# **Chapter Five**

# **Basic Infrastructures: Networked Economies and Platforms**

When it comes to networked economies, it seems to be "steam engine time." Of course it shouldn't be surprising that a wide range of thinkers came up with similar ideas for social organization—as is the case with any other innovation—as soon as the building blocks became available and there was a perceived need for it. The building blocks were the digital revolution and the open Web of the 1990s.

A common feature of all the networked infrastructures discussed in this chapter is that they follow a module-platform architecture. As a result they are scalable without limit, with any number of local communities or organizations being able to connect to them on a stigmergic basis. And one of the advantages of the module-platform architecture is that it makes adoption feasible on a granular basis without any need for society as a whole to reach some "tipping point." It also achieves economies of scope—and minimizes unit costs of infrastructure—by maximizing shared use of the same infrastructure. If a support platform is digital, the number of replicating modules that can share it at zero marginal cost is infinite. <sup>1</sup>

The module-platform architecture has a venerable history. The Rule of St. Benedict, for example, amounted to a protocol.

- Benedict protocolized. While at Monte Cassino, he writes the Rule as a guide to people wishing to live together in a monastery.... Most importantly, the Rule does not specify a set of goals and activities to reach them: it never says "build a library and a scriptorium and start copying manuscripts to preserve knowledge as the Roman Empire goes down in flames", or "build extra space to lodge travelers, since the Early Middle Ages are low on inns". Yet, benedictine monasteries did end up doing those things and others: following the Rule can result in many outcomes, all beneficial from the point of view of Benedict and his crew. Most of them could not possibly have been foreseen by Benedict himself. Since it is a document of instructions, the Rule is software; since it does not carry out a specific task but enables a variety of mutually consistent outcomes, it is not an app. The Rule is a protocol. And what a protocol! It spread all over the world; arguably transformed (mostly for the better) Middle Ages Europe; is still in use after a millennium and a half....
  - **Benedict decentralized**. Consistently with the protocol nature of the Rule (and, one suspects, with his own mindset as a protocol hacker), Benedict never actually founded an order. Benedictines are not an order in a strict sense; each monastery is a sovereign institution, with no hierarchy among them. The Rule acts as a communication protocol across monasteries. As a result, many flavors of benedictine abbeys were "forked" over the centuries... by mutation and natural selection this was explicitly enabled by the Rule, which declares itself as "only a beginning" in its final chapter, much in the fashion of TCP/IP being "only a beginning" for, say, video streaming.... Most benedictine houses federated loosely into national or supra-national congregations starting in the early 14th century....
  - **Benedict avoided sterile conflict and so went viral**.... Instead of going for Vatican politics, Benedict appears to have focused on running things at home in Monte Cassino and distributing copies of the Rule to whoever wanted one. As a result, more and more people adopted the Rule for their own monastery projects. This way, no one had to waste time negotiating who would be in whose order, who would be the Abbot General and who a second-echelon abbott and stuff like that. The Rule was (still is) good, solid, open source software. People obtained a copy and went about their way. People who used

<sup>1</sup> Michel Bauwens, "Scope, Not Scale," *Al Jazeera English*, March 22, 2012 <a href="http://www.aljazeera.com/indepth/opinion/2012/03/2012319125340857774.html">http://www.aljazeera.com/indepth/opinion/2012/03/2012319125340857774.html</a>.

it were more likely to run a successful monastery than people who did not; and so, by the time of Charlemagne, all Europe was infrastructured with successful monasteries running on the Rule.<sup>2</sup>

## I. Bruce Sterling: Islands in the Net

"The Net" in *Islands* is much closer to an extrapolation from older visions of the "Information Superhighway" than to the post-Tim Berners-Lee World Wide Web. Sterling's Net, written as his story was before the emergence of the Web, was largely divided between a Superhighway of Cable TV and proprietary streaming content, and corporate intranets. It's of a type with most pre-Berners-Lee visions of the Net, like the "cyberspace" in *Neuromancer* and the "metaverse" *Snow Crash*: monolithic, institutional, closed.

Sterling's transnationals did, however, to some extent foreshadow the kinds of platforms later envisioned by David de Ugarte (phyles), Daniel Suarez (the Darknet/D-space), and John Robb (Economies as a Software Service)—see below. The platforms, apparently, almost all belong to transnationals of one sort or another. But the transnationals include a wide variety of enterprise forms.

The protagonists' transnational, for instance—Rhizome—is a worker cooperative with an official philosophy of self-management. Its "bottom line is ludic joy rather than profit," and it has "replaced 'labour,' the humiliating specter of 'forced production,' with a series of varied, playlike pastimes. And replaced the greed motive with a web of social ties, reinforced by an elective power structure." A "large number" of its associates do no paid work at all, but participate in the internal non-money economy of Rhizome or are taken care of as dependents. And it's a worldwide distributed network of local facilities using the Net—or rather the corporate platform hosted by it—as a base of support.

## II. Phyles: Neal Stephenson

The term "phyles," as far as I know, itself comes from Neal Stephenson's novel *The Diamond Age*. The book is set in a fictional world where encrypted Internet commerce destroyed most of the tax base of conventional territorial states,<sup>4</sup> most states became hollowed out or collapsed altogether and the world shifted instead (after a chaotic Interregnum) to organization based on localized city-states, and on transnational distributed networks (the phyles). A phyle, in the novel, was a non-territorial global network. Most phyles were national or ethnic—the neo-Victorians and Nipponese were the two most important, but there were many dozens more including Zulu, Boers, Israelis, Mormons, Ashanti, Sendero (Shining Path, a Colombian Maoist-Gonzaloist phyle)—and others were "synthetic" (of which the largest and most important was the First Distributed Republic, a hacker phyle that created and maintained nodes for the global CryptNet). The larger phyles commonly maintained territorial enclaves in major cities around the world, much as Venetian merchant gilds rented enclaves for the habitation of their merchants in major cities on the Mediterranean coast. The neo-Victorian ("Vickies") enclaves tended to predominate in former countries of the Anglosphere; the Nipponese demographic base for recruitment was the territory of the former state of Japan, and Nipponese enclaves tended to cluster in areas of former Japanese economic influence on the Pacific Rim. But there were Vicky and Nipponese "quarters" in most of the major cities of the world. Although the novel is vague on the nature of the support platforms provided by the phyles, it's clear from the specific case of the neo-Victorian phyle that it supports an ecosystem of member business enterprises.

<sup>2</sup> Alberto Cottica, "What modern-day social innovators can learn from the life and times of St. Benedict," *Contrordine compagni*, October 18, 2013 <a href="http://www.cottica.net/2013/10/18/what-modern-day-social-innovators-can-learn-from-the-life-and-times-of-st-benedict/">http://www.cottica.net/2013/10/18/what-modern-day-social-innovators-can-learn-from-the-life-and-times-of-st-benedict/</a>.

<sup>3</sup> Bruce Sterling, *Islands in the Net*, p. 195. [Full cite]

<sup>4</sup> Neal Stephenson, The Diamond Age: or, a Young Lady's Illustrated Primer (Bantam, 1995), p. 247.

### III. Phyles: Las Indias and David de Ugarte

In his series of books culminating in *Phyles*, David de Ugarte developed the phyle concept as a model for real-world organization, in an era of declining states and corporations and rising networks. His primary model for the concept is the Las Indias Cooperative Group to which he belongs (about which much more below). He also devoted an extensive portion of the book to real-world historical precedents for such organizations, including a number of networked merchant organizations and guilds in the Middle Ages (he characterizes his phyle model as "neo-Venetian").

De Ugarte's model replicates the features of the Venetians while incorporating the benefits of digital technology and network organization as force multipliers. As he describes the process of their development, first the network replaces centralized systems and then communities arise on the backbone of the network. Finally, some communities evolve into phyles.

The phyle is a real community (then transnational and virtually born) who collectively have firms or [a] group of firms with the declared objective of feeding economically the autonomy of the community. Community precedes and has always priority over business, so economic decision making processes never can impose its results over the scope of community plurarchy.

For phyle members there are two "simple truths": the preeminence of the transnational community['s] needs and freedoms over its own economy and the necessity of producing and trading in a plain, non hierarchical environment. When both principles are linked by the economic democracy principle (usually through cooperativist forms) we are talking about neovenetianism....

...[The] phyle itself could be consensually defined as a networked, distributed, small sized, hacker ethic empowered, Internet born organism with high productivity and great resilience [which] has its own universe of myths, narratives and tools....<sup>5</sup>

Las Indias, as described by the members of that phyle, is a case in point. De Ugarte describes how his theory is manifested in their concrete vision for Las Indias:

We think cooperatives and economic democracy (a rent-free market society), hand in hand with a liberated commons as the alternative to capitalism, can be made possible through distributed networks.<sup>7</sup>

According to de Ugarte, the rise of phyles was a natural outgrowth of the Internet and World Wide Web, and the emergence of transnational linguistic cultures built on the Internet:

The Internet is the great steroid jar of this century. Take the ethics of the lonesome Ivy League hackers of the 80's and set them loose on the web: in 15 years you will get Linux, Firefox, free music, the Public Domain movement and the end of the old culture industry. Take the old BBS, fanzines and fan conventions, move them to the Internet, and you will get the greatest conversational community boom since the Babel Tower.

When conversations take place in languages such as French, Spanish, or Arabic, they become transnational with great ease. Only 2 out of every 5 people who write in French on the Internet live in

<sup>5</sup> David de Ugarte, "Neovenetianism in a nutshell: from networks to phyles," *El Arte de las Cosas*, September 18, 2010 <a href="http://elarte.coop/neovenetianism-in-a-nutshell-from-networks-to-phyles/">http://elarte.coop/neovenetianism-in-a-nutshell-from-networks-to-phyles/</a>>.

<sup>6</sup> The following account of the origins of Las Indias is based on statements of several members of the phyle. They include; "Syntectics: Las Indias Cooperative Group," myninjaplease.com, November 15, 2010 <a href="http://www.myninjaplease.com/?">http://www.myninjaplease.com/?</a> p+16169>; De Ugarte, "Phyles," *El Correo de las Indias*. Accessed October 19, 2011 <a href="http://deugarte.com/phyles">http://deugarte.com/phyles</a>; Maria Rodriguez Munos' personal email of November 13, 2011; Neal Gorenflo, "The Future Now: An Interview With David de Ugarte," *Shareable*, February 20, 2012 <a href="http://www.shareable.net/blog/the-future-now-an-interview-with-david-de-ugarte">http://www.shareable.net/blog/the-future-now-an-interview-with-david-de-ugarte</a>; "Spanish Cyberpunks as Multinational Worker Cooperatives," *Wired*, March 13, 2014

<sup>&</sup>lt;a href="http://www.wired.com/2014/03/spanish-cyberpunks-multinational-worker-cooperatives/">http://www.wired.com/2014/03/spanish-cyberpunks-multinational-worker-cooperatives/</a>>. Because I fused so many bits and pieces from these different documents into a single narrative, my only attributions to individual sources are for material in quotes.

<sup>7 &</sup>quot;Spanish Cyberpunks as Multinational Worker Cooperatives."

France. More than half the readers of any Madrid website with more than 1000 visitors per day are in Latin America. Arabic in the Western Islamic world has gone, in ten years, from being a religious language superimposed onto regional, almost mutually unintelligible varieties (Moroccan, Algerian, etc.), to having a standard that is gradually reunifying the local dialects: Al Jazeera Arabic.

Virtual communities arise in new spaces, the spaces of the various globalisations associated with the great transnational languages. The main players in these communities belong to two generations that have grown up with Himanen's hacker ethic: the network logic of abundance and the work ethic of free software are the glue that binds the blogosphere. The result: conversational communities, identitarian, transnational non-hierarchical tribes, based on the powerful incentive that is recognition.

Let us place these communities in the midst of the whirlwind that is a world where national states are sinking and the globalisation of the economy is eroding all the good old institutions that used to make people feel secure. Many of these communities will wish to have their own economy, community companies and common funds (de Ugarte, "Phyles").

The Las Indias cooperative arose from the cyberpunk milieu in Europe, centered in Berlin, and more particularly Spanish circles affiliated with it:

With the years it developed into an ezine and a civil rights' cyberactivist group (de Ugarte, from *My Ninja Please* interview).

...Originally a civil rights group, during the late 90s it became strongly influenced by Juan Urrutia's "Economics of Abundance" theory. Very soon, we linked "abundance" with the idea of empowerment in distributed networks. We are very clear on this point: it is not the Internet by itself, it is the distributed P2P architecture that allows the new commons (de Ugarte, from *Shareable* interview).

Spanish cyberpunks went from cyberactivism and literature to constituting a group of cooperative enterprises straddling South America and Madrid.

In 2001, Juan Urrutia had published his well-known essay "Networks of people, the Internet, and the Logic of Abundance" in the theoretical magazine *Ekonomiaz*. Distributed networks appeared as the basis of new P2P relationships and an ever-growing diversity. We cyberpunks recognized in this essay the basics of of the new economic theory we needed to be able to "export" the new freedoms we were experiencing on the network to new parts of life. That was when we started calling the Internet "the Electronic Indies."

But in 2002 three of us [David de Ugarte, Natalia Fernandez, Juan Urrutia<sup>8</sup>] founded Las Indias Society, a consultancy firm focused on innovation and networks dedicated to empowering people and organizations. Our experience soon became very important in understanding the opposition between "real" and "imagined" communities, and the organizational bases for an economic democracy. After the cyberpunk dissolution in 2007, the "Montevideo Declaration" openly stated that our objective will be to construct a "phyle," a transnational economic democracy, in order to ensure the autonomy of our community and it members (de Ugarte, from *Shareable* interview).

Their new banners: economic democracy, resilience, and transnationality. They changed names: now they are known as "Indianos", the Spanish word for the emigrant who would return to his home village after making his fortune in the Americas. Only that the Indianos' America has been the Internet, and their business has spread from consultancy to sustainable production or local development (de Ugarte, "Phyles").

