



WHO OWNS THE FUTURE?



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” The battle for immaterial property in many ways resembles the peasant uprisings of yore. The lords owned the land, and farmers had to pay for the right to farm it. In this way, the lords could earn a lot of money without moving a finger, simply because a distant ancestor had laid claim to a piece of land. At times the lords got too greedy, and then the farmers would rise up, send the lord packaging, and take the land as their own – until the king’s soldiers put them back in their place

[Read more page 9](#)



Who owns the future?

Who owns the future? This is the question we ask in this issue of FO/Futureorientation, referring to legal intellectual property rights, which try to prevent people other than the originator from using the idea, the system, the method, the product, the work, or the invention of which the originator claims exclusive ownership. This legal protection of intellectual products is enforced by, among other mechanisms, copyright law. It is from this that we have the famous © symbol that graces the front page.

The copyright symbol is American and thus has little to do with the European tradition. However, the copyright symbol may be the strongest signal in the world for the idea that ‘somebody owns the right to something’, and in reality the differences between the American and European traditions aren’t central here. The central issue, which is interesting to consider, is the attitude behind any kind of protectionism – whether it is expressed in one system of legislation or another. Is all this protection always sensible? Does it benefit our society today, and does it benefit the development of our society? Or is it perhaps, on the contrary, a barrier to development? These are the questions we raise, and we ask them about any system that grants rights to a few at the cost of the community.

The future only becomes possible if there is development. If not, the future equates to the present because *time* as a phenomenon can only be measured by change. Hence, at any time, *development* is the key ingredient. As human beings, we are masters of part of this development, and human technological and cultural development is driven by innovations and inventions created for the common good.

There are countless examples of inventions that have brought humanity a small or a big step forward – inventions that have *only* become as common as they are because the inventor *didn’t* patent the idea. The Beatles could hardly have existed (and enjoyed their copyright to “Yesterday” and many other songs) if the modern acoustic guitar hadn’t been developed in the 1830s. It was developed by Christian Fredrick Martin (born 1796), who invented the panels on the inside of the cover, which distribute the sound differently from the traditional guitar (a smaller and far less popular instrument for which very little music has been written).

“The placement of the panels is simply perfect – at least nobody in the last 150 years has found a better way to do it,” the Danish agent for the guitar brand *CF Martin* informs us (for, yes, Christian Frederick Martin’s guitars are still produced)¹.

Naturally, the point is that Martin didn’t patent his invention, and for this reason his idea spread across the world – without ever being delayed by patent periods. The modern acoustic guitar was a reality, and with it, the road was paved for the far later Beatles – and with them, Bob Dylan, Eric Clapton ... make your own list! If Martin instead had thought in protectionist terms, the development would most likely have been slower. And who knows? Perhaps the modern acoustic guitar would never have become the world-spanning success it is. Taking a broader view, the point is what Sir Isaac Newton (discoverer of, for example, the Law of Gravity) in the 1680’s expressed in his famous claim that, if he had “seen a little further” than others, it was because he was “standing on the shoulders of giants.” In other words: Newton was nothing if not for thinkers such as Tycho Brahe or Johannes Kepler, just as Albert Einstein was nothing without Newton. All great minds and all great inventions build on contributions from many others. Human insights and inventions are always links in a chain.

There are numerous other examples of inventions and ideas that weren’t patented or protected by copyright or trademarks and which, for that reason, became the common property of all. The American inventor, politician, and polymath Benjamin Franklin invented, for instance, the lightning rod,² and Marie Curie, the Polish-born French chemist and Nobel laureate, developed the process of enriching uranium.³ Neither made any money from their inventions, which they wanted to spread and multiply for the benefit of society.

Science has a tradition of sharing (which Klaus Æ. Mogensen writes about, among other things, in his article page 9). Unfortunately, the commercial industry does not. These are two logics that don’t harmonize. The code of science is (in the Luhmann sense) ‘true/false’, while the code of industry is ‘profitable/unprofitable’. Neither code is wrong; they just belong in different spheres of society. However, from the perspective of development, there’s no doubt which of the codes best serves society as a whole, and it isn’t the industrial one. It is the narrow focus on profits that drives development towards more patents and more protectionism, which prevents people from standing on the shoulders of each other. The business logic is, after all, about eradicating competitors, not helping them to their feet.

Not that there can’t be any good to come out of patents. From an economic perspective, it is understandable that an industry such as the pharmaceutical industry



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needs patent protection for a period in order to afford the expenses associated with developing a new drug. There would be no later income without development to begin with – that is logical enough. Patents function as an assurance of income – and as motivation for even beginning to develop an idea.

However, there is little doubt that the pharmaceutical industry takes great efforts to renew these patents, perhaps unreasonably; something that has earned pharmaceutical companies the colloquial name ‘patent capers’. These capers keep the cheap copy products off the market, to the economic disadvantage of the patients who rely on the drugs.⁴

The reason for disliking patent capers (and related phenomena) is that, once a patent has run out, the playing field is levelled. The patent holders have had their day of legalized monopoly, and now the recipe is out there for the common good – the monopoly has been broken.

A related complaint can be made against copyright – or rather, the widespread or exaggerated enforcement of it. Here, the subject isn’t inventions, but *works* (e.g. songs or books). Klaus Æ. Mogensen (page 9) and Henrik Moltke (page 14) write more about this issue – the latter as a representative of the global organisation *Creative Commons*, which makes it possible for the originator of a work to graduate her rights and hence act in a less protectionist manner.

Read also Cory Doctorow’s article, page 37, which describes how a few giant corporations – Amazon and Google – may eventually destroy the ways the world ‘talks to itself’ in a continual, cultural discourse by controlling the conditions under which creative works

are made, distributed, enjoyed, bought, and sold. This article is particularly interesting because it couples the phenomenon of patents with the related phenomenon of *monopoly*, and shows how both can hinder favourable social development. Here, too, the underlying question is: Who owns the future? Or as Doctorow expresses it: who gets to be the *gatekeepers*?

I hope you will enjoy this issue of FO, which has many contributions in and out of the central theme. By the way, this issue has been made available by a Creative Commons license, so feel free to share it with others,

Morten Grønberg,
editor



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notes

- 1 <http://www.akustikken.dk/profil/artikel.asp>
- 2 http://en.wikipedia.org/wiki/Lightning_rod
- 3 http://en.wikipedia.org/wiki/Marie_Curie
- 4 <http://www.information.dk/199716>

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form of a common worldview or set of values that makes for a cohesive society. However, this may be changing. *Christine Lind Ditlevsen* argues that, after an individualist golden age, community is coming back into vogue

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The future is in higher demand than before. There was a time when the Copenhagen Institute for Futures Studies more or less had future studies to itself. That's not the case any more. More and more people want to take part in illuminating the future – even at university level! This is probably because there's more money (sorry: appropriations) in it, and because the increasing pace of change has made the future more interesting.

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By Klaus Æ. Mogensen

The New Class Struggle

Do we need tighter regulation and better protection of immaterial goods? Or do we need to loosen regulation so we get freer access to use other people's creations? As the lines get drawn ever sharper, this debate increasingly resembles a new class struggle between the people and the reactionary men in power – this time with immaterial property rights as the battleground

► Peasant uprising in cyberspace

The battle for immaterial property in many ways resembles the peasant uprisings of yore. The lords owned the land, and farmers had to pay for the right to farm it. In this way, the lords could earn a lot of money without moving a finger, simply because a distant ancestor had laid claim to a piece of land. At times the lords got too greedy, and then the farmers would rise up, send the lord packing, and take the land as their own – until the king's soldiers put them back in their place.

However, there are some significant differences in the fight for immaterial property rights (IPR). On the one hand, the holders of IPR have often created the property themselves and may thus have greater moral right to it than a lord who has inherited his land from an ancestor. On the other hand, there's a fundamental difference between material goods, such as farmland, cars and money, and immaterial goods, such as ideas, culture and digital products. The difference is that, if someone uses an immaterial good, this generally doesn't in any way prevent others from doing the same.

Today's uprising is occurring because immaterial property, in spite of the obvious differences, is increasingly handled legally in the same way as material property.

First, the duration of IPR protection is regularly extended. Currently, copyright in most Western countries lasts until 70 years after the creator's death (or, for works created by companies, until 95 years after publication). It is doubtful that even the creator's grandchildren will be alive after this time. Copyright holders end up like the lords that profit from their ancestors' work without having to move a finger themselves. It is also worth noting that, in general, it isn't the creators who wish to extend copyright, but rather big corporations and organizations in the music, movie and book industries.

Second, violations of copyright are increasingly treated as theft, even though there is a difference between stealing something physical, where you take it away from the owner, and making a copy (something the owner might not even notice). The argument is that, by making an illegal copy, you prevent the copyright holder from selling a legal copy. However, this argument is probably not valid. A Norwegian study from early 2009 shows that young people who share pirated music over the internet also buy about ten times as much music as those who don't deal in piracy.¹ The music that is pirated the most is also the music that is sold the most. Some use these facts to suggest that piracy actually stimulates physical sales of the copied music. But let us here merely acknowledge that piracy doesn't seem to hinder sales.

