, the two notions are essentially the same.
- (2) This thesis is in fact related more to the vulgarisation of standard economic theory than Ostrom's approach, which as we have seen, involved a more complex, tentative idea.
- (3) In relation to theses aspects, see the contribution of Harribey (2011).
- (4) Promoted by the Forum Italiano dei Movimenti per L'acqua (Italian Forum for Water Movement).
- (5) As the first paragraph of Chapter Five will discuss in more detail, analysing the approach of Kenneth Arrow, considered the founder of the economic theory of knowledge.

- (6) Which correspond to what Bell (1973) called superior services.
- (7) The idea of the development of the commons proposed by Jeremy Rifkin (2014) rests almost entirely upon this type of technological determinism that would include an increasingly broad array of goods and services, including energy, under the category of non-rivalrous and non-excludable goods.
- (8) This theory that takes the form of a real prophecy in the most recent essays by Rifkin (2012; 2014).
- (9) As we will see, however, this perspective does not eliminate another possibility, that is, what some theorists regard as corruption of the Common (Hardt and Negri, 2012). The development of the commons, in this case, would equate to support for a regeneration of the dynamics of cognitive capitalism, which would incorporate the forms of production of the sharing economy in a subordinate manner. It involves a logic whereby the dynamics of the knowledge commons is, for example, re-absorbed within a new so-called open dynamic of innovation governed by the strategies of the large corporations of cognitive capitalism.