But even though the dream was abundance, the new beginning wasn't easy. Our three thousand and seven euros in capital weren't even enough to pay our incorporation costs and the first month's rent on a micro-office. The solutions we choose then were important, and gave shape to the nature of the project itself, changing our life right up to today.

The most urgent short term objective was to find clients. But we didn't have money to buy ads, or social relationships in the corporate world. We needed new tools to talk about our experience, to show,

<sup>8</sup> David de Ugarte, "The Indies and the Indianos, Ten Years Later," *Las Indias in English*, August 16, 2012 <a href="http://english.lasindias.com/the-indies-and-the-indianos-ten-years-later/">http://english.lasindias.com/the-indies-and-the-indianos-ten-years-later/</a>.

in the darkest days of the dot-com crash, that our small business was viable, and that we had real contributions to make to traditional businesses. We looked online for business blogs all over the world... and we didn't find a single one. There was no model to follow. We began to write, and on the seventh of October, 2002, el Correo de las Indias [the Indies Mail] was born, with Bitácora de las Indias [Log of the Indies] in the masthead. It was the first business blog in the world, and later would also be the first whose posts, thanks to a well-known publisher, would be published as a book. The blog was the way we found our clients, but, more importantly over time, the current indianos.

On the other hand, during the time when we had no clients or we had few sales, the two workermembers, Nat and I, received no salary. We didn't have enough money for that. I slept in the office, Nat worked some hours outside of the Indies, and we had just enough to eat each day and pay the rent on the office and a room in a shared apartment where Nat lived. Later, when clients started coming in, we decided to take the minimum amount of money necessary to support a normal level of consumption and comfort.

The business would be the economic structure of the community we were creating, and as such, would have all of the the sources of wealth and income; we would not have — and still don't have — savings, properties, or personal clients. The cooperative is our community savings and the only owner of all that we enjoy. With the passage of time and the growth of the Indies' community and economy, the first Indies headquarters appeared with the same spirit: wide-open common facilities, with accommodations and offices, personal and common spaces all as property shared among everyone. In short: economically, we're closer to a kibbutz than to the big cooperatives at Mondragon.

Problems like different nationalities, legal regimes and passports caused—to say the least—serious inconvenience for a virtual community that transcended national boundaries. Some members of the Spanish cyberpunk movement participating in this loose virtual community "realized that a virtual community couldn't remain strong and independent without an economic structure" (Maria Rodriguez email).

It meant a lot more of discussions, ideas and study, but finally we arrived to the idea of building our own economical structure in order to give safety to our way of living and to the liberty we always loved but we only lived in the Internet. As we had seen at this moment, wars, some states to fall and some democratic revolutions to fail, we thought from the very first moment in non-national terms. The only possible security—we thought—is to have a distributed environment and distributed income sources in the same way Internet's safety is based in it's distributed architecture.

Las Indias Cooperative Group is the materialization of this project (de Ugarte, *My Ninja Please* interview).

Jose Alcantara elaborated on this in the *My Ninja Please* interview. Based on their realization of the need for a common economic structure, and on their ideological affinity for the principle of economic democracy, they first built a Las Indias electronics cooperative in 2002 and then set up over it, as an umbrella structure, the Las Indias Cooperative Group as a transnational cooperative. The Las Indias phyle is "a transnational community of people that guarantee their autonomy and freedom through companies organized by the principle of the economic democracy around Las Indias Cooperative Group" (Rodriguez email). The Group started out with "a small community of only three persons" in 2002, and has since grown to include not only two cooperative firms, but "two comfortable 'bases' (Madrid and Montevideo) and... is seeding our environment, promoting new business—four only during the past year" (Rodriguez, *My Ninja Please* interview).

According to Natalia Fernandez, the electronics cooperative, the first cooperative of the Las Indias group, "has also been our engine over the years."

Born with a capital of only 3000 euros, we developed, and have developed projects in the past, with a number of companies in the IBEX35 (Madrid Stock Exchange) and public institutions such as the Ministry of Foreign Affairs of the Government of Spain. The activity of La Sociedad Coop-

erativa de las Indias Electronicas covers a wide geographical area that includes Spain and Latin America (*My Ninja Please* interview).

Manuel Ortega added, in the same interview, that the electronics cooperative was "the head of the Cooperative Group. It centralizes the commercialization of our products and services." It was also, he said, "the embryo of the economic democracy in the Indiana phyle."

Las Indias is a phyle based largely in the Spanish-speaking world, with its two primary physical bases in Madrid and Montevideo. As the members of the phyle explained in the *My Ninja Please* interview:

David de Ugarte: They are the first two dots of a distributed network of places, offices, business and social infrastructures we are dedicated to build....

Maria Rodriguez: There is not much relation between the two cities, but there is a strong emotional relation between las Indias and Montevideo. Madrid is the easiest place for making business in the Spanish-Portuguese-speaking-world.... So we make business mainly in Madrid, but we enjoy mainly Montevideo. Anyway, we hope to open new "bases" in other [Latin] cities soon...

Jose F. Alcantara: Madrid is where it all began, even though most of us are not from Madrid. Montevideo symbolizes our will of living transnationally, our commitment to achieve that and the very first touchable fact that we are on the right way. Montevideo is where we decided to set our first stable location. We chose that for many reasons including practical ones (Montevideo is really well connected with every important city in the region as Sao Paulo, Buenos Aires or many others, so that it enables us to really operate in the whole Ibero-american region from a single city) and personal ones (Uruguay is a quiet country with a profound democratic culture. Add the nice restaurants and the fact that Montevideo is placed near the sea and you'll have it made).

This community is central to understanding the phyle. Alcantara says the phyle is a community of people who know each other, and subsequently "decides to give birth to some enterprises.... [I]t's also important to understand that the community goes before, and will always go before, the companies. Our community owns the companies, not the other way." And de Ugarte adds that the community, the Las Indias phyle, is "the owner of our coops."

If you add to it transnationalization you will have an egalitarian community which organizes its own economy as a democracy and which is defined over state and national borders. We call it a "phyle" (*My Ninja Please* interview).

The term "platform" probably gives too weak an idea of the relation between the phyle and its enterprises. As de Ugarte's reference to the phyle as "owner" of the cooperatives suggests, it is not just a secondary network built on member cooperatives as primary units; the cooperative enterprises bear the same intimate relationship to the phyle that their counterparts do in the Mondragon system or *Kibbutzim*.

Indianos are communities that are similar to kibbutzim (no individual savings, collective and democratic control of their own coops, etc.)....

Phyle is a community that develops an economic structure based in economic democracy in order to ensure its own autonomy. The order of the terms is important: phyle is a community with firms, not a community of firms, nor a community of people who own some firms. The firms are tools for the autonomy of the community..., and are always less important than the needs of community members. (de Urgarte, from *Shareable* interview).

De Ugarte described the relationship between the phyle as a whole and its individual members, and the projects of working groups within the phyle, in a November 2012 article:

The structure of the Indiano phyle is made up of

• The **Assembly of the Indianos**. Made up of all the Indianos, it decides in common what part of the available surplus from the Indianos' work will be dedicated to the common funds,

and gives direction about its management to the specific working groups or projects charged with its use, evaluating their results and tutoring their performance.

When it is time to make decisions about the common structure and its resources, the Indianos act as freely associated people, each one speaks, contributes, and participates in decisionmaking for him/herself. The **demos** of the Indiano economic structure is made up exclusively of Indianos, and not groups, projects, or structures.

• The **working groups**. The Indianos develop their economic activity in different productive projects born of their initiative, but which can be shared with other people, projects, and organizations. Each one will have its own forms and balances, born of free agreement among the parties, and each one is sovereign to dictate its own course through its guiding bodies, which are made up, to a greater or lesser extent, by Indianos who work on that project or on others. The Indianos can't be a brake on that sovereignty or subordinate support for it to interests other than those of the project itself and the people who develop it.

So, considering the general organization of our social structure, it's not the projects themselves that sustain the common structure, but rather their **working groups**, when they are formed by Indianos.

• The **structural projects**. In spite of the above, we Indianos have created projects with different forms — cooperatives, associations, societies — formed exclusively by us and oriented towards the development of specific functions to bring about a common system of entrepreneurship, training, well-being, and support for the cohesion of our surroundings.<sup>10</sup>

The individual working groups and their projects—cooperatives, etc.—do have some obligations to the phyle. They share a portion of their surplus with the phyle, which uses the revenue to support its own functions and allocate capital to new projects.

Each working group, both in projects made up exclusively of Indianos and in projects formed in association with others, administers a fairly large part of the surplus of each project. That **available surplus** — and not the general results of the project — is the starting point from which each group can contribute to the common structure.

In the worker co-ops made up exclusively of Indiano worker-members, they are completely sovereign over the surplus, so, the total surplus of the project will be counted as the available surplus, after discounting the obligatory reserves and the contributions to the wider networks the group is part of.

In cooperative projects developed with other partners, available surpluses will be calculated after deducting reserves, contributions to common networks, and the portion dedicated to paying financial partners, provided they are not workers in the cooperative.

In the anonymous and limited societies [corporations], what will be counted as available surplus is participation in results, as well as the funds that respective management bodies may dedicate to training, well-being, etc., in cases where they leave the administration of their destiny in the hands of the members of the working group.<sup>11</sup>

In the *My Ninja Please* interview, de Ugarte mentioned Sterling's *Islands in the Net* as prefiguring the phyle organization. "[I]n a time where national states are day by day more clearly the problem," he said, virtual communities "empowered by coops as economic democracies" are a possible alternative.

The internal cultural milieu of the phyle is propagated by a variety of online platforms, like aggregated member blogs:

David de Ugarte: I think it is a good representation of what we are. Posts are written in individual, personal blogs. If one day you decide to go, you take what you gave with you (as it happens with cooperatives capital). But the interesting thing its that when you read lasindias.info... you will find that the result is far away from the mere addition of individual sources. It's not just an aggregator, even [though] technically it is just an aggregator of our blogs and wikis. There is interaction, truly interaction of ev-

<sup>10</sup> David de Ugarte, "Foundation of the Indianos Phyle," *Las Indias*, November 26, 2012

<sup>&</sup>lt;a href="http://english.lasindias.com/foundation/">http://english.lasindias.com/foundation/</a> Translated by Steve Herrick.

eryone, from personal independence, reflecting the permanent discussion, the social digestion of information, personal and collective experience.

Maria Rodriguez: El Correo de las Indias is the newspaper of our world, the world of las Indias. As any newspaper it has its own hierarchy: latoc [Latin] world strategic news (energy, globalization, etc.) and environmental news make the headers, the second line of news is made by the two cooperative's blogs; one is focused on social effects of Internet, the other on economic democracy and cooperativism, then you have our personal blogs headlines and finally our most "cultural" part...

...We write everything in our personal blogs and according the way a post will be tagged it will appear in a section or another. Because of it, it is the public representation of our community: it is not over the personal stuff, it is just that if you order what we write and you aggregate all in a single place you will get a map of las Indias common thoughts and deliberations. That is El Correo's magic....

Natalia Fernandez: El Correo de las Indias is a small sample of we are and we do. In El Correo we share our interests, theoretical reflections and deliberations. El Correo represents our dimensions and we have all a community, personal and business dimension. A new user will find articles on sociotechnology, economy, environment and business intelligence. But that new user will also get to read a theoretical framework, personal blog posts and even the recipes develop and/or adapt in our daily cooking here in Las Indias. [My Ninja Please interview].

As for the specifics, the basic ideological principles, of the Las Indias phyle's culture: the Group's principles of identity and action, Maria Rodriguez explained in private email, are "distributed networks and abundance logic, transnationality, economic democracy, the hacker ethic and *devolutionismo* (devolutionism)."

The distributed network architecture is intended to achieve maximum freedom and autonomy for the participating communities, by avoiding dependence on some single node (which would generate "control and dependence"). Abundance logic reflects a desire to overcome the "artificial creation of shortage" which is central to the business models of so many conventional capitalist ventures. The principle of transnationality derives from the phyle's origins.

As a result of the evolution from a virtual community (cyberpunk movement), we never had a unique location or a national identity. That's why the members in our community have different passports but the same rights and responsibilities, participate in the same deliberation and work in the same network. We don't feel as part of any nation or any imagined community..., our center is our real community (the people we know and we love, and people that make up our environment and the environment of our environment). For the same reason, our work and our deliberation run at the same time in several cities in different parts of the world, and that's because we move between them.

The internal governance of the economic structure is based on economic democracy. Because the phyle collectively confronts genuine shortage situations, members must decide between options. The best way to deal with such scarcity is, externally, in an open market ("without dependence on donors or subsidies"), and internally making decisions democratically as to the most efficient way to allocate limited resources. As described by de Ugarte, economic democracy is strongly reminiscent of the "free market anticapitalism" I've advocated in much of my writing:

We think cooperatives and economic democracy (a rent-free market society), hand in hand with a liberated commons as the alternative to capitalism can be made possible through distributed networks.

But we are economic democrats, so we don't want the state to provide the alternative to crony-capitalism and accumulation. Indeed, we think it can't. We have to build it by ourselves, and demand the state to remove the obstacles (as IP, contracts for big politically connected corporations, etc.) that protects privileged groups' rents from competition in the market.

The alternative will not be build through government regulations, but inside our own networks. It will not defeat the corporate organization through courts or elections, but through competition....

I hope we will know a society where capitalism will be marginal but with a market that will not allow rents nor privileges, where the mix of small and ubiquitous tools of production will be furthered by

big global repositories of public domain designs as innovative and popular as free software is now (*Shareable* interview).

The phyle is both a safety net and a safe haven, giving members a base—a "Digital Zion"—from which to operate:

Natalia Fernandez: The Cooperative Group is the legal form that orders our economic activity. In our organization, people are above companies, this means we organize ourselves according to our needs. The happiness and welfare of each of us is above the economic benefit. This allows us to decline those well-paid jobs that do not satisfy us and this also allows us to build together a free and full life.