The point of IPR is to provide an incentive for new development, whether in technology, culture, design, or

software. The argument is that IPR ensures that they who have laboured to develop something are also the ones who will make money from it. This creates greater willingness to develop new ideas than a scenario in which others steal the results of our work and run away with all the profits. Few will probably deny that those who create a piece of work should also be rewarded for it – but does the argument hold water?

For the argument to hold water, two conditions must be true: first, IPR must in reality give incentives for new development, and second, it must in reality prevent others from stealing the results.

What promotes new knowledge?

Let us examine the first condition. No doubt many are encouraged to innovate in the hope of making money. This is of course true for commercial companies, but also for many independent artists and inventors. However, money isn't the only incentive for innovation. The majority of artists, inventors and scientists are driven by the urge to create or explore possibilities and, for many, the result of the work – and the recognition it brings – is reward enough as long as they can live comfortably. A decent, fixed income will, for many of us, be as good – or better – than the opportunity to possibly make a lot of money some time in the future. Through the centuries, scholars have conducted research and created countless innovations that have improved the lives of many without a need to make money from what they did (only in recent decades have universities been encouraged to patent their results).²

Another question is whether the hope of making money is the right incentive for research and cultural activity. It is rarely the most innovative artists that make the most money – the formula for financial success seems rather to be making a minor variation on something familiar and then applying decent craftsmanship. It is well known that the greatest artists – those who redraw the boundaries the most – rarely get recognition in their own lifetimes. If we look at companies, their financial imperative isn't to make the best possible product, but to make the product that will generate the greatest profits. For instance, a pharmaceutical company has greater incentive to develop a drug that the patient must take for the rest of her life than one that heals her once and for all (or worse, one that eradicates the disease for all time). Hopefully not many pharmaceutical companies think like that, but it is certainly problematic that we have an incentive system that encourages such a mentality.

Add to this that, even though IPR can encourage the development of new knowledge and new cultural products, it can also easily impede the further development of

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this knowledge and these products. Innovators and artists who make a lot of money on the rights to what they have already created have little economic incentive to create more. More importantly: IPR is a monopoly. A single person or company can decide if others are allowed to improve upon their knowledge or products. And there are countless examples of rights holders that, in order to maintain their monopoly, have made it difficult or even impossible to do so, even though this could create new knowledge or better products. The need to patent new discoveries and innovations also delays the publication and implementation of them. Studies have shown that university patents hamper research instead of promoting it, to the detriment of the global society as a whole.²

Finally, we must ask the question: how far into the future does it make sense to protect immaterial property rights if the point is to create incentive for innovation? The farther the profits from a new creation move away from the person doing the original work, the less incentive they provide. Is it of any great importance to artists and inventors that their possible great-grandchildren in the distant future will make money on their work? Would they not be happier to know that their creations could spread further in the future because no one could sit on them and limit their dissemination?

Can immaterial property rights really be enforced?

The other condition of the argument for immaterial property rights is that the right to knowledge, culture, design, and software will ensure that others do not steal the work and hence the profits. This may have been possible once, but in today's network society, it is naive to think that you can maintain exclusive control of a product if it can be digitised. Making copies of physical products is (still) rather difficult because there are enormous economies of scale in the mass production of physical things, particularly the more complex ones. The same cannot be said for digital products. Once something has been reduced to bits and bytes, it is trivial and almost free of cost to copy it and then distribute the copy. Once the cat is out of the bag, it is very difficult to stuff it back in – particularly if it breeds and you also need to catch all the kittens.

Regular attempts are made to protect digital products from illegal copying, typically through technical measures, the so-called *Digital Rights Management* (DRM). However, experience has shown that DRM doesn't hinder dedicated pirates, but simply makes life more difficult for legal buyers of the product, who among other things are prevented from making backup copies. The reaction has been to make it illegal to bypass DRM. This is rather bizarre – since it is already illegal to pirate copies, also



The question is: does it make sense to treat your customers like criminals? This doesn't do much to create a friendly relationship built on mutual trust and respect. As I wrote in an article back in 2001: If you treat consumers like criminals, the step to actually becoming criminals isn't a big one to take



Many factors suggest that immaterial property rights, as we know them today, have just about outlived their usefulness. The question then is: what should replace them? We need mechanisms to ensure that the best minds of our time can make a living from creating art, design, new knowledge, and technology for the benefit of all mankind

making it illegal to break DRM probably won't deter many pirates. The only thing that is achieved is to make it illegal for law-abiding citizens to make the copies they otherwise would be entitled to make. The question is: does it make sense to treat your customers like criminals? This doesn't do much to create a friendly relationship built on mutual trust and respect. As I wrote in an article back in 2001: If you treat consumers like criminals, the step to actually becoming criminals isn't a big one to take.

The entertainment industry has also tried to stamp down on piracy through enormous fines. Anti-pirate groups in many countries conduct raids on companies and youth clubs and charge sky-high 'stupidity fines'. The starkest example so far was when the American single mother Jammie Thomas-Rasset was fined almost two million dollars for having shared 24 songs.³ However, little suggests that such isolated cases deter people from piracy, so the industry is now trying something new.

After much lobbying, it has succeeded in persuading the French government to pass a law that commits internet providers to close the internet connections to households in which one resident has been charged with violating copyright three times. Such cases still have to go through court, but the judge will only get two to three minutes to evaluate each case and, as a starting point, the defendant won't get the opportunity to defend himself.⁴ The British House of Lords is preparing a similar law.

There is of course no excuse for crime, but shouldn't the punishment fit the crime? Is it fair to pay million-dollar fines or get thrown off the internet (which more and more people deeply depend on for their daily work or education) for having pirated a handful of songs or a few movies? Another question is whether you would even catch the true perpetrators. Must a landlord be punished if a lodger makes pirate copies? Should a library or internet café have their internet shut down because a guest has used their computers to illegally download a

file? Many wireless networks aren't password protected, making it easy for a neighbour to use such a network for illegal purposes.

It is also worth noting that the majority of the population in the Western world is guilty of violating IPR in one way or another. How many people can claim not to have a single copied version of a CD, a DVD, a piece of software, a book, or a trademarked design? We are often not even aware that we are violating IPR. The American Professor of Law John Tehranian has calculated that a typical internet user violates IPR to an extent that could lead to lawsuits of more than 12 million dollars – *every day*.⁵

Is it reasonable to criminalize everyday actions of normal citizens? This is not an easy question to answer, but it is obvious that it is practically impossible to enforce a ban on something that is so widespread. That would require authorities to conduct raids on most private homes, and there aren't the resources – nor hardly the political will – to do this.

Has time run out for immaterial property rights?

If we are to draw any conclusions from the above, they could be:

1. There's no clear evidence that piracy hurts legal sales
2. Immaterial property rights aren't the only – and probably not the best – incentive for innovation and original creation
3. It is practically impossible to enforce immaterial property rights
4. Violating immaterial property rights has become the norm for most people

Many factors suggest that immaterial property rights, as we know them today, have just about outlived their usefulness. The question then is: what should replace them? We need mechanisms to ensure that the best minds of our time can make a living from creating art, design, new knowledge, and technology for the benefit of all mankind. If IPR can't properly ensure this, what can?

In the old days, before the introduction of immaterial property rights, artists, researchers and inventors typically lived on private patronage, public support or from commissioned work. These financial models haven't lost their legitimacy. Many research institutions and artists are still supported by the state or by private sponsors, and many are paid for research or art for specific practical purposes.

It actually makes sense to pay a creator during the creative process, not after. Many potentially valuable inventions or works of art are never realized because the

creator can't afford to live while the process is underway – and then it doesn't matter whether money could possibly be made from their creation in the future. Of course, the question is: who gets to decide who will be supported and who won't. This is where the free market forces have a clear advantage: a small elite doesn't control the money.

Hence, one new business model is a mixture between patrons and free market forces. Several artists have begun charging money for creating new works, which then become freely available once they are finished (you can't prevent copying, anyway)⁶. Others publish their works on a regular basis, but invite donations that make it possible for them to continue their production. Neither of these business models is particularly effective at the moment, but they could become so in the future.