Manuel Ortega: The Grupo Cooperativo de las Indias is the materialization of the economic structure of the indiana phyle. It's comes from years of constructing and it looks a way to administrate scarcity, a need which appear when we want to put our lives like a Digital Zionism into reality. And a need that take us to Economic Democracy [My Ninja Please interview]

The lifestyle combines a much lower material footprint and cost of living with a high quality of life, largely through ephemeralization and informalization and the sharing of capital goods. That means, in particular, a shift toward low-rent housing and a quality of life based mainly on immaterial goods. A large share of the things they consider indispensible for a high quality of life are free, abundant, non-rival goods.

So, some years later our incomes increased, we earned autonomy, but for us a good living still means good broadband, access to cultural works, good museums, and good meals in comfortable but not very expensive flats downtown. None of us has a car or has bought a house.

But please don't get confused. We don't make of austerity a cult. We simply have a different culture, we enjoy different things. None of us has a TV neither, but many of us have projectors for watching videos off the Internet (de Ugarte, *Shareable* interview).

The hacker ethic, as described by Rodriguez, sounds much like the ludic ethos attributed to Bruce Sterling's fictional Rizome network in *Islands in the Net*.

The hacker ethic represents the values of a distributed network world and forms our way to understand cooperativism. We would sum it up as: 1) The affirmation of a new work ethic with the knowledge as driving force and main motive in the productive activity and in the community life. 2) There is no division between joy time and work time in the social production of knowledge, which involve the vindication and practice of multi-specialization. 3) The freedom of doing as fundamental value: against the existing institutions we don't demand things to be done, we do it by ourselves and if there is a claim, it would be to eliminate the obstacles of any kind that stop us from building the necessary skills to develop freedom and well-being in our environment.

Las Indias proves it is possible "to develop knowledge, cultural goods and free skills liberating all our works" through open licenses. (Rodriguez email, November 13, 2011).

The internal democracy of the phyle is based on principles of distributed intelligence and deliberation.

David de Ugarte: I believe in deliberation as the way to develop a common open source intelligence by a community.

Deliberation means long term discussion without the urgency of taking a decision. A permanent and opened deliberation—what you can see in our chat rooms, blogs and newsgroups—leads, in time, to consensus, but also to a great diversity of personal positions and points of view.

We try to build from these consensus a guide for decisions on scarcity (economy) but we also know that our most precious treasure is diversity. The wider our diversity is, more freedom will be enjoyed by any of us, more fertile will be our ideas and intellectual creations and more valuable will be our proposals to the market....

Jose F. Alcantara: If there's a way of improving the intelligence we all own as single persons, it is not to aggregate them as they used to tell us on *the wisdom of crowds*. No, if there's something that really makes a difference is the intelligence you give birth when different people put their efforts on a distributed way. Under this architecture, when you let people work and coordinate their efforts freely, synergies emerge. Whether it is or not something higher, the only think I'll admit is that its success is not based on collective efforts, but on the way you let them interact: the distributed architecture is the key.

Natalia Fernandez: The key word would be "distributed" instead of collective. Connect all nodes, eliminate the hierarchy and you'll be allowing that all knowledge to flow through the members of the network (*My Ninja Please* interview).

Las Indias was not the only virtual tribe to emerge in the same period, as de Ugarte points out. "In these very same years,"

the Murides, the old pacifist Sufis from Senegal, went from having a nationalist discourse and growing peanuts to constituting a community trade network with two million members that spreads from South Africa to Italy. Its transformation isn't over yet, but the young Murides have turned the daïras, the old Koranic schools, into urban communes that are also business cells.

At first blush, nothing could be farther apart than cyberpunks and the Murides. But the parallelism is significant: they are not companies linked to a community, but transnational communities that have acquired enterprises in order to gain continuity in time and robustness. They are phyles.

Phyles may function democratically and be cooperative-based, as in the case of the Indianos, or else they may have a small-business structure and even a religiously inspired ideology, as in the case of the Murides. But they share two key elements: they possess a transnational identity, and they subordinate their companies to personal and community needs.

Phyles are "order attractors" in a domain which states cannot reach conceptually and in areas that states increasingly leave in the dark: phyles invest in social cohesion, sometimes even creating infrastructures, providing grants and training, and having their own NGOs. Transnational thinking allows them to access the new globalised business before anyone else. A phyle's investment portfolio may range from renewable energies to PMCs, from free software initiatives to credit cooperatives. Their bet is based on two ideas. First: transnational is more powerful than international. Second: in a global market the community is more resilient than the "classic" capitalist company.

Winning a bet in the cyberpunk and postmodern world we live in nowadays amounts to nothing but resisting and thriving. In order to do so, one must truly belong in this world, truly love its frontiers. Phyles are the children of its explorers: of free software, virtual communities, cyberactivism, and the globalisation of the small. Maybe because of this, they are indubitably winning their bet (de Ugarte, "Phyles").

In fact the phenomenon seems to be the wave of the future, given the growing economic importance of ethnic diasporas around the world coupled with the increasing availability of network communications technology:

Consider the difference between China and the Chinese people. One is an enormous country in Asia. The other is a nation that spans the planet. More Chinese people live outside mainland China than French people live in France, with some to be found in almost every country. Then there are some 22m ethnic Indians scattered across every continent... Hundreds of smaller diasporas knit together far-flung lands....

Diasporas have been a part of the world for millennia. Today two changes are making them matter much more. First, they are far bigger than they were. The world has some 215m first-generation migrants, 40% more than in 1990. If migrants were a nation, they would be the world's fifth-largest...

Second, thanks to cheap flights and communications, people can now stay in touch with the places they came from. A century ago, a migrant might board a ship, sail to America and never see his friends or family again. Today, he texts his mother while still waiting to clear customs. He can wire her money in minutes. He can follow news from his hometown on his laptop. He can fly home regularly to visit relatives or invest his earnings in a new business.

Such migrants do not merely benefit from all the new channels for communication that technology provides; they allow this technology to come into its own, fulfilling its potential to link the world together in a way that it never could if everyone stayed put behind the lines on maps. No other social networks offer the same global reach—or commercial opportunity.

This is because the diaspora networks have three lucrative virtues. First, they speed the flow of information across borders: a Chinese businessman in South Africa who sees a demand for plastic vuvuzelas will quickly inform his cousin who runs a factory in China.

Second, they foster trust. That Chinese factory-owner will believe what his cousin tells him, and act on it fast, perhaps sealing a deal worth millions with a single conversation on Skype.

Third, and most important, diasporas create connections that help people with good ideas collaborate with each other, both within and across ethnicities.

In countries where the rule of law is uncertain—which includes most emerging markets—it is hard to do business with strangers. When courts cannot be trusted to enforce contracts, people prefer to deal with those they have confidence in. Personal ties make this easier....

A study in 2011 by the Royal Society found that cross-border scientific collaboration is growing more common, that it disproportionately involves scientists with diaspora ties and that it appears to lead to better science (using the frequency with which research is cited as a rough measure)....

Diaspora ties help businesses as well as scientists to collaborate. What may be the world's cheapest fridge was conceived from a marriage of ideas generated by Indians in India and Indians overseas. Uttam Ghoshal, Himanshu Pokharna and Ayan Guha, three Indian-American engineers, had an idea for a cooling engine, based on technology used to cool laptop computers, that they thought might work in a fridge. In India visiting relatives they decided to show their idea to Godrej & Boyce, an Indian manufacturing firm....

The "new type of hyperconnectivity" that enables such projects is fundamental to today's networked diasporas, according to Carlo Dade, of the Canadian Foundation for the Americas, a think-tank. "Migrants are now connected instantaneously, continuously, dynamically and intimately to their communities of origin...This is a fundamental and profound break from the past eras of migration." That break explains why diasporas, always marginalised in the flat-map world of national territories, find themselves in the thick of things as the world becomes networked.<sup>12</sup>

In similar language, Alcantara in the *My Ninja Please* interview describes the Las Indias and Murides as logical outgrowths of the technological and organizational changes of our time:

The Internet is the revolution of our times. The consequences it will have on the way the world is organized can already be felt. The emergency of real communities—as the phyles—and the lost of the hegemonic power the States used to have are both effects due to the same cause: our communications are mainly based on a network that, for the first time in all history, has a distributed architecture. This is an important, not negligible aspect that's already transforming, and doing it from the very roots, our world.

One of the consequences of these changes is that many non-State actors (they may be corporations, or huge cooperative groups as Mondragon, or real communities as the Murides), may realize that they have a role to play in the new transnational arena...

One of the consequences of having our world organized through a distributed network comes from the economy. From an economic point of view, the Internet has consequences as it removes the barrier to entry for many markets. Consequently and unexpectedly, you may find yourself having access to new markets originated around the Internet, but also to some old markets whose access were forbidden in the past due to many reasons (need of intensive capitalization, oligopolies that were restricting the free competence). But the emergence of markets with a virtual infinite competition also removes the rents: the benefits that came from having a control over a market with a restricted competence. Under this circumstances, innovation and development are the only way of improving benefits. But as they provide extra benefits only for a short period of time, the need of internalization of these processes, so

<sup>12 &</sup>quot;Migration and business: Weaving the world together," *The Economist*, November 19, 2011 <a href="http://www.economist.com/node/21538700/">http://www.economist.com/node/21538700/</a>>.

that continuously we have some new development or some brand new innovative strategy, are key to the survival of any community.

Las Indias continues to expand by creating new member structures in new areas:

This September, we'll found two new businesses in Bilbao called Gaman and Fondaki. Gaman will make free software. Fondaki will be the first Public Intelligence business in Europe. Both will create jobs — based on a new values system, with products designed to strengthen the fabric of small businesses — for a dozen people, in the middle of the most important crisis, with the highest unemployment rates, in all of Iberian economic history.<sup>13</sup>

This confederal model is the logical outgrowth of trends toward both digital networks and relocalized physical production (or as John Robb puts it, localize, virtualize)

...the evolution of the transition towards a P2P mode of production has been accompanied by the appearance of new, deterritorialized, transnational, and even nomadic, communities. Among these, from China to Senegal, more and more are developing different forms of economic autonomy. Autonomy that the development of the P2P mode of production can't help but reinforce. The first decades of the century are also a seminal stage for dozens of phyles we've been finding throughout the world....<sup>14</sup>

In the Montevideo Declaration, the founding document of the Las Indias phyle, de Ugarte writes:

A person is only free if [he] owns the foundations [of] his own livelihood, when he has no obligation to pay homage to anyone and can leave his network effectively if he understands that no longer serves the needs of their own happiness, happiness that only himself can judge.

Effective access by each one to property and general commercial development, are therefore the economic foundations of any citizenship that does not consist in a mere representation. We name this simple truth as Neovenetianism.

The *indiano*'s phyle is a network of free merchants and entrepreneurs dedicated to the purpose of building and testing a space of economic democracy, made without coercion or any state or group and dedicated to the development of a transnational and deterritorialized space in which to deepen the freedoms and rights that enable a full life in overlapping and non-coercive pluriarchic communities.

For this purpose we constitute ourselves as a freely distributed network of people, acting politically by themselves and economically through coordinated and voluntarily allied firms to create a common infrastructure of bases, distributed throughout the world, which must serve to free our trade and our discussion of the vicissitudes of any state or market and, above all, to provide equal opportunities for all members, regardless of the state that provides them with a passport.<sup>15</sup>

By 2012 the Las Indias ecosystem had grown to include four cooperatives: "Las Indias (a consultancy dedicated to innovation and network analysis); El Arte (a product-lab where we develop products from books to beer to software); Fondaki (global and strategic intelligence for small businesses) and Gaman (educational tools and campaigns)." Las Indias recently signed an agreement with the main credit cooperative in Uruguay, with the intention of using microfinance to bootstrap the development of new member cooperatives (de Ugarte, from *Shareable* interview).

<sup>13</sup> De Ugarte, "The Indies and the Indianos, ten years later."

<sup>14</sup> David de Ugarte, "Asymmetrical confederalism and the P2P mode of production," *El Correo de las Indias*, May 31, 2012. Translated from Spanish by Steve Herrick of Interpreters Cooperative <a href="http://english.lasindias.com/asymmetrical-page-14">http://english.lasindias.com/asymmetrical-page-14</a>

<sup>2012.</sup> Translated from Spanish by Steve Herrick of Interpreters Cooperative <a href="http://english.lasindias.com/asymmetricacconfederalism-and-the-p2p-mode-of-production/">http://english.lasindias.com/asymmetricacconfederalism-and-the-p2p-mode-of-production/</a>.

<sup>15</sup> Sociedad de las Indias Electrónicas; Grupo Cooperativo de las Indias, "Las Indias Montevideo Declaration," translated by de Ugarte. The original was a foundational document of the las Indias phyle, published in June 2008 <a href="http://p2pfoundation.net/Las\_Indias\_Montevideo\_Declaration">http://p2pfoundation.net/Las\_Indias\_Montevideo\_Declaration</a>>.

<sup>16 &</sup>quot;Fondaki, a new firm focused on public service," *Las Indias*, September 5, 2012 <a href="http://english.lasindias.com/fondaki-a-new-firm-focused-in-public-service/">http://english.lasindias.com/fondaki-a-new-firm-focused-in-public-service/</a>.

Another useful fictional illustration, alongside Stephenson's—and perhaps more relevant to de Ugarte's neo-Venetian model—is the starfaring human subspecies in Poul Anderson's "Kith" series, genetically and culturally isolated by time dilation from the rest of the human race. With lifetimes of thousands of years from planet-bound perspectives, and an individual returning to any one planet only at intervals of decades or centuries, the starfarers (much like de Ugarte's Venetians) rented Kith enclaves (the "Kith quarter," much like the Greek or Jewish quarters in the cities of the Western Roman Empire) in spaceport cities on planets throughout the area of human settlement to house merchants on-planet at any given time. Kith families maintained houses in the clave that were occupied by any members currently doing business there.