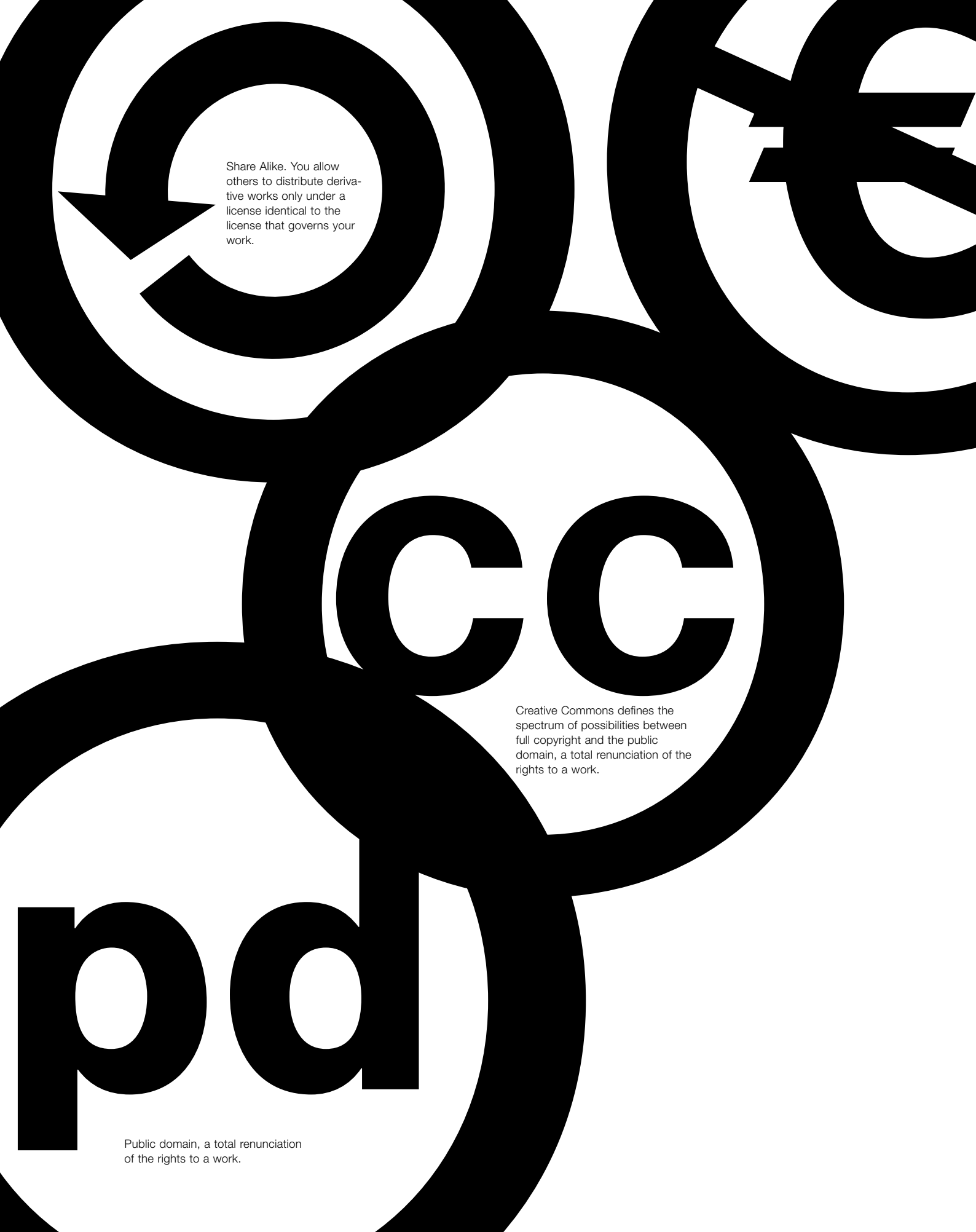
Perhaps the most important point to note is that, even though it has become increasingly hard to make money from mass-produced, digital products, there is still good business in creating unique products and experiences. While record sales have declined, the sale of concert tickets has increased – perhaps because more people know the musicians through free downloads or pirated CDs.⁷ Original art is worth more when more people have seen a copy. Writers can charge more for a live appearance the more people have read their books. Free, digital products are a cheap and easy way to advertise unique – and expensive – products and experiences.

We are living in a time of many changes, and during all times of change, there are class struggles between they who depend on the old ways and they who fight for the new. In our day, the fight for the right to knowledge and culture is one of these new class struggles. We don't yet know how the struggle will end, but it is certain that much will be different once the dust settles.

notes

- 1 www.aftenposten.no/kul_und/musikk/article3034488.ece
- 2 See e.g. www.nytimes.com/2008/09/07/technology/07unbox.html
- 3 www.wired.com/threatlevel/2009/06/riaa-jury-slaps-2-million-fine-on-jammie-thomas
- 4 www.laquadrature.net/en/yet-another-adoption-of-liberty-killer-three-strikes-law-in-france
- 5 John Tehranian: "Infringement Nation: Copyright Reform and the Law/Norm Gap", Utah Law Review, Vol. 2007, p. 537, 2007
- 6 See e.g. www.watt-evans.com
- 7 See e.g. www.tinyurl.dk/11617


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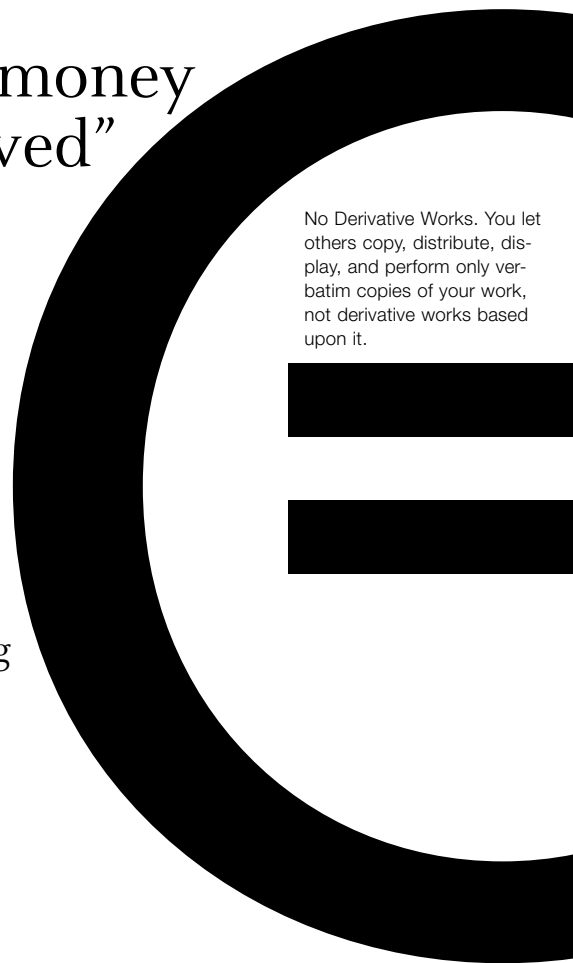


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By Henrik Moltke

Creative Commons: Myths, misunderstandings, and how 21st century companies can make money on “some rights reserved”

Creative Commons is a non-profit organization that has designed licenses which, in a simple manner, enables a creator to modify his or her copyright. “All rights reserved” becomes “some rights reserved”. However, according to the Danish project manager of Creative Commons, a number of misunderstandings and myths are circulating regarding the organization. Read on and get your myths busted.



No Derivative Works. You let others copy, distribute, display, and perform only verbatim copies of your work, not derivative works based upon it.

” Nobody takes anything from anybody without permission, and it doesn't affect anybody not wishing to give away rights. Creative Commons is a legal tool that, in a simple manner, makes it easy to signal what degree of copyright a creator wants. This makes it easy for others to use the work

► Creative Commons is a not-for-profit organization that offers a range of simple tools, enabling a creator (e.g. an artist or a researcher) to fully or partly share his or her work with others. Roughly speaking, the organization's tools cover the spectrum between full copyright – what we know as “all rights reserved” – and public domain, which implies a total renunciation of any rights.

Thus, a Creative Commons license lets a creator keep the rights to his or her work while inviting others to reuse or copy the work according to simple rules. Creative Commons calls this “some rights reserved”.

With a CC license a creator can, for example, choose simply to require that he be credited when his work is used, or deny commercial use of the work or derivative works based on it. This is a far more flexible protection of rights, with greater public utility, than “all rights reserved” because it provides greater leeway for individuals to share what's worth sharing and build upon the works of others.

Creative Commons is related to the cooperative movement

Interestingly, the history of a country such as Denmark means that it should have a good basis for understanding and using the Creative Commons philosophy. A central element of this philosophy is that we all become richer by sharing the resources that are suitable for sharing. Just consider such historic examples as the grazing commons that have given name to our country's shires, the cooperative movement, the public libraries and public schools, and not least the public service media. Also consider that Denmark is a country where respect for copyright is among the highest in the world and where, for example, the prevalence of unlicensed software use is lowest.






So how can it be that Denmark isn't also at the forefront when it comes to the digital commons (which by nature are far easier to share than the exhaustible, physical kind)? I believe this is in part because of a number of myths regarding Creative Commons! Let's look at some I have encountered in my time, especially among Danish companies (and particularly among those that primarily work with products protected by copyright).

MYTH #1: Creative Commons is “a sort of modern communism”

In 2005, Bill Gates was interviewed during the lead-up to the big annual consumer electronics fair in Las Vegas. The subject was, among other things, *blogs* – the big hit of the year – and why Gates didn't have one himself. During the interview, Gates was asked about his view of milder patent and copyright laws (something strongly promoted among bloggers). Gates answered:

”There are some new modern-day sort of communists who want to get rid of the incentive for musicians and moviemakers and software makers under various guises (...). The United States has led in creating companies, creating jobs, because we've had the best intellectual-property system–there's no doubt about that in my mind, and when people say they want to be the most competitive economy, they've got to have the incentive system.”¹

Even though Bill Gates was probably taking aim at elements in the open source and free-software community, rather than at Creative Commons specifically, the point is the same: copyright is good, more copyright is better! Gates was implicitly suggesting that anybody wanting to soften his or her copyright must be “a sort of communist”. Not surprisingly, this statement led to much hilarity and creative responses.