De Ugarte has referred directly to John Robb and to Suarez's Darknet (see below) as fellow travelers with his phyle movement. Interestingly, the Las Indias cooperative uses the Freenet as an internal communications and webhosting platform, and de Ugarte recommends it as a primitive version of the Darknet envisioned in Suarez's work.<sup>17</sup> Although de Ugarte mentions Freenet in the context of John Robb's writing and Daniel Suarez's novels, he admits it is still nowhere near the level of technical advancement they envision. Freenet "is still far from the darknet described in *FreedomTM*, accessible through augmented reality goggles." Local Freenets are a lot like the Web of the mid-90s, when updating a website took time, searches were slow, and blogs (or *flogs*—Freenet blogs) had to be written without ready-made software like Wordpress and Blogger. Nevertheless, it is a forerunner to what Robb and Suarez envisioned, of "entire virtual economies" built on local darknet platforms.

## IV. Bruce Sterling: The Caryatids

*The Caryatids* is set in the world of the 2060s, where most nation-states have collapsed from the ecological catastrophes—desertification, droughts, crop failures, rising sea levels, monster storms, and multi-million refugee *Volkswanderungs* as entire countries became uninhabitable—of the previous decades.<sup>18</sup>

The world is dominated by two networked global civil societies, the Dispensation and the Acquis. The two civil societies coexist uneasily, engaging in constant worldwide competition and sending teams to monitor each other's activities under the terms of a negotiated accord (something like the system of meta-law that regulates relations between the phyles in *The Diamond Age*). Both are engaged in the reclamation of devastated areas and oversee networks of refugee camps housing millions of displaced persons. Both have ideologies strongly centered on sustainable technology. The Acquis is largely green, open-source and p2p in orientation. The Dispensation is commercial and proprietary, oriented toward what we would call the Progressive/Green/Cognitive Capitalism of Bill Gates, Bono and Warren Buffett.

The two networked societies are articulated into local enclaves much like Stephenson's, although the Dispensation is more geographically centered than the Acquis. Its cultural and geographical heartland is southern California and Greater Los Angeles, with vague references to a surviving legislature and governor in Sacramento. The Acquis, on the other hand, is more purely networked, with its claves widely distributed around the world and no one geographical base. The major urban centers of Europe appear to be Acquis, and there are large Acquis claves in Seattle, Madison, Austin, San Francisco and Boston.

The Acquis, and in particular its experimental reclamation project on the Adriatic island of Mljet, is most relevant to our consideration here of networked platforms. The Acquis team there is linked by the "sensorweb," a neural network, with brain-computer interfaces. Individuals can maintain constant realtime communications with the rest of the team, or surf the Net by cerebral cortex. The neural net enables anyone connected to it to view the physical world, wearing uplink spex, with a virtual overlay superimposed on it.

<sup>17</sup> David de Ugarte, "Darknets: más allá de la frontera del control," *Sociedad de las Indias Electronicas*, December 7, 2010 <a href="http://lasindias.coop/darknets-mas-alla-de-la-frontera-del-control/">http://lasindias.coop/darknets-mas-alla-de-la-frontera-del-control/</a>; "¿Por qué me gusta tanto Freenet?" *El Correo de las Indias*, December 15, 2010 <a href="http://deugarte.com/¿por-que-me-gusta-tanto-freenet">http://deugarte.com/¿por-que-me-gusta-tanto-freenet</a>.

<sup>18</sup> Bruce Sterling, *The Caryatids* (New York: Ballantine Books, 2009).

Team members are able to semantically tag real-world objects with information; the whole visual world is like a graffitoed wall, with objects labeled for significance, linked to relevant sources online, and indexed to each other.

#### V. Daniel Suarez

In the fictional world of Daniel Suarez's novels *Daemon* and *Freedom(TM)*, local mixed-use economies (holons) are built on common Darknet platforms; in Suarez's terminology, the holons are local nodes in the Darknet economy. The virtual layer superimposed on the physical world, and the individual interface with it, are much the same as Sterling's Sensorweb. Darknet members use heads-up display (HUD) glasses kind of like a grandchild of Google Glass to see into an augmented reality or virtual dimension called "D-Space," which is "overlaid on the GPS grid." D-Space is built from the mapping architectures of massively multiplayer online role-playing games (MMORPGs), but tied to to the physical world as an overlay via GPS coordinates and to physical objects via RFID chips. Like Sensorweb, the virtual layer shows information tags attached to physical objects (including identification and reputational metrics appearing above other people's heads). Micromanufacturing operations between shops full of CNC tools using digital design files are coordinated in D-Space via an open-source version of the "Internet of Things."

According to Clay Shirky, early conceptions of "cyberspace," whether that of William Gibson or that of John Perry Barlow, were shaped in a world where those connected to the Internet were a tiny minority of the total population and hence unlikely to know each other in "meatspace." Cyberspace was "a kind of alternate reality mediated by the world's communications networks," "a world separate and apart from the real world." Back then, Shirky argues, the concept of cyberspace made sense, because there was little overlap between one's social relations online and offline: "the people you would meet online were different from the people you would meet offline, and these worlds would rarely overlap."

But that separation was an accident of partial adoption. Though the internet began to function in its earliest form in 1969, it was not until 1999 that any country had a majority of its citizens online.... In the developed world, the experience of the average twenty-five-year-old is one of substantial overlap between online and offline friends and colleagues.... The internet augments real-world social life rather than providing an alternative to it. Instead of becoming a separate cyberspace, our electronic networks are becoming deeply embedded in real life. 19

If d-space is overlaid on the physical world, rather than constituting a separate "cyberspace" dissociated from the physical world, then it reinforces physical community and becomes a tool for facilitating it. Such a platform promotes relocalization, and builds social capital.

#### VI. John Robb: Economies as a Social Software Service

For some time, John Robb has written about Resilient Communities—generally along the same conceptual lines as Transition Towns or Global Villages—as an emergent form of social organization to fill the void left by the collapse of the centralized state and large corporation.<sup>20</sup>

Not only are nearly all governments financially insolvent, they can't protect citizens from a global system that is running amok. As services and security begin to fade, local sources of order will emerge to fill the void. Hopefully, most people will opt to take control of this process by joining together with

<sup>19</sup> Clay Shirky, Here Comes Everybody, pp. 194-196.

<sup>20 &</sup>lt;a href="http://globalguerrillas.typepad.com/globalguerrillas/resilient\_community/">http://globalguerrillas.typepad.com/globalguerrillas/resilient\_community/>.

others to build resilient communities that can offer the independence, security, and prosperity that isn't offered by the nation-state anymore.<sup>21</sup>

Parallel with this line of thought, he has also been exploring the idea of networked platforms as a support base for his resilient communities. In his 2006 book *Brave New War*, he discussed the importance of platforms as a vehicle for decentralization.

A platform is merely a collection of services and capabilities that are common to a wide variety of activities aggregated in a way that makes them exceedingly easy to access. The benefit of this approach is that it becomes easier for end users of this platform to build solutions because they don't need to re-create the wheel in order to build a new service, and it is easier for participants to coordinate and interconnect their activities.<sup>22</sup>

Platforms can include VOIP and teleconferencing services, collaborative tools like wikis, peer rating services, capital aggregating services like Kickstarter, digital currencies of various sorts, and encrypted darknets, and a wide range of software, like CAD software for creating open-source industrial designs that can be shared between widely separated designers and micromanufacturers around the world.

In a couple of blog posts in December 2009-January 2010, he developed this theme, apparently under the influence primarily of Suarez, but in language that also sounded very much like de Ugarte's.

A **Darknet** is the system that runs an autonomous social network (a tribe, a constellation of resilient communities, a gang, etc.). It is composed of a software layer and hardware infrastructure that connects, organizes, allocates, and automates the functions of the synthetic social system it is built for. Some details:

- Software can be built that automates the rules by which any social and economic system operate. Nearly any social construct imaginable can be automated (at least on a small scale). Whether it works efficiently or is appealing to recruits is another story entirely. Early experience in MMO games and social software development indicate that this is not only possible, but probable.
- The networks hardware and software infrastructure ensures that all *members* of the network are provided access to the system and the tools necessary to use it effectively. It is also constructed in a way that makes it opaque to outside observation and impervious to non-members or intrusion.
- This system, both economic and social, runs both in parallel and in conjunction with the global economy.... It is self-referencing, autonomous, and willing to defend its own interests. It can be parasitic or additive to the global environment (or more effectively: both). It is competitive with other entities that operate within the global environment, from nation-states to corporations.

"Darknet" is a term used by Daniel Suarez, in his books Daemon and Freedom (TM)....<sup>23</sup>

Which social, political and economic system can BOTH protect you from the excesses of an uncontrollable/turbulent global system AND advance your quality of life?

One thing is increasingly clear: hollow nation-states aren't the answer....

Here's an option: DIY your solution. Roll your own tribe or community. Build it from the ground up to be resilient, decentralized, fair, and meritocratic. If you are so inclined, cut the rules into software so you can be both local and global at the same time. Change those rules by popular consent when the environment changes (and it will, often). Attract members to your new tribe. If it becomes unfair, leave it and roll another one. Compete for members. Use this bootstrapped system to negotiate and connect with the global economic system on equal terms, rather than as supplicants.<sup>24</sup>

<sup>21</sup> Chris Arkenberg, "Robb Interview: Open Source Warfare and Resilience," *BoingBoing*, June 15, 2010 <>.

<sup>22</sup> John Robb, Brave New War, p. 172.

<sup>23</sup> Robb, "A 'Darknet'," *Global Guerrillas*, December 17, 2009 <a href="http://globalguerrillas.typepad.com/globalguerrillas/2009/12/a-darknet.html">http://globalguerrillas.typepad.com/globalguerrillas/2009/12/a-darknet.html</a>.

<sup>24</sup> Robb, "Central Question of 21st Century Governance," Global Guerrillas, January 4, 2010

David de Ugarte left comments under both posts, and Robb expressed interest in *Phyles* in the second exchange. Shortly thereafter, Robb put increasing stress on the inadequacy of isolated efforts at building Resilient Communities, and the consequent need for networked organization as a base of support.

Resilient communities will:

- Shield us from increasingly frequent shocks and breakdowns of an out of control global system.
- Protect us from predatory and parasitical non-state actors—from globe spanning banks/corporations to local/transnational militias/gangs.
- Provide us with a path that will allow us to thrive—economically, socially, individually, and spiritually.

Unfortunately, nobody is going to help us build them.

The nation-state can't and won't. It is losing power across the board as the global system strengthens. Organizationally, the nation-state has lost control of its finances, borders, media, economics, use of force, etc. Worse, moral and ideological moorings that served the nation-state well for hundreds of years have rotted away. The nation-state is now adrift, unable to orient its decision making cycles.

As a result, the nation-state has been largely co-opted by increasingly powerful non-state entities—from parasitical banks that sit astride core functions of the global system... to transnational gangs that puncture borders with drugs and other smuggled goods—and that corruption is spreading....

So, what can we do? Attempts to bootstrap resilient communities are definitely possible. However, isolated and small, I fear these efforts will either result in a reduction in the quality of life for its participants or quickly fall prey to parasites/predators (as in, you won't get far if bankruptcy, privatization, and gangs-disorder guts your community).

The dominant solution to all of these pitfalls, dangers, and threats is to team up. Create a virtual tribe that helps communities become resilient—by financing, protecting, and accelerating them. While it's possible to build a virtual tribe via a completely ad hoc process, the best way to build platforms in software that make the growth of tribal networks fast and easy. If we can build these software platforms, we can turn the transition to resilient communities from a process prone to high rates of failure, into a process that spreads virally and generates immediate improvements for its participants. A vibrant future awaits, all we need to do is build it.<sup>25</sup>

What emerged from Robb's rumination on network organization, later in the year, was the concept of "complete economies and social structures delivered as software service"—or "Economies as a Software Service."

These software based economies and social structures could allow:

- A plethora of new economic systems within which you can make a living (all you need to do is opt-in to the one that makes sense to you). The ability to build and experiment with new rules that both fix the increasingly dire problems with the current dominant economic system while providing new capabilities and avenues for success (new currencies, new incentive structures, new forms of status, etc.).
- Rapid rates of innovation/improvement. Since the rules of these systems are software based, they can evolve very quickly. Further, some of these new structures have the potential to generate rates of improvement/innovation/wealth creation at rates an order of magnitude greater than the current system.
- Nearly costless scalability. The infrastructure of these systems scales at a nearly costless level and the platforms envisioned can support a huge amount ecosystem diversity without much strain.<sup>26</sup>

<sup>&</sup>lt;a href="http://globalguerrillas.typepad.com/globalguerrillas/2010/01/journal-central-question-of-21st-century-governance.html">http://globalguerrillas.typepad.com/globalguerrillas/2010/01/journal-central-question-of-21st-century-governance.html</a>. Interestingly, de Ugarte—in "Phyles"—cited Robb's post as a major source on phyles.

<sup>25</sup> Robb, "Why a Resilient Community Network?" *Global Guerrillas*, January 12, 2010 <a href="http://boingboing.net/2010/06/15/john-robb-interview.html">http://boingboing.net/2010/06/15/john-robb-interview.html</a>.

<sup>26</sup> Robb, "Completely New Economies as a Software Service," Global Guerrillas, November 4, 2010

In an added comment under that post, Robb explained how such networked economies could enforce their rules entirely by endogenous means, even if the state was unwilling to enforce members' contractual obligations to obey by-laws.

If N-1 strategies (theft, cheating, fraud, etc.) only yield small amounts and continued association is very beneficial, the sanctions used to ensure people don't act badly are variations of expulsion. With opt-in systems, as opposed to geographically based systems, there's no requirement for membership by accident (and no need for coercion to join).

Later elaborating on the same concept under a slightly different name (Economies as a Service), Robb explained that his Resilient Communities would "often be the local instantiation of the values/rules" of the Economy as a Service. <sup>27</sup> As in Stephenson's phyles, local city-states or enclaves may be affiliated with one another through deterritorialized, virtual networked societies.

One of the complications of building networked economy platforms in the period of the state's decline is that the state will attempt, at least sporadically and haphazardly, to suppress such efforts. So a networked platform will confront the simultaneous problems of providing internal sanctions against fraud and misfeasance by its members, and evading state surveillance. The *Freedom Engineering* blog posted a detailed article on how to police an internal marketplace while maintaining secrecy:

What people want to know about a stranger before they engage in a volitional exchange of value is... (1) how many volitional exchanges of value this stranger has completed before and (2) were some of these exchanges carried out with someone that they already know and trust?

Now let's say that Sue runs a hairdressing shop out of her house. She has a limited clientele but she wants to expand. But recently Sue has read in the news about the crack down on 'illegal home based black-market businesses' such as hers. How does Sue continue to make an honest living in this hostile environment? How does Sue accept a stranger as a new customer with absolute confidence that this stranger is not a snitch and is not a local code enforcer?...

The most valuable data on ebay.com for instance when looking at a person's profile is the numbers of transactions that they have conducted.

A graphical interface of this profile would show your node on the network connected to other nodes by different colors of beams to indicate the different bonds. Although the beta version of this website will show a simple table showing this information.

Users of this service would be able to see if they are connected to a stranger by others in the network —so if Sue and Jake have no connection yet – but they have both done trades with Billy and they both trust Billy – then they may just decide to make a connection and engage in a mutual exchange of value with each other.

Now how does the network get populated? Let's say that Sue cuts Jake's hair and she does a fabulous job....

All that Jake has to do is click on Sue's profile and check any of 4 boxes;

- 1. Have you had internet interactions with Sue?
- 2. Have you had real life interactions with Sue?
- 3. Have you conducted 1 to 3 free-market transactions with Sue?
- 4. Have you conducted 4 or more free-market transactions with Sue?

And that is all the feedback that one needs to do!...

But what if after a few transactions between two individuals that a problem arises?

<sup>&</sup>lt;a href="http://globalguerrillas.typepad.com/globalguerrillas/2010/01/why-a-resilient-community-network.html">http://globalguerrillas.typepad.com/globalguerrillas/2010/01/why-a-resilient-community-network.html</a>.

<sup>&</sup>lt;a href="http://globalguerrillas.typepad.com/globalguerrillas/2010/11/completely-new-economies-as-a-software-service.html">http://globalguerrillas.typepad.com/globalguerrillas.typepad.com/globalguerrillas.typepad.com/globalguerrillas/2010/11/eaas-economy-as-a-service.html</a>.

This is where the arbitration service providers come in. Note; this site will not provide arbitration services—it will just link to them – perhaps an affiliation program with an arbitration service will provide some revenue.

Also at any moment a user can chose to break a value flow connection with another user. In the graphical user interface this may look like a red X across the bond.<sup>28</sup>

Robb is optimistic about the rate of adoption of networked platforms in the transition period. Based on a survey of the rates of adoption of new technologies over the past century, he notes that "the lag between discovery and deployment is dropping over time, [and] the rate of adoption has accelerated over time."

Now that nearly everyone has a computer (either on a desk or in a smart phone), the rate of adoption for new tech has dropped from years to quarters. There's almost no lag between development and deployment, and applications that represent major innovations can roll out to globally significant levels in months.

....Given how fast things move now, it's not hard to imagine that a new economic system (better design)... or P2P manufacturing system could sweep the world in months, drawing in tens of millions of people into a ways of creating, trading, and sharing wealth. In short, new digital systems that make the transition to local production within networked resilient communities easier and faster since they can help generate the wealth required to do it without starving/freezing and the vision of the future that motivates people to persist despite setbacks.<sup>29</sup>

#### VII. Filé Aesir

Filé Aesir is a phyle consciously patterned on the Las Indias model. It was formulated as an explicit project in late 2012, although it had gestated in the experience of activists and businesspeople over the previous decade and "above all from the combination of affinity bonds formed in the breast of 15M..." Among other things, it's an incubator for p2p enterprises, with the goal of building

an economic structure that allows us to thrive and prosper in our environment, obtaining tools and knowledge to fulfill ourselves professionally and personally.... We generate a semi-shared economy to provide us security, opportunities for growth and, to some extent, a place in the world.

### **VIII. Venture Communes**

Dmytri Kleiner, the founder of the Venture Communist project, saw it as a support platform much like phyles, but one in which the land and capital used by individual worker-managed cooperatives was communally owned by everyone in the larger community.

I wanted to create something like a protocol for the formation and allocation of physical goods, the same way we have TCP/IP and so forth, as a way to allocate immaterial goods. The Internet gives us a very efficient platform on which we can share and distribute and collectively create immaterial wealth, and become independent producers based on this collective commons.

<sup>28 &</sup>quot;value flow connections," Freedom Engineering, December 15, 2011 <a href="http://freedomengineering.org/2011/12/value-flow-connections/">http://freedomengineering.org/2011/12/value-flow-connections/</a>.

<sup>29</sup> John Robb, "The Digital Roll-Out of Resilient Communities," Global Guerrillas, December 22, 2011 <a href="http://globalguerrillas.typepad.com/globalguerrillas/2011/12/why-a-focus-on-digital-change.html">http://globalguerrillas.typepad.com/globalguerrillas/2011/12/why-a-focus-on-digital-change.html</a>

<sup>30</sup> Fundamento de la filé Aesir Versión 0.6: Fundamento para una incipiente comunidad, basado en el <u>Fundamento</u> 1.0 de la filé Indiana <a href="http://fileaesir.com/fundamento/">http://fileaesir.com/fundamento/</a> (this quote is based on a really crappy Google Translate translation).

Venture communism seeks to tackle the issue of how we can do the same thing with material wealth. I drew on lots of sources in the creation of this model, not exclusively anarchist-communist sources. One was the Georgist idea of using rent, economic rent, as a fundamental mutualizing source of wealth. Mutualizing unearned income is essentially what that means in layman's terms....

Even within the cooperative movement, which I've always admired and held up as an example, it's clear that the distribution of productive assets is also unequal. The same with other kinds of production; for example, if you look at the social power of IT workers versus agricultural workers, it becomes very clear that the social power of a collective of IT workers is much stronger than the social power of a collective agricultural workers. There is inequality in human and capital available for these cooperatives. This protocol would seek to normalize that, but in a way that doesn't require administration....

So, how do we create cooperation among cooperatives, and distribution of wealth among cooperatives...? This is why I borrowed from the work of Henry George and Silvio Gesell in created this idea of rent sharing.

The idea is that the cooperatives are still very much independent just as cooperatives are now. The producers are independent, but instead of owning their productive assets themselves, each member of the cooperative owns these together with each member of every other cooperative in the Federation, and the cooperatives rent the property from the commune collectively....

So, the unearned income, the portion of income derived from ownership of productive assets is evenly distributed among all the cooperatives and all the stakeholders among those cooperatives, and that's the basic protocol of venture communism.

In response to a question from Michel Bauwens in the same interview, Kleiner affirmed that the sharing of rent by all members of the commune functioned as a sort of basic income.

Whatever productive assets you consume, you pay rent for, and that rent is divided equally among all members of the commune. Not the individual cooperatives, but the commune itself. This means that if you use your exact per capita share of property, no more no less than what you pay in rent and what you received in social dividend, will be equal. So if you are a regular person, then you are kind of moving evenly, right? But if you're not working at that time, because you're old, or otherwise unemployed, then obviously the the productive assets that you will be using will be much less than the mean and the median, so what you'll receive as dividend will be much more than what you pay in rent, essentially providing a basic income. And conversely, if you're a super motivated producer, and you're greatly expanding your productive capacity, then what you pay for productive assets will be much higher than what you get in dividend, presumably, because you're also earning income from the application of that property to production. So, venture communism doesn't seek to control the product of the cooperatives. The product of the cooperatives is fully theirs to dispose of as they like. It doesn't seek to limit, control, or even tell them how they should distribute it, or under what means; what they produce is entirely theirs, it's only the collective management of the commons of productive assets.<sup>31</sup>

The mechanics are spelled out in greater detail in *The Telekommunist Manifesto*.<sup>32</sup> A venture commune "is not bound to one physical location where it can be isolated and confined. Similar in topology to a peer-to-peer network, Telekommunisten intends to be decentralized, with only minimal coordination required amongst its international community of producer-owners."<sup>33</sup> This is possible because of revolutions in transportation and "international integration," which "have created distributed communities who maintain ongoing interpersonal and often informal economic relationships across national borders."

<sup>31 &</sup>quot;Towards a Material Commons," Guerrilla Translation!, January 28, 2014

<sup>&</sup>lt;a href="http://guerrillatranslation.com/2014/01/28/towards-a-material-commons/">http://guerrillatranslation.com/2014/01/28/towards-a-material-commons/>.

<sup>32</sup> Dmytri Kleiner, *The Telekommunist Manifesto*. Network Notebook Series (Amsterdam: Institute of Network Cultures, 2010) <a href="http://media.telekommunisten.net/manifesto.pdf">http://media.telekommunisten.net/manifesto.pdf</a>>.

<sup>33</sup> *Ibid.*, p. 5.

...Developments in telecommunications, notably the emergence of peer networks such as the internet, along with international transportation and migration, create broad revolutionary possibilities as dispersed communities become able to interact instantly on a global scale.<sup>34</sup>

Just as copyleft and other free information licenses turned copyright against itself, the venture commune uses the corporate form as a vehicle for asserting control over productive assets. The commune is legally a firm--but with "distinct properties that transform it into an effective vehicle for revolutionary workers' struggle.

The venture commune holds ownership of all productive assets that make up the common stock employed by a diverse and geographically distributed networked of collective and independent peer producers. The venture commune does not coordinate production; a community of peer producers produce according to their own needs and desires. The role of the commune is only to manage the common stock, making property, such as the housing and tools they require, available to the peer producers.

The venture commune is the federation of workers' collectives and individual workers, and is itself owned by each of them, with each member having only one share. In the case that workers are working in a collective or co-operative, ownership is held individually, by the separate people that make up the collective or co-operative.... Property is always held in common by all the members of the commune, with the venture commune equally owned by all its members....

The function of the venture commune is to acquire material assets that members need for living and working, such as equipment and tools, and allocate them to its members.... The members interested in having this property offer a rental agreement to the commune, giving the terms they wish to have for possession of this property. The commune issues a series of bonds to raise the funds required to acquire the property, when then becomes collateral for the bondholders. The rental agreement is offered as a guarantee that the funds will be available to redeem the bonds.<sup>35</sup>

The model of land-value tax financing, inspired by Henry George, is supplemented by something like the Basic Income. Rents over and above the amount required to service the bonds are paid out as a dividend to all members equally.<sup>36</sup>

### IX. Medieval Guilds as Predecessors of the Phyle

Among the services which the guilds performed for their members—who named each other as "brothers and sisters" under the terms of their charters—were relief of the destitute, paying the compensation for members convicted of a crime to prevent the financial ruin of them and their families, and arbitration of disputes between practitioners of a craft.<sup>37</sup> The town communes frequently acted as bulk buyers of commodities like grain and salt, using their bargaining power to negotiate prices near cost from the foreign merchants and then distribute them among the households.<sup>38</sup> The guilds, likewise, bought raw materials in bulk for their members, and marketed their products.<sup>39</sup> They acted as quality certifying bodies on behalf of the members, assuming responsibility for the quality of goods marketed and seeking to prevent the sale of adulterated or defective goods for the sake of the membership's reputations.<sup>40</sup> "The craft guild was then a common seller of its produce and a common buyer of the raw materials," a fact which helped account for the high status and historically high standard of living of manual labor at the apex of the High Middle Ages.<sup>41</sup>

<sup>34</sup> Ibid., p. 11.

<sup>35</sup> Ibid., pp. 23-24.

<sup>36</sup> Ibid., p. 24.

<sup>37</sup> Kropotkin, Mutual Aid, pp. 172-173.

<sup>38</sup> Ibid., pp. 183-184.

<sup>39</sup> *Ibid.*, p. 185.

<sup>40</sup> *Ibid.*, pp. 192-193.

<sup>41</sup> Ibid., p. 191.

### X. Transition Towns and Global Villages

**Transition Towns.** In 2006 Rob Hopkins, recently arrived from Ireland, co-founded the first Transition Town initiative in the small English town of Totnes with some friends. As of 2012 the movement had grown to 500 "official" Transition Town initiatives in more than 38 countries, with several thousand more in the works.

**Global Villages.** As Franz Nahrada explains Global Villages (in the context of a GIVE initiative to fund expansion of the project:

#### (1) Global Villegiatura – Trans Market Economies

...Rather than the further growth of already unliveable cities, we foresee the emergence of more and more inside-looking communities, who — with the help of decentralizing technologies — build their own self-sustaining microcosms. They seek to combine the best and most apposite buildings blocks available in the shared knowledge and experiences of humanity across the continents and ages. This turns into new experience for others..... Within the virtual presence of the whole world and their cascading "paying forward" support, each place can overcome many of its limitations by climate, geography and historical factors. Global cultures offer an incredible array of choices for different development models, allowing people to develop collective individualities. It is in the best interest of all to make this a universal and inclusive development pathway. By filling needs of others, we enhance their capacities to contribute.

...We even work with large towns and large institutions to fractalize within and also acknowledge the opportunity for "mothercities" and "hubs" to thrive on the support requirements for the Global Villegiatura. Like the personal computer grew individual capacities, the next stage of the prosumer revolution lies in delivering tools and services to improve community capacities."...