-  **MYTH #1:**
Creative Commons is "a sort of modern communism"
-  **MYTH #2:**
Creative Commons doesn't work in a country such as Denmark
-  **MYTH #3:**
Creative Commons is against or undermines copyright
-  **MYTH #4:**
You can do anything you want with material released under a Creative Commons license
-  **MYTH #5:**
Creative Commons limits the creator's own use
-  **MYTH #6:**
Creative Commons may work for nerds, bloggers and amateur photographers who share images on the web, but not for professionals and companies that must earn REAL money

The spokespeople of Creative Commons believe that copyright is necessary in order to create incentives and prevent unfair competition. However, we also believe that overly encompassing rules [for example: extended duration of protection, laws that limit use, digital rights management (DRM)] often impede development.

It is interesting that, since Bill Gates' statements above, Microsoft has continued to lose market share to Google. Google bases a large part of its business on open source and on giving products away, while making a fortune on others!

The idea that you – like in the world of scientific research – can build upon the work of others, as long as they allow this, is quite fundamental. There IS an ideological element in the movement that desires that it should also be easier to *remix* culture; that it should be legal to express yourself in sound and images and that copyright should accommodate this 'logic of the web'. However, the licenses themselves are ideologically neutral and have today become an important standard for individuals and companies that wish to take part in the online culture.

I will stake the claim that 99 percent of these individuals and companies are interested in making money. However, for some, this isn't the primary, overshadowing goal. Others emphasize that it should happen in a way that doesn't go against all common sense.

MYTH #2: Creative Commons doesn't work in a country such as Denmark

That Creative Commons shouldn't work in a country such as Denmark is, of course, rubbish. The licenses work well in Denmark. It is true that the licenses were originally adapted to American copyright and that globally

there are big differences in legal language and tradition. This is exactly why a network of volunteers has taken upon itself to adapt the licenses to different countries to make them easier to understand and use locally. Creative Commons has been translated and adapted to Danish law by a team of the country's leading copyright lawyers, led by Professor of Law Thomas Riis, CBS.

There ARE differences in the way copyright works in Denmark and the rest of the world. American copyright focuses more on economic rights than ethical/moral ones. The latter has more room in the so-called Continental European copyright tradition, of which Denmark is a part. However, in practice, this is of little matter to the user. The moral rights – such as the right to protest violating treatments of your work – aren't influenced by Creative Commons licenses. The advantages are that, as a creator, you know the licenses work alike everywhere and that, as a user, you have the same rights to the work no matter which country you're in.

Why then isn't Creative Commons used more in Denmark? One important reason is probably that many people simply don't know about Creative Commons and the philosophy behind it – and those that do know have hesitations. As a journalist and expert in digital culture, it is tempting for me to compare Denmark in 2010 with Gates' USA in 2005. For one thing, Denmark is a 'Microsoft nation', and large parts of the business community share Bill Gates' view of copyright: more is better. This is particularly the case among industries that feel threatened by the digital revolution: primarily, the music, publishing and movie industries.

However, spring is in the air. The hard line simply isn't profitable, and the winds from the United States (which typically reach Denmark with three to four years'



'Connect With Fans (CwF) + Reason To Buy (RtB) = The Business Model (\$\$\$\$).'

This business model has interesting implications far beyond the music industry, particularly for those that struggle with piracy

delay) increasingly align with the customers' desires for cheap or free content that is easily available. At the same time, the market and culture surrounding shared media are growing rapidly in Denmark. For now, Danes have thrown themselves at Facebook in particular, but blogs and photo-/video-sharing are also common. Here, many choose Creative Commons because it makes copyright easy to use and understand, and because it fits well with their needs.

MYTH #3: Creative Commons is against or undermines copyright

Unfortunately, a myth one often hears from people who should know better is that copyright is 'under pressure', and that any concession or approximation to the 'opponent's' ideas is a defeat. However, this is not true. Creative Commons is based on copyright. Without the rights that copyright provides the creator of a work, the creator can't choose to let go of some or all these rights to others through a license. This is precisely what a Creative Commons license does: it says, "I have the exclusive rights to this work, but now I give you (and all others) the right to use the work under certain terms." Nobody takes anything from anybody without permission, and it doesn't affect anybody not wishing to give away rights. Creative Commons is a legal tool that, in a simple manner, makes it easy to signal what degree of copyright a creator wants. This makes it easy for others to use the work. This is why, for example, KODA endorses the use of Creative Commons. (KODA is an abbreviation of Composer Rights in Denmark. The organization represents Danish and International copyright for composers,

songwriters and record labels when music is played publicly in Denmark. *Ed.*)²

MYTH #4: You can do anything you want with material released under a Creative Commons license

Since Creative Commons is based on copyright, you have the same rights and the same protection as bestowed by regular copyright. Granted, it is often difficult to prevent others from, for example, 'borrowing' photos on the internet – but with Creative Commons licenses, it is clear what a user may and may not do. In the real world, most problems are easily resolved. However, in the few cases that have ended in court, the licenses have been enforced. Hence, there's no reason to believe that all rights disappear just because you let go of *some*.

Nevertheless, it is true that Creative Commons cannot and will not enforce licenses – that is up to the individual rights holders, just as with regular copyright.

MYTH #5: Creative Commons limits the creator's own use

The creator retains all rights to his works and isn't limited by what license he has chosen. Hence, the myth that Creative Commons limits the creator's own use is wrong. It is, for instance, possible to make an electronic version of a book available on the internet under a so-called non-commercial license and still sell it in the local bookstore – but others aren't allowed to do the same.



MYTH #6: Creative Commons may work for nerds, bloggers and amateur photographers who share images on the web, but not for professionals and companies that must earn REAL money

This is the most important and, at the same time, the most difficult misunderstanding to vanquish, since companies often focus narrowly on *return of investment* (what profits an investment makes in the short term.) Why share something liberally at no cost with many people when you can sell it expensively to a few? This question has been examined by *Wired* editor Chris Anderson in the business bestsellers *The Long Tail* and, most recently, *Free*, which precisely looks at business models based on giving something - but not everything - away for free.

Perhaps the best examples of using Creative Commons as part of your business strategy come - not surprisingly - from the music industry. The American band *Nine Inch Nails* is one example (see fact box), and Danish *Tone* is another (see fact box). However, other industries are beginning to see the potential of Creative Commons and its underlying philosophy.

One example originates in the otherwise copyright-focused pharmaceutical industry. The international pharmaceutical company Merck & Co. has - in cooperation with *Science Commons*, a subsection of Creative Commons that makes it easier to share scientific data - donated a large database of disease biology, in addition to software resources, for free use by anyone. This first 'lump' of data will form the basis for a network through which scientists can come together and contribute to eradicating diseases. This will ultimately mean that, for example, a researcher working for a non-profit organiza-

NINE INCH NAILS AND 'THE BUSINESS MODEL OF THE FUTURE'

When the singer and multi-instrumentalist Trent Reznor - the frontman of Nine Inch Nails (NIN) - in 2008 released the Creative Commons-licensed album *Ghosts I-IV*, it earned more than a million Euros in the first week, even though the music could be copied freely and shared non-commercially. These figures contradict the most basic business wisdom, for why should anyone be interested in paying for something they could download at no cost, without fear of repercussions?

The answer is that NIN made it easier and more attractive to pay for the product rather than simply downloading it for free, and the band also gave something special to the fans that bought it.

For instance, in 2007, Reznor started experimenting with his fan base. Letter combinations on tour t-shirts led imaginative fans into an online parallel universe that fitted the lyrics like a puzzle. He also distributed USB keys with new, unpublished music to the toilets during concerts. When lucky toilet visitors came home and discovered what they had found, they - of course - immediately shared it with other fans on the internet.

In the words of the popular IT journalist Mike Masnick, Reznor had found "the following simple 'formula' that is the basis for making money in the music business (...) in the digital era:

Connect With Fans (CwF) +

Reason To Buy (RtB) = The Business Model (\$\$\$\$)"

This business model has interesting implications far beyond the music industry, particularly for those that struggle with piracy.

The trade association RIAA didn't much like Reznor's alternative way of spreading not-yet-published music. They reacted on behalf of the record company with take-down notices (which order the owner of a website to remove illegal content) to various fan sites - and hence threatened with large fines the very same fans who spread the music that Reznor leaked on purpose. Reznor got angry and argued publicly with his record company, because threats of lawsuits didn't exactly harmonize with the desire to Connect With Fans (CwF). When the CD with the leaked tracks was later released, fans discovered that it was made from a special material that changed colour from heat when played.

This was a gimmick, but still another clear Reason To Buy (RtB) - rather than just download the mp3 files. Reznor chose to gamble on "CwF + RtB = \$\$\$\$" and left his record company when his contract terminated. He started his own label, and it was from here he released the concept album *Ghosts I-IV*. It sold far beyond expectations and topped Amazon's list of most sold mp3 albums in 2008, even though it was fully legal to 'pirate' it.