### (2) Global Village Learning Centers and Maker Spaces

...On one side we study local education and resource centers with tools and content to join forces globally improving their local scope. On the other side these centers are also centers of community innovation, of meaningful encounters for locals and guests....

GIVE is therefore studying the many ways to boost the potential of local learning institutions, teach people to become entrepreneurial and cooperative, reclaim the skills that their grandfathers and grandmothers still had – and combine this with the latest in automation and production technologies. We study urban and rural models of different scope and specialisation. We even study historical examples of study and realisation like monasteries and see what might be retrieved and reactualized from these forms of learning spaces.

### (3) High Tech Ecologies and Upcycling Economies

...GIVE is very interested in cradle to cradle schemes, renewable resources and the possibility to create technologies that use non-toxic materials.... We see natures cycles and nodes as a model for high technology, and we embrace the embedding of natural principles by sophisticated and complex human artefacts.

We distinguish Global Villages from the broader movement of Ecovillages by the simple notion that we might need more, not less technology to enable humans to fully cooperate with nature. GIVE aims at jointly with others creating innovation centers for advanced village technologies to be used appropriated to local cirumstances.

### (4) Virtual University of the Villages and Open Source Culture

The networking of learning villages will eventually create wealth and growth superior to what the industrial age has delivered by the sheer multiplication and miniaturisation of productive capacities. In our view, it cannot be built on so-called intellectual property, but by a culture of sharing and joining pieces and bits of disrupted knowledge to integrated and holistic "pattern poems". Therefore our next research goal is to find out about effective knowledge cooperation.

...We advocate shared tasks and division of specialised practise, when it comes to improvements and experiments. Villages can be theme villages and share their findings with others. Thus a virtual university of the villages will emerge, a shared learning platform that connects local learning places and will be their lifeblood.

## (5) Community Observatory and Networking

The arrival of a new societal pattern never happens simultaneously; we see "islands of progress" where – mostly as a result of visionary individuals – social life starts to take a different direction. To-day, we see the advent of Global Villages by many different types of local developments like Ecovillages, Cohousing, Coworking, Intergenerational Villages, Theme Villages, we see dedicated networks like Transition Towns and others emerging.

GIVE aims to build up a reference system of existing and planned projects, be it local or thematic, or at least have a good understanding of the best references available. We started a global community back in 1997 called the "Global Villages Network" that we want to become increasingly active in connecting good practises, developing strategic initiatives and publically advocating Global Villages ideas....<sup>42</sup>

Much like Ebenezer Howard's Garden Cities movement, Global Villages capitalize on the potential for decentralized technology to build local economies on cheap land far from existing population centers.

#### XI. Hub Culture

Hub Culture—"a network with primary bases in the world's big urban hubs, including London, New York and San Francisco, Geneva, Bermuda, Singapore and Hong Kong," which has representatives in "over 130 major cities around the world" and maintains Pavilions (see below) "in Beijing, Cancun, Cannes, Copenhagen, Croatia, Davos, Durban, Ho Chi Minh City, Ibiza, London, Los Angeles, Miami, New York, Rio de Janeiro, Sacramento, São Paulo, St. Moritz and Venice"—is a useful illustration of the phyle model. According to the Hub Culture wiki:

Hub Culture is a global collaboration network founded in 2002. Over 25,000 global urban influentials are connected, giving the network far reaching ability to **build worth through leveraged collaboration**.

Hub Culture operates around three functions - Pavilions (places to collaborate), Knowledge Brokerage (consulting and deal services) and Ven, a global digital currency. Ven is the first private currency to move into the financial markets and is priced from a mix of commodities and currencies....

Hub Culture uses collaboration technology to drive high value deals. Tools include Groups with file sharing and wikis, and Knowledge Brokerage for rapid dealmaking. These tools support the Hub Culture Pavilions, real, low-carbon places designed for meetings and connections....

Membership to the HubCulture.com Network is free by invitation. Membership upgrades are available to use the Pavilions and some areas of the website, and these costs can be 'earned' by members who contribute knowledge to others. Hub is a positive, value creating feedback loop. Content is highly curated and often member generated....

It all began in 2002 with the publication of the book *Hub Culture: The Next Wave of Urban Consumers*, one of the first explorations of globalized social communities. HubCulture.com was founded at this time to provide a meeting place for the global urban influentials described in the book. Over time, we began to produce functions (such as round table dinners, events and charitable fundraisers), to connect those who wanted to meet like-minded others....

The website became a leading reference point for the uniquely globalized zeitgeist that defines Hub Culture, with curated content and sharp coverage of the global scene.

<sup>42</sup> Michel Bauwens, "Movement of the Day: GIVE for Globally Integrated Village Environments," *P2P Foundation Blog*, April 9, 2013 <a href="http://blog.p2pfoundation.net/movement-of-the-day-give-for-globally-integrated-village-environments/2013/04/09">http://blog.p2pfoundation.net/movement-of-the-day-give-for-globally-integrated-village-environments/2013/04/09</a>.

In 2005 Hub Culture Events grew into Pavilions, longer term projects in key places. The number of activities grew into a series of regular projects and events reaching thousands of members. The first Pop Pavilion appeared in January 2005 on the beaches of Rio de Janeiro, with others following in Miami and St. Moritz.

In 2007 Hub Culture expanded its social network to include knowledge brokerage, future trend analysis and consulting services for a selection of blue-chip clients. In January 2007 the company released its first Zeitgeist Ranking, calling the scene in the world's leading urban centers. That summer the company released Ven, first available in Facebook. Today Ven is priced in real time against the markets, with a combination of currencies, commodities and carbon futures making up the value of Ven. Millions of units are in circulation as the world's first knowledge currency, perfect for micropayments, favours and valuing knowledge.

**Hub Culture helps members build worth.** The website offers an easy suite of tools to enhance collaboration, and content is created with the help of knowledge-rich experts in a variety of fields who publish for themselves and the network....<sup>43</sup>

## XII. Networked Labor Organizations and Guilds as Examples of Phyles

A number of labor organizers, advocates and historians have advocated a return to the guild model of the labor union in situations where membership through a workplace-based local is impractical: freelance workers, professionals and tradesmen in occupations with project- or task-based employment rather than jobs with a single employer, and members of the so-called "precariat." Hoyt Wheeler described it as "a step back toward a preindustrial concept of unions as fraternal and benefit organizations.<sup>44</sup>

The line between labor unions in the nineteenth century, and the kinds of friendly societies and mutuals described by writers like E.P. Thompson and Pyotr Kropotkin, is so blurry as to be almost nonexistent. And when friendly societies offered relief to unemployed members, the practical difference from a strike fund could be hard to discern. It certainly was from the standpoint of the state, which was hostile to mutuals in many countries for just this reason. The very distinction between the trade unions and other friendly or benefit societies is an artificial one, argues Bob James.

...[I]t makes much more historical sense to see the core of Labour History as a range of benefit societies, and to see what are called "trade unions" as just one culturally-determined response within a group and along a time-line....

What we now call "trade unions" were and are benefit societies, just like the Grand United Oddfellow and Freemason Lodges.... Concern about working conditions and the strategy of withdrawing labour, "going on strike", developed naturally out of the lodge habit of insuring against all sorts of other future dangers. Strike pay was just another benefit covered by contributions....<sup>45</sup>

In the United States, labor unions often--most notably the railroad unions--started out as benevolent associations providing for the families of deceased or incapacitated members<sup>46</sup> More generally, Sam Dolgoff observed:

The labor movement grew naturally into a vast interwoven network of local communities throughout the country, exercising a growing influence in their respective areas....

They created a network of cooperative institutions of all kinds: schools, summer camps for children and adults, homes for the aged, health and cultural centers, insurance plans, technical education, hous-

<sup>43 &</sup>quot;About Us," HubCulture.com (captured February 7, 2013) <a href="http://hubculture.com/groups/hub/projects/62/wiki/">http://hubculture.com/groups/hub/projects/62/wiki/</a>.

<sup>44</sup> Hoyt Wheeler, The Future of the American Labor Movement (Cambridge University Press, 2002), p. 77.

<sup>45</sup> Bob James, "The Tragedy of Labour History in Australia." According to Takver's Radical Tradition: An Australian History Page, where the article is hosted, the text is based on James' notes for a lecture given in several different venues. <a href="http://www.takver.com/history/tragedy.htm">http://www.takver.com/history/tragedy.htm</a>>.

<sup>46</sup> Lens, The Labor Wars, p. 45.

ing, credit associations, et cetera. All these, and many other essential services were provided by the people themselves, long before the government monopolized social services wasting untold billions on a top-heavy bureaucratic parasitical apparatus; long before the labor movement was corrupted by "business" unionism.<sup>47</sup>

Charles Johnson stresses the importance, from the standpoint of worker independence and bargaining strength, of such self-organized mutual aid:

It's likely also that networks of voluntary aid organizations would be *strategically* important to individual flourishing in a free society, in which there would be no expropriative welfare bureaucracy for people living with poverty or precarity to fall back on. Projects reviving the bottom-up, solidaritarian spirit of the independent unions and mutual aid societies that flourished in the late 19th and early 20th centuries, before the rise of the welfare bureaucracy, may be essential for a flourishing free society, and one of the primary means by which workers could take control of their own lives, without depending on either bosses or bureaucrats.<sup>48</sup>

One possibility is the resurrection of the guild as a basis for organizing mutual aid. Some writers on labor issues have argued that unions should shift their focus to attracting memberships on an individual basis, whether it be in bargaining units with no certified union or among the unemployed; they would do so by offering insurance and other services.

A good example is the Healthy Workers medical plan, organized by Working Partnerships USA and the Santa Clara Valley Health and Hospital System, which provides health insurance with no deductible at half the price of competing commercial plans.<sup>49</sup>

Somewhat more outside the mainstream is Guy Standing's example of sex workers in Vancouver, BC, who

set up social protection funds, for emergencies and for scholarships for children of dead or sick workers; they developed a group medical plan, drew up occupational safety guidelines, provided an information service for potential entrants to the profession, and developed courses to teach 'life skills'.<sup>50</sup>

Thomas Malone discusses such possibilities at considerable length in *The Future of Work*, in exploring the implications of a free-agency economy of independent contractors.

Rather than relying on employers and governments to provide the benefits traditionally associated with a job, a new set of organizations might emerge to provide stable "homes" for mobile workers and to look after their needs as they move from job to job and project to project.

These organizations might be called societies, associations, fraternities, or clubs. But the word I like best is *guilds*, a term that conjures up images of the craft associations of the Middle Ages. Growing out of tradesmen's fraternities and mutual assistance clubs, medieval guilds served a number of functions. They trained apprentices and helped them find work.... They offered loans and schooling. And if misfortune struck, they provided an income for members' families....

<sup>47</sup> Sam Dolgoff, "Revolutionary Tendencies in American Labor--Part 1," in *The American Labor Movement: A New Beginning*. Originally published in 1980 in *Resurgence* <a href="http://www.iww.org/culture/library/dolgoff/labor4.shtml">http://www.iww.org/culture/library/dolgoff/labor4.shtml</a>. 48 Charles Johnson, "Liberty, Equality, Solidarity: Toward a Dialectical Anarchism," in Roderick T. Long and Tibor R. Machan, eds., *Anarchism/Minarchism: Is a Government Part of a Free Country?* (Hampshire, UK, and Burlington, Vt.: Ashgate Publishing Limited, 2008). Quoted from textfile provided by author.

<sup>49 &</sup>quot;WPUSA launches Healthy Workers medical plan" (March 5, 2010), Recent Win Archive <a href="http://www.wpusa.org/About-Us/recentwinarchive.html">http://www.wpusa.org/About-Us/recentwinarchive.html</a>>

<sup>50</sup> Guy Standing, *Work After Globalization: Building Occupational Citizenship* (Cheltenham, UK; Northampton, Mass.: Edward Elgar, 2009), p. 315.

Existing organizations already perform some of these functions today. Take the Screen Actors Guild. As much as 30 percent of the base pay of Screen Actors Guild members goes to the guild's benefits fund. In return, members get full health benefits (even in years when they have no work), generous pensions, and professional development programs.

Imagine an extended version of this arrangement, in which members pay a fraction of their income to a guild in good times in return for a guaranteed minimum income in bad times....

Companies have also traditionally helped their employees learn skills and, by assigning job titles and other kinds of credentials, signify to the world the capabilities of their workers. These kinds of services could also be provided by guilds. Lawyers and doctors, for instance, have professional societies that establish and monitor the credentials of practitioners and provide continuing educational opportunities. Unions have also had similar functions for years, helping craft workers progress from apprentice to journeyman to master craftsman.<sup>51</sup>

Malone sees the modern-day guilds arising from professional societies, labor unions, temp agencies, and alumni associations, among other existing organizations.<sup>52</sup>

Such organizations, operating as cooperative temp agencies, might also resurrect the old hiring hall model of unionism. Hoyt Wheeler writes:

A further advantage of the craft form of organization is its ability to provide a stream of trained, competent workers to employers. In the building trades, and in some other fields as well, individual employers have no incentive to train workers who may soon move on to work for someone else. The long-term interests of employers as a group require a trained workforce. Yet the interests of individual employers militate against this coming about. A good solution to this dilemma is a union of workers who train one another and spread the costs of training across the industry. The United Brotherhood of Carpenters and Joiners... recognizes this rationale, and is utilizing it in an attempt to encourage employers to move away from their traditional aversion to the union. <sup>53</sup>

Bill Luddy, onetime Administrative Assistant to the President of UBCJ, argued that the construction industry was suffering from a critical shortage of skilled trades workers. The contractors, "having weakened the unions, are finding that they have no good alternative source of labor." Nonunion contractor associations have tried to overcome the prisoner's dilemma problem caused by training costs in a fluid labor market, creating common training funds, but couldn't get enough contractors to participate. Union training, Luddy said, was the only practical solution. <sup>54</sup>

The kinds of income- and risk-pooling functions that Malone proposes for guilds are likely to take on growing importance in a time of increasing unemployment and underemployment.

In addition, networked unions might serve as platforms for member enterprises, offering such services as insurance, crowdsourced finance, payroll software, legal services, and cooperative purchasing and marketing.

There are venerable precedents for this. According to E. P. Thompson, for example, "there are... a number of instances of pre-Owenite trade unions when on strike, employing their own members and marketing the product." This became even more true, G.D.H. Cole adds, as Owenism spread in the trade unions and "workers belonging to a particular craft began to set up Co-operative Societies of a different type—societies of producers which offered their products for sale through the Co-operative Stores. Individual Craftsmen,

<sup>51</sup> Thomas W. Malone, *The Future of Work: How the New Order of Business Will Shape Your Organization, Your Management Style, and Your Life* (Boston: Harvard Business School Press, 2004), pp. 84-87.

<sup>52</sup> Ibid., pp. 87-88.

<sup>53</sup> Wheeler, *The Future of the American Labor Movement*, p. 50.

<sup>54</sup> *Ibid.*, pp. 80-81.

<sup>55</sup> Thompson, Making of the English Working Class, p. 790.

who were Socialists, or who saw a way of escape from the exactions of the middlemen, also brought their products to the stores to sell."<sup>56</sup>

The first major wave of worker cooperatives in the United States, according to John Curl, was under the auspices of the National Trades' Union in the 1830s. <sup>57</sup> Like the Owenite trade union cooperatives in Britain, they were mostly undertaken in craft employments for which the basic tools of the trade were relatively inexpensive. From the beginning, worker cooperatives were a frequent resort of striking workers. <sup>58</sup>

This was a common pattern in early labor history, and the organization of cooperatives moved from being purely a strike tactic to providing an alternative to wage labor. <sup>59</sup> It was feasible because most forms of production were done by groups of artisan laborers using hand tools. By the 1840s, the rise of factory production with expensive machinery had largely put an end to this possibility. As the prerequisites of production became increasingly unaffordable, the majority of the population was relegated to wage labor with machinery owned by someone else. <sup>60</sup>

Most attempts at worker-organized manufacturing, after the rise of the factory system, failed on account of the capital outlays required. The Knights of Labor, in the 1880s, undertook a large-scale effort at organizing worker cooperatives. Their fate is an illustration of the central role of capital outlay requirements in determining the feasibility of self-employment and cooperative employment. The K. of L. cooperatives were on shaky ground in the best of times. Many of them were founded during strikes, started with "little capital and obsolescent machinery," and lacked the capital to invest in modern machinery. Subjected to economic warfare by organized capital, the network of cooperatives disintegrated during the post-Haymarket repression.<sup>61</sup>

The defeat of the Knights of Labor cooperatives, resulting from the high capitalization requirements for production, is a useful contrast not only to the artisan production of earlier worker co-ops, but to the potential for small-scale production today. The economy today is experiencing a revolution as profound as the corporate transformation of the late 19th century, but in the opposite direction. This time around the original shift which brought about large-scale factory production and the wage system—the shift from individually affordable artisan tools to expensive machinery that only the rich could afford to buy and hire others to work—is being reversed. We are experiencing a shift from expensive specialized machinery back to inexpensive, general-purpose artisan tools. And the monopolies on which corporate rule depends, like so-called "intellectual property" law, are becoming less and less enforceable. Another revolution, based on P2P and micromanufacturing, is sweeping society on the same scale as did the corporate revolution of 150 years ago. But the large corporations today are in the same position that the Grange and Knights of Labor were in the Great Upheaval back then: fighting a desperate, futile rearguard action, and doomed to be swept under by the tidal wave of history.

The worker cooperatives organized in the era of artisan labor paralleled, in many ways, the forms of work organization that are arising today. Networked organization, crowdsourced credit and the implosion of capital outlays required for physical production, taken together, are recreating the same conditions that made artisan cooperatives feasible in the days before the factory system.

In the artisan manufactories that prevailed into the early 19th century, most of the physical capital required for production was owned by the work force; artisan laborers could walk out and essentially take the firm with them in all but name. Likewise, today, the collapse of capital outlay requirements for production

<sup>56</sup> G.D.H. Cole. *A Short History of the British Working Class Movement (1789-1947)* (London: George Allen & Unwin, 1948), p. 76.

<sup>57</sup> John Curl, For All the People: Uncovering the Hidden History of Cooperation, Cooperative Movements, and Communalism in America (Oakland, CA: PM Press, 2009), p. 4

<sup>58</sup> Ibid., p. 33.

<sup>59</sup> *Ibid.*, p. 34.

<sup>60</sup> *Ibid.*, pp. 35, 47.

<sup>61</sup> Ibid., p. 107.

has created a situation in which human capital is the source of most book value for many firms; consequently, workers are able to walk out with their human capital and form "breakaway firms," leaving their former employers as little more than hollow shells.

## XIII. Virtual States as Phyles: Hamas, Etc.

John Robb argues that virtual states like Hamas sometimes outcompete hollowed-out conventional states in providing services to subject populations.

Many terrorist networks have developed complex and sophisticated systems that provide important social services to their supporters.

These terrorist social networks thrive in the vacuum created by a failed state. A good example of this is Hamas.... Since its founding in 1987, Hamas has proven to be a well run counterweight to Yassar Arafat's corrupt Palestinian National Authority.... Hamas runs the following services...:

- 1) An extensive education network
- 2) Distribution of food to the poor
- 3) Youth camps and sports
- 4) Elderly care
- 5) Funding of scholarships and business development
- 6) Religious services
- 7) Public safety
- 8) Health care...

The rise of terrorist social services indicates that the loose networks that power terrorist military organizations can also replicate the social responsibilities of nation-states. As a challenger to the nation-state system, this capability speaks volumes.

This leads me to think that there is a generalized ("business") model that can be derived for fully developed terrorist organizations operating in failed states. <sup>62</sup>

May's dispute between the Lebanese government and Hezbollah is an interesting example of the contest between hollow states and virtual states over legitimacy and sovereignty. As in most conflicts between gutted nation-states and aggressive virtual states, Hezbollah's organic legitimacy trumped the state's in the contest (an interesting contrast between voluntary affiliation and default affiliation by geography). The fighting was over in six hours.<sup>63</sup>

### XIV. Eugene Holland: Nomad Citizenship

Eugene Holland proposes "nomad citizenship" as a way of deterritorializing citizenship and organizing citizenship functions outside the state.

But the point of combining nomadism with citizenship in this way is to smash the State's territorializing monopoly on belonging and redistribute it globally, in alternative or minor forms of sociality both within and beyond the boundaries of the State....

A question inevitably arises, however: why keep the term *citizenship* at all, if the point is to radically detach it from the nation-State? For one thing, citizenship defined in relation to the nation-State is, in

<sup>62</sup> John Robb, "THE TERRORIST SOCIAL NETWORK," Global Guerrillas, April 7, 2004

<sup>&</sup>lt;a href="http://globalguerrillas.typepad.com/globalguerrillas/2004/04/terrorist\_organ.html">http://globalguerrillas.typepad.com/globalguerrillas/2004/04/terrorist\_organ.html</a>.

<sup>63</sup> John Robb, "HOLLOW STATES: LEBANON," Global Guerrillas, May 17, 2008

<sup>&</sup>lt;a href="http://globalguerrillas.typepad.com/globalguerrillas/2008/05/hollow-states-l.html">http://globalguerrillas.typepad.com/globalguerrillas/2008/05/hollow-states-l.html</a>.

historical terms, a fairly recent and specific version of a much broader phenomenon, often involving cities or municipalities instead of states.<sup>64</sup>

The most urgent reason to retain the term "citizenship," Holland argues, "is to break the State's despotic command over social belonging."

Besides deterritorialization, Holland's nomad citizenship—like the phyle—is associated with networks and virtual community.

Can virtual communities and anonymous trading networks institute forms of distributed decision making and collective intelligence, establishing and occupying a new erth on the self-organizing plane of a world market free from capitalism's infinite debt?<sup>66</sup>

Holland's nomad citizenship—again, like the phyle—is an organizational framework for supporting economic secession from neoliberal capitalism. Hence it is paired with two other concepts: "free market communism" and "the slow-motion general strike." Holland, referring to Walter Benjamin's analysis of the general strike, treats it as a means of seceding from the system rather than changing it.

Most forms of rebellion... repeat the alegitimate violence accompanying the founding of any new social order in their attempt to overthrow the old. Most strikes, meanwhile, are also violent..., inasmuch as they seek to extort benefits from and within the existing social order. The general strike is exceptional for Benjamin: it is not violent because it is not an act; it is a nonact, a refusal to act (and a refusal to extort), a withdrawal of labor; it is a concerted disengagement from, rather a violent counterengagement against, the old social order.... However, for the general strike to point to some kind of strategy rather than remain just an eternal ideal or a short-lived symbolic gesture, there would have to be some way to sustain such a strike. This is one index of the importance of identifying and exploring viable and actually existing alternatives to the capitalist domination of the market economy....<sup>67</sup>

In the nomad citizenship model, the form of networked organization resembles David Graeber's anarchist concept of "horizontalism," as well as being reminiscent of Saint-Simon's "replacing the government of persons with the administration of things":

Looking back from our present-day "information society," it is easy to see that much of [Mary Parker] Follett's importance and influence stems from her very early recommendation that "fact-control" would become far more crucial than "man-control," that the management of information would become at least as important as the management of people. The importance of information management is in turn related to what Follett called the principle of *depersonalization*. One instance of this principle we have already seen: important functions are no longer the permanent prerogative of an individual figure (such as a conductor or CEO) but instead circulate among members of the group. Even more important, authority in a given situation... does not reside in an individual or a position but in the situation itself: "One *person* should not give orders to another *person*," she insisted, "but both should agree to take their orders from the situation."... In a prescient formulation of what we now call bottom-up or emergent self-organization, she maintained that "legitimate authority flows from co-ordination, not co-ordination from authority."

Holland also describes nomad citizenship as "deconstruct[ing] the boundaries that separate the State from civil society," in much the same way that Proudhon (in *General Idea of the Revolution in the XIX Century*) envisioned dissolving the state into the social body.

<sup>64</sup> Holland, Nomad Citizenship, xv-xvi.

<sup>65</sup> *Ibid.*, xviii-xix.

<sup>66</sup> Ibid., p. 29.

<sup>67</sup> *Ibid.*, p. 63.

<sup>68</sup> Ibid., pp. 66-67.

<sup>69</sup> Ibid., p. 146.

The "free-market communism" practiced by nomad citizens, networked in associations to participate in a non-capitalist world market, is characterized by microfinance/microcredit, currency as a means of exchange rather than a store of value, a regard for the common good of nomad citizens, distributed intelligence, and the replacement of capitalist ownership and wage labor with the cooperative organization of production.

...immanently self-organizing work groups, also known in this context as production cooperatives.... Only self-organizing—that is, self-managed and self-owned—production cooperatives put an end to both the exploitation and the alienation entailed in wage slavery as well as the subordination and alienation entailed in (even socialist) State citizenship.

Free-market communism, then, forms a multiplicity of multiplicities..... The groups themselves self-organize immanently, of course, but they also provide an alternative means of self-provisioning outside the circuits of capitalist labor markets and retail markets. These groups are interconnected, then, by truly free—and, where possible, digitally enhanced—nomad markets: markets that are free from the imposed standards of labor value and the infinite debt and that provide distributed-intelligence collective decision-making procedures that arrive at...the Common Good horizontally or bottom up rather than top down.... At the same time, free-market communism salvages the "general social knowledge" embedded in fixed capital, mobilizing it in the pursuit of aggregated Common Good rather than for the sake of private capital accumulation.<sup>70</sup>

### XV. Producism/Producia

Drew Little brought Producism to my attention under the name "Build a New Economy" project.

Producism is an evolutionary economic model that has the goal to help everyone become an impactful social entrepreneur to eventually self-actualize. (*Theory*)

Producia is a fun, barter-based marketplace by and for social entrepreneurs. It's a Marketplace, Social Network, and Startup Incubator all-in-one. (Practice)<sup>71</sup>

According to the Producia Presentation at Google Docs, Producia's goal is to "Foster the Evolution of a New Economy" by these means:

- Money becomes an accounting unit aka Barter Dollars
- Enterprise becomes a for-purpose company
- Education becomes Producer-focused
- Social Networking becomes driven by epic meaning<sup>72</sup>

The system is built on a digital barter system as its basic architecture. It also includes a large element of "gamification" for teaching new members how to participate in the economy.

There's also a slideshow, "Producia: Welcome to the New Economy." It presents the New Economy, ultimately, as a way of achieving self-actualization in terms of Maslow's hierarchy of needs. In the existing economy, most of the money flows center on the financial system rather than production for use.

Likewise, "there's not enough money circulating in our economy to supply everyone's needs." It's the age-old problem of overaccumulation and underconsumption, in which money is redistributed upward from classes with a high propensity to consume to classes with a high propensity to save and invest. So you have a chronic glut of investment capital without a profitable outlet, a chronic crisis of excess production capac-

<sup>70</sup> Ibid., p. 140.

<sup>71 &</sup>lt;a href="http://www.producism.org">http://www.producism.org</a> Accessed February 23, 2012 <>.

<sup>72 &</sup>quot;New Producia Presentation (Outline) <a href="https://docs.google.com/document/d/">https://docs.google.com/document/d/</a>

<sup>1</sup>b5riaj9w\_IagwsvMpWfAfi6s1IwlrUZfGyi\_qbJqH6c/edit>.

<sup>73 &</sup>quot;Producia: Welcome to the New Economy by Drew Little on Prezi" <a href="http://prezi.com/zca0g9br-3em/producia-welcome-to-the-new-economy/">http://prezi.com/zca0g9br-3em/producia-welcome-to-the-new-economy/</a>.

ity, and expedients like FIRE Economy pyramid schemes to soak up the excess money. Meanwhile people with productive skills and consumption needs can't complete the circuit because there's "not enough money." The solution, Little says, is to turn money into "numbers measuring our time & energy instead of being a thing or a commodity."