”

Recently, my colleague Andreas Lloyd remixed Kevin Kelly's book *Out of Control*. Andreas loved the book, but thought it was too chaotic and too long, so he shortened and tightened it. A happy Kevin Kelly praised the remix, which was given the title *Bootstrapping Complexity*, and made it available under a Creative Commons license

”

Think about how quaint a traditional encyclopedia appears, now that we have Wikipedia. How much better would the world be if we allow education, entertainment, government, science and more to be transformed by the web?

tion in Brazil can use the same powerful computer tools in HIV research as the employees of Merck.

The project – called *Sage* – will over the next five years be developed into a platform for cooperative models whereby hundreds and potentially thousands of scientists can together solve a problem and at the same time ensure that the results are open for all to build upon. All the results that are protected by copyright are made available under the most liberal license, and research data follow Science Commons' protocol for openness.

You may ask why Merck has made this move. One answer is, of course, that there is an element of marketing and branding. However, it is also likely that Merck wishes to experiment and collect knowledge that later can be turned into profits. The company can, at minimal expense, contribute positively to markets where this is more advantageous than to sue 'pirates'.

TED – ideas spread because of free video

Another example of greater openness, realized through CC licenses, is the TED conferences (Technology, Entertainment, Design). The conferences were originally known for collecting the world's elite in business and research to share knowledge and inspiration behind closed doors. This took place under exclusive conditions

and by invitation only. Hence, in 2006, the TED organization was relatively unknown by the general public. Then came YouTube, and TED instantly saw its potential and began using video in a way that totally transformed the conference's image and brand. While TED was once a rather closed forum like *The World Economic Forum* in Davos (desired by many, hated by others for its elitist approach), it is today a megabrand encapsulated by the slogan "Ideas Worth Spreading" – a sort of Roskilde Festival for thinkers.

Today at TED.com, you can find more than 500 presentations by names such as Bill Clinton, Al Gore and Gordon Brown, all under a Creative Commons license. However, you can also find them on blogs, on iPods, in classrooms, and embedded in other people's presentations. Among the most seen and popular you will find relatively unknown scientists and entrepreneurs with an important or entertaining story to tell. One of the TED stars is the Swedish Professor of Public Health, Hans Rosling, who delivers PowerPoint, bubbles and animated curves about global health statistics with an enthusiasm very few sports journalists can match. Subtitles of high quality, written by the users themselves (like in Wikipedia, and also under a CC license), ensure that TED

presentations are seen by millions of people in more than 50 languages.

There are many other good examples of using CC to enhance openness and development. One such example is the science fiction writer and blogger Cory Doctorow (see his article on page 37, ed.), who makes his books available under a CC license and lets his users format them for all possible platforms, from Nintendo DX to Amazon Kindle. He is also on the *New York Times* best-seller list – for selling physical books. Danish Dan Larsen has followed in Doctorow's footsteps with his *Holger* novels and has assembled a horde of readers through free, chapter-by-chapter podcasts of the books. Recently, my colleague Andreas Lloyd remixed Kevin Kelly's book *Out of Control*. Andreas loved the book, but thought it was too chaotic and too long, so he shortened and tightened it. A happy Kevin Kelly praised the remix, which was given the title *Bootstrapping Complexity*, and made it available under a Creative Commons license.

And then, of course, there's Wikipedia, which in 2009 turned 100 percent to Creative Commons licenses. For instance, CC licenses are now used for Wikimedia, which allows over five million photos, sound files, and videos to be used freely, even for commercial purposes. When Wikipedia was founded, very few believed in the seemingly mad project of giving all people free access to

all the knowledge of the world. Today, the picture is very different.

Jimmy Wales, founder of Wikipedia and board member of Creative Commons, has said: "Think about how quaint a traditional encyclopedia appears, now that we have Wikipedia. How much better would the world be if we allowed education, entertainment, government, science and more to be transformed by the web?"

If we compare Creative Commons with the free software movement (and there are many good reasons to do so), it might take a decade before the idea reaches the critical mass necessary to really break through into the rather cautious Danish business community. However, this means that we now have an excellent opportunity to experiment and become experienced with the digital commons. The ground is fertile, and there's money to be made – for in the network society, it pays to be a good neighbour. In the words of pioneer Richard Stallman:

"If we don't want to live in a jungle, we must change our attitudes. We must start sending the message that a good citizen is one who cooperates when appropriate, not one who is successful at taking from others." (Stallman is the founder of the free software movement, ed.).

notes

- 1 Read the entire interview at www.tinyurl.dk/11696
- 2 www.koda.dk/eng

HENRIK MOLTKE is a Danish journalist and expert of digital media. He is a regular contributor to Wikipedia, contact person for Creative Commons in Denmark, and co-creator of the copyright-critiquing documentary *Good Copy Bad Copy* (2007). Henrik Moltke is also employed as an advisor to the company Socialsquare.

SOCIALSQUARE – which houses Creative Commons Denmark – offers strategic support regarding processes, products and tools for the social internet. Socialsquare thinks that it is easy for most to establish commentary fields or Facebook pages, but the real art is to engender participation and commitment from users and employees in a meaningful way that supports existing business.

CREATIVE COMMONS is a not-for-profit organization founded in 2001 by, among others, the IT and IPR experts James Boyle, Michael Carroll and Lawrence Lessig; professor Hal Abelson; IT law expert Eric Saltzman; and publisher Eric Eldred. The organization is international and is represented in more than 60 countries. Its tools cover the spectrum between full copyright ("all rights reserved") and public domain, which implies a total renunciation of any rights. www.creativecommons.org.

TONE: "PLEASE COPY THIS RECORD TO ALL YOUR FRIENDS"

Tone (Sofie Nielsen) – a young singer/songwriter and producer from the Danish city of Aalborg – got a smashing start with her debut album "Small Arm of Sea", which was the first major Danish Creative Commons music release. With the tag "Please copy this record to all your friends", the album received massive attention, even outside the nation's borders. Tone was the first in the world to release her music under a Creative Commons license with backing from a management company. In practice, this meant that Tone's fans and others could openly download the album for free, while royalties from commercial use was handled traditionally through KODA. A number of leading international blogs spread the news, and more than 6000 people downloaded the album for free the first day – until the little record com-

pany's server broke down. A helpful Swede created a (legal) torrent (a file type connecting users) on Pirate Bay, after which the record company lost track of the number of downloads. This sort of internet hype can be difficult to translate into anything other than attention. However, one thing is certain: with simple means, Tone reached the ears of far more people than she had ever expected. Of course, good reviews and a fine reception in the music press also helped. At the time of writing this article, Tone is approaching her international debut, with record releases and live concerts planned in Germany, the Netherlands and Belgium. So far, Tone has sold 450 records in Denmark - an impressive figure for a so-called 'microlabel' release in a small country. Her label confirms that Tone has gained much from releasing her music under a Creative Commons license and, at the same time, she has earned decent royalties from radio airplay.



flickr: Stines

T-shirt: SUPERGAS' PH-lamp

By Morten Grønberg

Sample, mashup, remix, copy... About today's artistic 'being-in-the-world'

Sampling, mashup and related techniques are gaining importance as artistic strategies. These challenge intellectual property rights, but there is more at stake than just the law. The methods outline the contemporary creative *being*



The PH lamp was originally a progressive symbol – an expression of the modern, the free, the democratic, and of caring for the little guy, who shouldn't bother copying the upper classes' plush-covered lamps and a lifestyle he couldn't afford. This history is significant when we consider the SUPERFLEX project of exporting the lamp to poor corners of the world. They are saying: the task is not yet complete; the struggle just takes place far from happy Denmark. In this sense, SUPERFLEX – not Louis Poulsen – is the true custodian of the PH heritage

"All artistic expression is based on copying, repetition or combination of things that already exist. Imagine if Marcel Duchamp was sued by the company that produced his famous toilet bowl. He would be unable to put his name on anything made by others. And this is the principle by which copyright works. However, it is totally absurd to lump things together in this way."

- Rasmus Nielsen, artist group SUPERFLEX¹

► The artist group SUPERFLEX has, since 1997, run the social art project SUPERGAS. The aim is to equip poor people in Tanzania, Cambodia and Thailand with cheap biogas units. There are regions in these countries that lack access to electricity, but with the biogas units – which use organic materials such as animal waste – the inhabitants can produce enough gas on their own to drive a gas lamp or stove.

As part of this project, SUPERFLEX at one point made a cheap sheet-metal copy of the famous PH5 lamp, modified to use biogas rather than electricity. The lamp was cool and quite functional. And the social commentary was obvious: the PH lamp – number one symbol of Danish middle class comfort – is now hanging in poor huts in faraway countries, and its light comes from gas made from ... shit.

Perhaps this is a reminder to all of us in the middle class that many people around the world can't take even the simplest modern aids for granted.

The SUPERGAS project is interesting for several reasons. First, it shows that today's works of art must be viewed with an expanded artistic perception that appreciates works in relation to elements of entrepreneurship, industrial arts, and business. Second, it highlights the current artistic trend to design works that don't just comment on reality, but also challenge and intervene in it. This trend is what the theoretician Nicolas Bourriaud calls *relational aesthetics*.² Third – and perhaps most importantly for us here – it is interesting to explore how the project has been received and understood as a *work*, and in particular as a work that copies a design classic.

The manufacturer of the PH lamp, Louis Poulsen, did not look mildly upon the artists who copied and adapted the lamp they had a monopoly on producing. When SUPERFLEX in 2002 exhibited SUPERGAS at the gallery Rooseum in Malmö, they were met by lawyers and the threat of lawsuits for breaking Louis Poulsen's immaterial property right. The case ended with a sort of compromise,³ whereby SUPERFLEX among other things agreed to equip the exhibition with a sign that, in this case, allowed the artists to show their homemade PH lamps. The implicit message was: others may NOT.

This sort of reaction – and the idea that there is something to react against at all – is what this article is about. SUPERGAS is just one of many examples of how *recycling, copying, sampling, remixing*, creating *mashups* and related methods are becoming common artistic strategies. In a broader sense, they may even form the contour of a type of modern, creative *being*. I will return to this point later.

The work as a historic essence and icon

A historic period can, among other things, be understood through the artistic works it produces. One example is the 20th century inter-war period. We can find furniture and works of art from this period, which are so typical that they can be seen as essences. Consider the surrealist Wilhelm Freddie's *Sex Paralysis Appeal* from 1936⁴; or consider the exotic dancer Josephine Baker with banana skirt and bare breasts; or consider A.M. Cassandre's iconic ocean liner posters from the 1930s⁵; or, finally, consider Poul Henningsen's aforementioned PH5 lamp, which has its roots in the very first lamps from PH, developed in the twenties and mass-produced in the thirties and later. These are all fragments of our collective story about how the world was in the time between the great wars. But, at the same time, they are holistic pieces that seem to contain the whole within them. They don't just tell the small story about themselves, but also the greater story, because they activate in our minds an underlying awareness of meaningful historic unity.

However, the works aren't simply exponents for something. While the works and artists have gained iconic status in posterity, they were born into a present that didn't automatically grant them the value we do today. They were an answer to something, they were a part of something, and they were a reaction to something – then and there. Perhaps they were even rebelling against something. At any rate, a common feature of many of the works we today consider classics is that they represented a *break*. A break from something that wasn't good enough or which simply could be different because the opportunities of a new age allowed it.

In each their own way, Josephine Baker and Wilhelm Freddie broke with the narrow-mindedness and Victorian sexual morals of their day (Freddie's works were even impounded and forbidden). Meanwhile, Poul Henningsen's lamps were part of an all-encompassing modern project that aimed to clean out the dark, Victorian-style interiors and provide fresh air, light and honest furniture to the common man.

The break is central, and a work is thus closely tied to the context – the society – in which it is created. Seen in this light, the PH lamp is the *result of* a development rather than an *exponent of* it. In reality, these two dimen-

sions are connected. The work influences the world, which influences the work, which influences the world, which influences the work.

Any work is part of an infinite feedback mechanism between reality and artistic construct.

Embedding

If we include a third dimension, we can say that the creation of a work also bears witness to the creator's way of *being in the world*. The creative mode itself cannot be separated from the work. The creator's life is always a part of the work because the artistic lifestyle and world-view, which often are opposed to the reigning *doxa* and the ruling class, are embedded in the creation. The philosopher Martin Heidegger described this relationship as being-in-the-world, which means that the individual is subject to an existential contextuality or *embedding* she cannot transcend. In this light, you can either passively accept the life conditions you are subject to, or you can work with them, but you can never escape them.

If we again look at Poul Henningsen's creations, they were closely tied not just to functionalism as an inter-war movement, but also to cultural leftism as a political reform movement (and hence to everything these isms opposed). Proponents of the cultural left wanted to change the people of their time and the way they lived; hence the PH lamp isn't just a design icon, but also a political statement. It tells of a lifestyle that, in the words of Elias Bredsdorff (from 1956⁶) on cultural leftism, "builds on respect for humanity, thinks in international perspectives, and is burdened with social conscience ... a spiritual heresy, which exposes habitual thinking, hypocrisy, stock phrases, and clichés." In light of this ethos, it becomes clear that the lamp was once something QUITE different from the symbol of middle class comfort to which I earlier referred.

The PH lamp was originally a progressive symbol – an expression of the modern, the free, the democratic, and of caring for the little guy, who shouldn't bother copying the upper classes' plush-covered lamps and a lifestyle he couldn't afford. This history is significant when we consider the SUPERFLEX project of exporting the lamp to poor corners of the world. They are saying: *the task is not yet complete; the struggle just takes place far from happy Denmark*. In this sense, SUPERFLEX – not Louis Poulsen – is the true custodian of the PH heritage.

About today's being-in-the-world

With this, let us return to the present and the future. It is necessary to look at several levels, as I outline above, when evaluating the significance and value of today's artistic creations. We can't speak of the fairness – or *unfairness* – of breaking copyright (for works), patents (for inventions

” We can't speak of the fairness – or unfairness – of breaking copyright, patents or industrial design rights without taking this into account. The issue is about more than just the creation itself. It is also about the nature of our society and about how we live and become creative beings within it

” The examples all point to how phenomena such as sampling, mashup, remixing and copying are parts of the mode and life conditions of modern man

and technological products) or industrial design rights (for industrial art products) without taking this into account. The issue is about more than just the creation itself. It is also about the nature of our society and about how we live and become creative beings within it.

For instance, what does it mean when high school students recycle already existing papers and exercises – freely available in Denmark on the site *studieportalen.dk* – and deliver them in more-or-less intelligently edited and composed form as 'original works'? What does it mean when DJ Danger Mouse cuts up and mixes the Beatles' *White Album* with the rapper Jay Z's *Black Album* to create the much debated (and sued) *Grey Album*? And when Northern Brazilian computer geeks transform Western hits without permission into the local *techno brega*? Is this art simply theft? What is the significance of DJ Girl Talk performing his songs, which are almost completely pasted together from samples of other artists' songs? Is this simply a violation of copyright? Or is it, perhaps, an expression of a new form of artistic originality?

And what about street art? All the strange posters without clear senders or messages that hang in any metropolis, even in spaces where they aren't supposed to be hung – are they art? Is it art when the street artist Banksy, in a photomontage, puts a Burger King crown on the head of a skinny third-world child and adds the

text: "Sometimes I feel so sick at the state of the world I can't even finish my second apple pie"? Or when he, in a photomontage, lets Ronald McDonald and Mickey Mouse become figures in perhaps the best known war photo of all – the image of the crying, napalm-burned child from the Vietnam War? Are these examples related to, for instance, the phenomenon of internet news sites continually and unthinkingly recycling each others' articles? Are they related to the rise of mashup internet sites such as *boliga.dk*, which makes a living by connecting data from other sites in a new way, or with my own methods while writing this article? I have in no time located a number of my examples and points through Google by searching for words such as 'remix', 'mashup' and 'copying' and hence landed on other writers' articles and works, from which I have found inspiration and borrowed examples.

I cannot answer these questions unambiguously, but the examples at least say something about our time and culture. In the eyes of posterity they will be a part of what characterizes our time as a historic period. The above-mentioned works have much in common, and they also have much in common with many other forms of creativity, activity and human endeavour that we see at the moment. The examples all point to how phenomena such as sampling, mashup, remixing and copying are parts of the mode and life conditions of modern man.



Why then is the trend of sampling a special feature of our time, you may ask? I think that the best (but not the only!) explanation is the emergence of the internet. The internet has led to much greater access to the cultural products, symbols and markers that enter into the sampling cycle. Everything is available, and everything can rapidly be recycled and re-interpreted – and it is!

Take, for instance, our attitude towards religion. This attitude is very much an expression of the modern mind-set of sampling alternatives, which we also partly hold towards politics (most people like a little from all parties, but only a few tie themselves to a single party.) Or look at current fashions: recycling and vintage, particularly mixing new and old in a personal expression, is ubercool.

In this way, the modern things of 2010 form a giant fusion.

There are many historic precedents. For example, the *collage* as an artistic genre had its breakthrough about one hundred years ago (Picasso, Braque), and people have not fundamentally changed since. The cognitive scientists Mark Turner and Gilles Fauconnier speak of the human ability of *blending* as the basis of our intellectual and cultural development (Conceptual Blending⁸). In this sense, we can talk about a condition that precedes all historic periods. Our consciousness is simply organized like a blender that can mix two, three or more ideas in a mental space.

Why then is the trend of sampling a special feature of our time, you may ask? I think that the best (but not the only!) explanation is the emergence of the internet. The internet has led to much greater access to the cultural products, symbols and markers that enter into the sampling cycle. Everything is available, and everything can rapidly be recycled and re-interpreted – and it is!

This may be the break that best characterizes our time. Nowadays, there's no clear distinction between offline and online (see article page 30), and hence we move our online behaviour out into *real life*. All this suggests that copyright isn't just being challenged by copying, but is perhaps eroding from within as no single entity can lay claim to an entire creation. Who created the internet? Wikipedia? We have!