The dominant form of enterprise operating on this platform is the Social Enterprise Cooperative, which is fostered by startup incubators. Social networks bring like-minded people together to form enterprises, with their actions coordinated through the Producia game. "Producia is a not-for-profit, fun, barter-based marketplace/social network/startup incubator all-in-one, that is by & for social entrepreneurs."

## **XVI.** Emergent Cities

Seb Pacquet's idea of "Emergent Cities" is another good example of a deterritorialized network acting as a support platform for participants:

I think we're about to see the emergence of *a new way of conducting innovation that operates quasi-independently of the current money system*.

In other words, where conventional thinking tells us that investing money in research and development is *the* way to get innovation, we're putting together a means of innovating whose chief requirements are things like **time**, **imagination**, **knowledge**, **initiative** and **trust**, with money moving from primary to secondary concern.

What I see emerging is **a set of tools and customs** -- cognitive infrastructure, when you think about it -- **that will give us the necessary scaffolding to grow a multitude of virtual "cities".** These cities will bring together people with shared values and orientations towards the future, and who are in a position to collaborate to bring something new into the world. They are part and parcel of the burgeoning Relationship Economy.

No current-day structure really corresponds to this kind of "city". Is it a school? Is it a business? Is it a bank? A venture capital fund? An economy? Is it a lab? An incubator? Is it a creative space? Is it a living space? A community? A network?

### It is all of those at the same time....

Every emergent city is different from the others. Some are hidden and closed, some are visible and wide open, others are somewhere in the middle. When you scratch the surface, **each is ultimately defined by some kind of organizing principle: its "social DNA"** - a set of agreements, perhaps an ethic or even an aesthetic that you have to abide by to be a participant.

Some of them even have *reprogrammable* DNA, which lets them adapt to changing circumstances.

Although some emergent cities may be physical, most of them are virtual and not tied to a particular location. This lends them a very important property that physical cities don't have - you can easily inhabit several at the same time.

Just like individual people, cities have reputations; emergent cities too. There's a fractality to it. There are roads, bridges between cities; they interact with one another. Currency/reputation in one might help get you somewhere in another.

Some offer such a favorable environment for creatives that they act as 'strange attractors' for talent, driving a virtuous circle of growth and innovation.<sup>74</sup>

<sup>74</sup> Sebastien Paquet, ""What Are Emergent Cities"? *Emergent Cities* <a href="http://emergentcities.sebpaquet.net/what-are-emergent-cities">http://emergentcities.sebpaquet.net/what-are-emergent-cities</a>

#### XVII. The Incubator Function

One function of the phyle that receives comparatively less attention—De Ugarte gives it more attention than anyone else—is the incubation function of a networked economic platform. The resilient community, as a local component plugged into the networked platform, needs a way to generate the formation of new local enterprises.

The incubator function within a networked platform architecture is somewhat different: the new enterprise is being incubated, not as a venture capitalist would launch a conventional start-up as an entirely separate firm in its own right, but as a member of an existing community or solidaritarian network.

there's no capitalizing on expectations of capital gains and expansions, simply because the key to the model is that the company must always be property of community members. Although it can be financed in a complementary way, investors shouldn't have a speculative view of the stock; its profitability will come from distributed surpluses, not from the sale of their shares to new investors in successive capitalization rounds....

...[T]here's nothing that benefits a community company more than taking advantage of the existing commons, like free software, business models, ideas... and above all, there's nothing better than creating it on the basis of interaction with peers.<sup>75</sup>

This function is vital, because each new enterprise increases the autonomy and resilience of the local economy through what Jane Jacobs called "import substitution," and contributes to the "economies of scope" of the whole system. As John Robb explains, they meet community needs within the platform while, in some cases, generating revenues for the community. Most analyses of the incubation function focus on financing mechanisms, but this is far from sufficient. The networked economic platform must actively foster the formation of enterprises by its members.

What's a standard incubator do? It's a company that provides the following:

- \* A common place to work. The more start-ups the better. This places start-ups in close proximity to each other so that they can share ideas, opportunities, and expertise....
- \* Access to financing. In the traditional world, this meant Venture Capitalists. In the emerging world, its a combination of online community financing (Kickstarter, etc.) and community groups (local-vesting).
- \* Technology support. From servers and rack space to networking and security. This is getting very inexpensive.
- \* Recruiting. In-house human resources and head-hunting. New models would include community formation.
  - \* Mentoring. Executives and experienced professionals available to help.
  - \* Basic office services from legal to accounting to financial management to public relations.

The Resilient Community Incubator

While the services of the standard incubator are a good start, a resilient community incubator could have the following:

- \* A maker-space replete with common tools, work space, and 3D fabrication equipment.
- \* Space for advanced food processing businesses from micro-dairies to a commercial kitchen.
- \* An open business ecosystem that allows smaller companies to tap into excess heat and materials used by a larger production process (think in terms of Chicago's "Back of the Yards").
- \* Mentoring by experts in animal husbandry to permaculture optimization to additive manufacturing.

<sup>75</sup> David de Ugarte, "A Community Company Incubator," *Las Indias in English* January 29, 2013 <a href="http://english.lasindias.com/a-community-company-incubator/">http://english.lasindias.com/a-community-company-incubator/</a> Translated by Steve Herrick.

\* A shared co-op training system, that helps people become successful at participating in employee owned and co-op businesses.

Hey, if we can get this right, it will make it MUCH easier for people to invest in local start-ups since an incubator would reduce uncertainty and risk. That would make it possible for people to invest pension funds and 401ks into local businesses that they can use every day, rather than global boondoggles. <sup>76</sup>

**Impact Hub.** The Impact Hub network<sup>77</sup> began in 2005 with its first Hub in London, and has (as of November 2015) Impact Hubs in 73 cities around the world, and plans underway to open them in twenty more; it has 11,000 members in 49 countries. Each Impact hub is a combination innovation lab, business Incubator and social enterprise community center. Over 400 start-ups were created in Impact hubs in 2012, and 750 in 2013, with 3500 full-time jobs.

**Grow Venture.** The Grow Venture Community is a global distributed network for organizing crowdfunding of startups, as an alternative to banks and venture capitalists. The people creating the companies of the future will be the 99%, not the rich.

There is a significant body of evidence that shows us that participatory, open, socially orientated connected platforms—can be built cheaply, operate differently to conventional models of organisation—which can outperform these large siloed incumbents....

GrowVC believes an important part of that mission is to make the platform and ecosystem open to all parties to develop services and businesses on top of the technical and legal framework which has been created. GrowVC's vision is that they want to see 3rd parties able to run successful business by utilizing the GrowVC platform and tools.

To date the Grow Venture Community and micro funding network has grown to over 11,000 entrepreneurs, investors and experts from 200 different countries. Its platforms exist in Chinese, German and Portuguese. Funds of up to \$2/3m have been raised.

Grow is running a partner programme in 70 US American campuses which I suggest we will see evolve rapidly over time.<sup>78</sup>

**Unmonastery.** Unmonastery, an offshoot of the EdgeRyders group in Europe, is sort of midway between the networked economic platform and the local business incubator. Kelly McCartney describes it as a combination of coworking, cohousing and hackerspace.

An unMonastery... brings together a group of specifically selected thinkers, hackers, and makers to serve the greater good of the surrounding community.

The dearth of affordable housing has prompted all sorts of innovative solutions all across the world. It's fitting, then, that austerity-riddled Europe -- a land where monasteries have a rich history -- is where the unMonastery has taken shape.... The historical role of the monastery in Europe involved a range of features, including:

- A physical place building or set of buildings;
- Set within or nearby a community;
- Members committed to a particular way of being within their home;
- And to helping and serving the community that they were located in.

<sup>76</sup> John Robb, "Start-up Incubators for Resilient Communities?" *Resilient Communities*, April 11, 2012 <a href="http://www.resilientcommunities.com/start-up-incubators-for-networked-resilient-communities/">http://www.resilientcommunities.com/start-up-incubators-for-networked-resilient-communities/>.

<sup>77 &</sup>lt;http://www.the-hub.net/>

<sup>78 &</sup>quot;The NEXT Silicon Valley is not a place it's a platform," *NSL Blog*, December 17, 2011 <a href="http://www.no-straight-lines.com/blog/the-next-silicon-valley-is-not-a-place-its-a-platform/">http://www.no-straight-lines.com/blog/the-next-silicon-valley-is-not-a-place-its-a-platform/</a>.

The unMonastery is an an effort to serve both housemates and the local residents "by enabling a process of co-creation and co-learning between the community and unMonasterians." Bringing new resources and sharing existing ones in communities where they are lacking allows for native solutions to arise.

The unMonasterians, somewhat free from the burden of income generation, devote their talents to regenerating decrepit infrastructure while building resilient communities.<sup>79</sup>

It basically reproduces the functions of the traditional medieval monastery:

unMonastery embeds committed, skilled individuals within communities that could benefit from them, by opening a space within that locality as a base for those individuals.... The intent is to reproduce the best of the social functions of the traditional monastery: giving its members a greater purpose, a chance to develop deep relationships with one another through living and working together, and a degree of freedom from the need to generate personal income in order to live for the duration of their stay. Most of all, it exists to serve the community, providing what would benefit it most.

Communities with a prospective site can contact the project, sharing the details of the physical location itself, the needs and assets of the community, and what support can be offered. The location must accommodate at least 10 individuals and be minimally liveable, electricity, shelter, water and internet; but may be in need of work to improve it. Potential members are then matched to that offer based on availability and fit to the conditions, and the site can begin to become a reality.

Members commit to up to 18 months involvement, and each new unMonastery site begins by gaining an understanding of what the community needs. The running and conduct of internal and external activities is guided by best practice accrued by the unMonastery project network, but is ultimately autonomous, selected by the members in that location. Members can expect to work hard, experience long days and face many challenges in the course of their stay.

Activities are contingent on the location. They could include

- · Advice and support on repurposing community spaces
- Building an Urban Garden and Permaculture Development...
- Developing different methods of local exchange
- · Work Shopping technical skills based on skillsets of unMonastery residents

At the end of the run of the unMonastery, the local community is consulted as to what should happen next. Perhaps the activities begun will be continued in the hands of the local people alone, or new ideas have begun to develop for a new wave of activities. 80

The unMonastery is a response to a specific set of "pressing social issues that are becoming increasingly ubiquitous throughout Europe":

large numbers of empty and disused housing stock, brain drain from provincial towns or cities and most hauntingly the dramatic reduction in services as a result of growing austerity cuts.... unMonasterians practice lifestyle innovation to be able to support ourselves and our peers in helping communities unlock their transformative potential and surface hidden, underutilised or wasted resources....

The project is unique in that it draws from a large pre-established network of highly skilled and motivated individuals known as EdgeRyders. Edgeryders is an international community of more than 1300 members (of whom 150 are very active) that assembled itself in 2011 as a "distributed think tank" of citizen experts advising the Council of Europe on European youth policy.<sup>81</sup>

The first unMonastery pilot project has been established in the town of Matera, Italy.

<sup>79</sup> Kelly McCartney, "unMonastery: Where Co-Living, Co-Working, and Hacking Collide," *Shareable*, December 12, 2013 <a href="http://www.shareable.net/blog/unmonastery-where-co-living-co-working-and-hacking-collide">http://www.shareable.net/blog/unmonastery-where-co-living-co-working-and-hacking-collide</a>.

<sup>80 &</sup>lt;a href="http://unmonasterv.eu/">http://unmonasterv.eu/>.

<sup>81 &</sup>lt;a href="http://unmonastery.eu/index.php/goals/about/">http://unmonastery.eu/index.php/goals/about/</a>>.

A possible venue has been singled out. It is a former call center, property of the city itself: renovated, used for a few years, then abandoned again, but still in good condition. It is fully wired; the bathrooms are quite new and in good condition. It is a huge space, resulting from connecting several ancient buildings more or less embedded in each other; it is around 3000 square meters. 82

#### XVIII. Mix & Match

On top of all the previous models of networked platforms, and particularly those supporting local communities on a modular basis, we can also throw in one more possibility: networked organizations forming partnerships with other networks, and local communities forming partnerships with a number of networked support platforms.

P2P culture will help to establish many strong, self-reliant economies at the local geopolitical (or Ecopolitical) level by forming partnerships between the P2P guilds, leagues, etc. and progressive local communities. These partnerships will maximize economies of scope via open, peer processes such as peer production and crowd-sourcing. These p2p/geopolitical or p2p/eco-political partners would also become increasingly confederated with their counterparts bio-regionally, nationally, and globally.

There may be cases where such partnerships fuse into indivisible p2p entities and cases where they do not. Regardless of that, the objective is to weave the influence of p2p culture into the geopolitical fabric of the planet, concentrating first at the the local level, at the most receptive local geopolitical "nodes," and then spreading outwards. The levers which p2p culture will employ in this effort will be open knowledge, expertise, and methodology that will enhance the comparative advantages and capabilities of the geopolitical partners in contrast with those geopolitical entities which do not embrace the p2p partnership. In effect, p2p culture will come to the rescue of local entities that give us access. At the same time, we will redirect the public policies and practices of our geopolitical partners towards open and sustainable operations.<sup>83</sup>

[Last modified December 4, 2015]

<sup>82 &</sup>lt;a href="http://unmonastery.eu/index.php/goals/matera/">http://unmonastery.eu/index.php/goals/matera/</a>.

<sup>83</sup> Poor Richard, "Guilding the Lilly," Poor Richard's Almanack 2.0, November 15, 2013

<sup>&</sup>lt;a href="http://almanac2010.wordpress.com/2012/11/15/guilding-the-lilly/">http://almanac2010.wordpress.com/2012/11/15/guilding-the-lilly/>.