The work no longer belongs to a few, but has been left to the many.

notes

- 1 Quoted from the article "Sodastream var et revolutionerende øjeblik" by Theis Vallø Madsen, link: <http://www.kunsten.nu/artikler/artikel.php?su=perflex+kopiering+ophavsret+kunst>
- 2 Nicolas Bourriaud: *Relationel æstetik* (1998), København 2005.
- 3 This information is from a source in the circles surrounding SUPERFLEX. I have also telephonically interviewed one of the group's members, Rasmus Nielsen, who couldn't comment on the specifics of the case; likely because SUPERFLEX as part of the aforementioned compromise is subject to a non-disclosure agreement.
- 4 www.kunstnyt.dk/arken-begaerets-triumf02.jpg
- 5 See e.g. www.greatmodernpictures.com/nol7.htm and www.life.com/image/50691863
- 6 Bredsdorff in Politiken, July 11 1955
- 7 Thanks to the documentary *Good Copy Bad Copy*, link: www.good-copybadcopy.net
- 8 Fauconnier & Turner: *The Way We Think: Conceptual Blending and the Mind's Hidden Complexities* (2002).

MORTEN GRØNBORG has an MA and is editor of FO/Futureorientation

**SO HELL YEAH,
I SYMPATHIZE
WITH
COMPANIES
AND CREATORS
WHO WANT TO
KEEP GOOGLE
OR AMAZON
FROM
BECOMING
GATEKEEPERS
ON CULTURE**

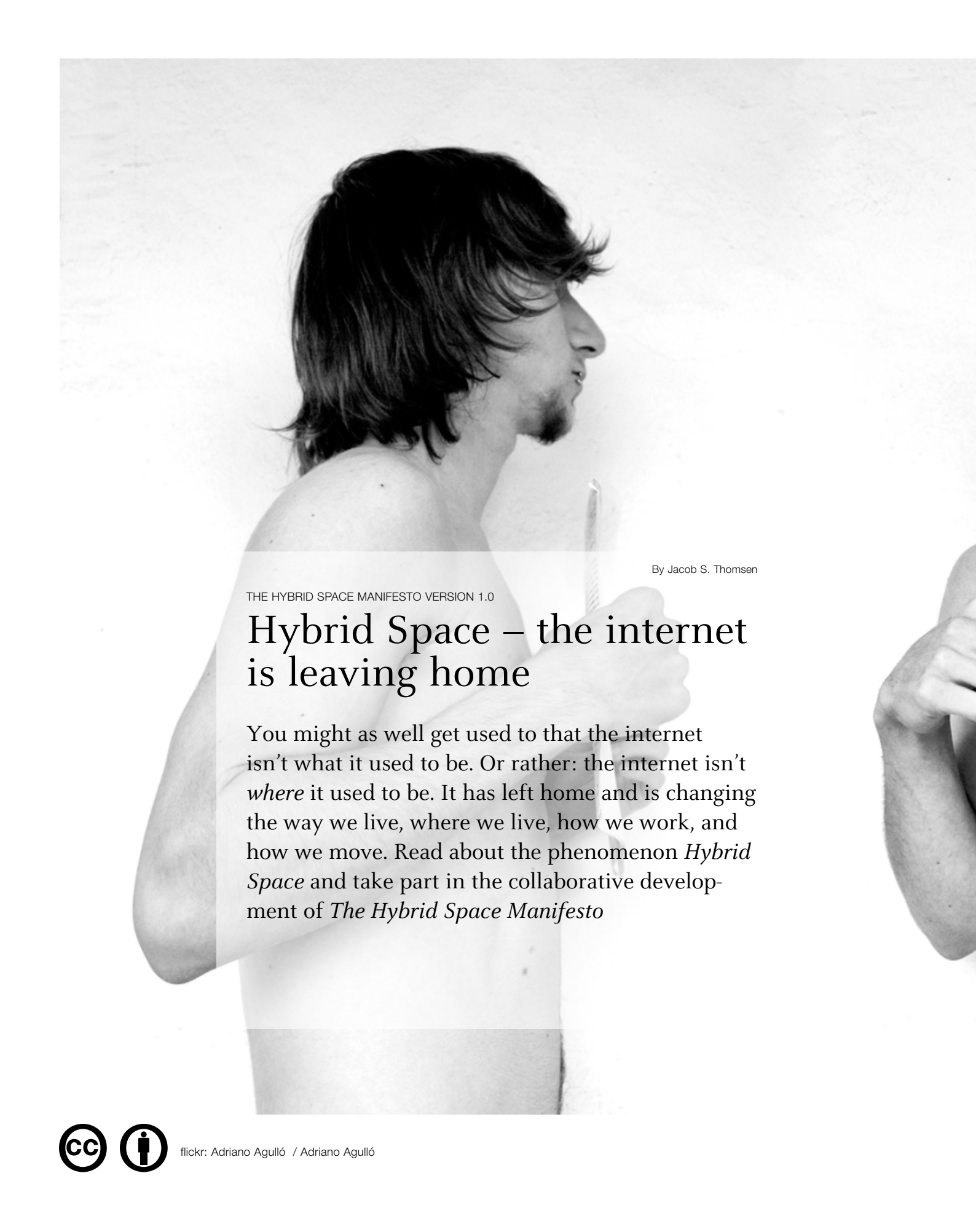
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GROOM

YOURSELF



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By Jacob S. Thomsen

THE HYBRID SPACE MANIFESTO VERSION 1.0

Hybrid Space – the internet is leaving home

You might as well get used to that the internet isn't what it used to be. Or rather: the internet isn't *where* it used to be. It has left home and is changing the way we live, where we live, how we work, and how we move. Read about the phenomenon *Hybrid Space* and take part in the collaborative development of *The Hybrid Space Manifesto*



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► The internet beckons with all its opportunities for enlightenment, choices and fancy graphic design, and this is both a challenge and an unrealised potential – a potential you can utilize! However, this requires that you change the way you work and understand the ‘net. The internet has moved out of the window through which we have always seen it – the computer screen – while sitting down, without physical movement. From our desks, or through laptop computers in cafes, we have checked our mail, caught up on the news, chatted and gamed – all things that have functioned, and is functioning, with the computer screen as an intermediary.

It is this intermediary that is slowly becoming obsolete.

The most obvious sign of this change is that in many Western countries, it no longer makes perfect sense to speak of being *online* or *offline*. When the internet was young and just beginning to be a part of our daily lives, it required a certain portion of will to go on the web. It meant slow internet connections with expensive minute rates, and we made do with an internet with a lot of static content, for back then the internet wasn’t much more than a relatively organic and chaotically organized collection of texts and images. Then came the social media and web 2.0 – and before that, wireless networks and broadband connections – and the number of portable computers began exceeding the traditional, stationary computers. Today it’s actually hard not to go on the internet and be online. We have gone from struggling to get online to struggling *not* to go online! This is especially true if we move through big cities on a daily basis.

This change influences our way of working and thinking in social relations. And of course where and when we work. Work melts together with our leisure life – and vice versa! – and being online becomes a regular part of our lives. For many, the thought of not being able to go on the ‘net when and where they want is a terrifying one. For this part of the population, it’s not about being free to go on the internet, but to avoid the ‘gaps’ where connection fails. At the same time, the trend is for our computers to become smaller and more mobile and that our mobile phones have internet access. It is this trend that carries the development. More and more people are less and less offline, and we have access to the internet, e-mail, chats, and entertainment a greater and greater part of our time. Hence, since we never really get offline, we need to define our online state in a new manner.

Hence, at the Copenhagen Institute for Futures Studies, we now talk about being in a *Hybrid Space* rather than in *cyberspace*.

Hybrid Space is a version of the internet that almost, but not quite, is here already. Our intention with the

term is to conceptualise the change we see information technology moving towards, and the hypothesis builds on observations of what is actually possible (technologically) and what is actually happening (culturally) – i.e., what technology has brought about.

The consequences

Hybrid Space means that you can no longer hide yourself from the rest of the world. Even with your mobile phone turned off and your laptop shut down, you still leave digital footprints that other can follow. You may e.g. be recognized by the countless surveillance cameras to be found in public spaces, and using your credit card shows where you are. Talking about mobile phones and credit cards, within a foreseeable number of years, your mobile phone will likely be your most important ‘credit card’, since you will use it for encrypted transactions. In general, developments in mobile phones are an image of what *Hybrid Space* shortly will mean for you. You will use your mobile phone to navigate by, to jog with, to show others where you are, and to pay with when shopping. The mobile phone is one of the clearest trends that show how the internet has become ubiquitous; it is no longer just something we view through 17 inches of pixelated graphics on a computer screen.

There are many examples of how the internet in our daily lives is seen as something separate from the physical world. We speak of “going on the internet” and “going online”, and say: “I was out surfing on the internet last night.” These everyday expressions indicate that we see the internet as distinct from the physical world we move around in, relate to, act in, and form relationships and networks with other people and objects in. The online virtual world *Second Life*, which was a big phenomenon I 2007, even carried the separation of ‘the real world’ and cyberspace in its name. The ‘second life’ was and is seen as a life separate from primary life. However, in the future, such a distinction may not be very meaningful.

In order to better phrase how the internet will shortly look, we have written the beginning of a manifesto that tells about tomorrow’s hybrid world. We expect to publish several updated versions as we collect new material, and you can be an important contributor here. Log onto hybridspacemanifesto.wordpress.com to voice your opinion or contribute to the manifesto.

Hybrid Space manifesto version 1.0

- *Hybrid Space is characterized by a movement away from the computer screen. Media develop with lightning speed. You can do the same work whether you’re in movement, has a laptop computer, a stationary computer, or a mobile phone. The mobile phone has moved from the ear to the palm and is starting to*

”

Since we never really get offline, we need to define our online state in a new manner. Hence, at the Copenhagen Institute for Futures Studies, we now talk about being in a *Hybrid Space* rather than in *cyberspace*

”

The most obvious sign of this change is that in many Western countries, it no longer makes perfect sense to speak of being online or offline

disappear entirely into a pocket or integrated into a jogger's wristband or otherwise built-in.

- *Hybrid Space is platform independent.* It is not important to be on a particular platform or in a particular format when communicating on the internet. Spheres connect. What's important is to understand where your recipients are. Social media won't survive long if they stick to only being on a website requiring access through a browser.
- *Hybrid Space is an emotional connection between user and platform.* Our way of understanding the media that surround us isn't necessarily rational. Several media researchers and philosophers¹ speak of a form of hyperreality that transcends how realistic a graphic interface looks. We relate to what is happening on a screen – whether it is a movie, a game or an user interface – through an emotional rather than logical connection. It works better to suggest than create complex reality. So it also is with our perception of the internet.
- *Hybrid Space is an integral part of the user's everyday actions and practises.* Behind this expression lies the assumption that we as consumers, particularly in the West, will come to move in the multiple space we call Hybrid Space. With the expression *integrated*, we point to how users increasingly use the internet to navigate through their everyday lives. Current examples are e.g. looking at Google Maps as an automatic action before a trip (even a short one), that we move from A to B with the help of GPS, and that we jog, bicycle and walk with GPS aid. Hence, our routes and movement patterns are dictated by the virtual. We – meaning users of the internet – aren't always aware of how much the internet even today determines our actions and movement patterns. With the integration of the internet on mobile platforms, the stream of information that flows to the typical user in a near future will shape our movement patterns even more – also unconsciously. Understanding how to commercialise these movement patterns is a part of the business potential.

” Hybrid Space blends work and leisure into a mobile life. When it no longer makes sense to be online or offline, it becomes meaningless – particularly for the knowledge worker – to speak about work or leisure

- *Hybrid Space expands time and space.* Our social interaction doesn't stop when we separate physically – on the contrary, social networks strengthen our social sphere, and the social networks are moving out into mobile units, which we will always carry with us. We could even say that there's a *virtual touch*.² This means that the social and the virtual world will blend together in a very few years. When we always are situated in a mixture of online and offline, we also always touch each other physically or virtually – even when we don't want to.
- *Hybrid Space carries the risk of creating social vertigo.* Because we increasingly navigate by the virtual in the physical, we risk losing our sense of direction – both our ability to orient ourselves in a physical space and the ability to sort through all the data and impressions that can be found in the hybrid space. We call this *social vertigo*.
- *Hybrid Space blends work and leisure into a mobile life.* When it no longer makes sense to be online or offline, it becomes meaningless – particularly for the knowledge worker – to speak about work or leisure. Work entrenches on leisure – we've been talking about that for years – but leisure also entrenches on work life.
- *Hybrid Space means that our perception of real and virtual must be rewritten.* It no longer makes sense

to speak of real versus virtual. The virtual economy in e.g. online games works the same ways as the physical.³ The virtual profit that is created can be exchanged for physical money – even substantial amounts of several million dollars a year. If we have just one example of a hybrid form between the two phenomena being a reality, we can no longer meaningfully separate the two. Hybrid Space can help rewrite this relationship.

notes

- 1 E.g. Slavoj Zizek, *Reality of the virtual*. Can be found at youtube.com. The game researcher Edward Castronova in his book *Synthetic Worlds*
- 2 From the article *Virtual Touch* by Thomas Geuken and Jacob Suhr Thomsen, *Futureorientation* #3, 2008
- 3 See e.g. the article *Gaming Generation* by Thomas Geuken and Jacob Suhr Thomsen, *Futureorientation* #1, 2008

JACOB SUHR THOMSEN is an ethnologist and is employed at the Copenhagen Institute for Futures Studies. He works with e.g. user-driven innovation, media and communication, online culture and technology, creativity, and homes and cities. In collaboration with Sara Jönsson and Thomas Geuken, he has discussed the relationship between virtual and physical worlds in several articles brought in this magazine.

THE HYBRID SPACE MANIFESTO is created collaboratively, and anyone with anything to contribute is welcome. Log onto *hybridspacemanifesto.wordpress.com* and take part. The goal is to collect input and knowledge for a true manifesto for the Hybrid Space; this article is just the first step. Project manager: Jacob Suhr Thomsen, CIFS, mail: jst@cifs.dk.



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flickr: Marc_Smith / Marc Smith

By Cory Doctorow

Internet ©rapshoot: How Internet Gatekeepers Stifle Progress

A few corporate giants are becoming intermediaries between media creators and media users. The danger is that these corporate giants might, through malice or negligence, end up screwing up the means by which the world talks to itself, carrying on its cultural discourse. Read and learn more about the problem and Cory Doctorow's suggestions for solutions

► Introduction

This may come as a surprise, but I have a lot of sympathy with artists' rights groups and even entertainment companies that mistrust giants like Amazon.com Inc. and Google.

Now, it's not that I hate Amazon or Google, but I do understand that they are fast becoming the intermediary between creators and audiences (and vice-versa), and that this poses a danger to everyone involved in the creative industries.

That danger is that a couple of corporate giants will end up with a buyer's market for creative works, control over the dominant distribution channel, and the ability to dictate the terms on which creative works are made, distributed, appreciated, bought, and sold.

And the danger of *that* is that these corporate giants might, through malice or negligence, end up screwing up the means by which the world talks to itself, carrying on its cultural discourse – a discourse that ultimately sets the agendas for law, politics, health, climate, justice, crime, education, child-rearing, and every other important human subject.

So read on, for a detailed outline of this problem and my proposed solutions.

What We're Facing

Competition improves markets, and the market for culture is no different in this regard from the market for auto parts or bananas. A fragmented, disorganized, and disrupted search, distribution, and sales channel creates a seller's market for culture, in which creators and audiences can shop around for firms that will give them the best deal.

On the other hand, a static industry governed by a few entrenched firms will tend to create a buyer's market for creative works. We know what that looks like: It looks like the market today.

Today, the motion picture industry is dominated by six gigantic studios, the record industry is dominated by four giant labels, publishing is dominated by fewer than a dozen major players – and whether you're making a movie, a record, or a book, you generally find yourself getting a similar deal no matter which publisher, studio, or label you go to.

All the labels screw you on your royalties for electronic downloads (these are licensed, not purchased, so artists should be entitled to the standard 50 percent licensing royalty; instead they get 7 percent, the standard for sales).

All the film studios make you go out and spend a fortune getting clearances for copyrights and trademarks, even when covered by fair use.

All the publishers have the same opaque system for determining withholding on royalties.

And it's turtles all the way down.¹ Publishing is constrained by a tiny number of giant distributors and two major bookstore chains, all of which demand ridiculous terms on the books they carry. Theatrical distribution is controlled by a couple major chains, which shaft the production companies at every turn. And everyone knows about the payola² and other rip-offs that the highly consolidated radio industry visits upon the record labels that want to get their music aired.

In the aftermarket, it's even worse: A heavy concentration in big-box stores lets firms like Wal-Mart tell studios how to re-cut their movies and record companies what to bleep out of their CDs.

So hell yeah, I sympathize with companies and creators who want to keep Google or Amazon from becoming gatekeepers on culture. Not because of who runs Amazon or Google – I know senior people at both companies whom I believe to be honourable and decent – but because *no one* should be that gatekeeper.

I'd oppose consolidation in distribution and sales channels, *even if the companies involved were Santa Claus Inc., Mahatma Gandhi Ltd., and Toothfairy Enterprises LLC.*

Unfortunately, practically everything the entertainment cartel and creators' rights groups do ends up making the market *less* competitive and undermines the bargaining power of creators everywhere.

Nice going, guys.

The Cycle of Piracy

Copyright and technology are inextricably bound together. The story of copyright is the story of new technologies and the rules that were created to deal with them.

And here's a corollary: So long as innovation is taking place, piracy is the norm.

By definition, pirates are people who are disrupting the existing market. When the market is consolidated into a few gatekeepers, they're unlikely to license their copyrights to upstarts that are entering the market without having to invest in last year's inefficient technology.

The first techno-pirates were the record companies that ripped off composers to put their music onto discs. Then the radio pirates ripped off the record pirates. Then the cable pirates ripped off the broadcast pirates. Then the VCR pirates ripped off the cable pirates.

Today, companies that have paid for broadcast equipment understand that netcasters can distribute their programs for a tiny fraction of their costs, and so they fear them and lock them out of the market by refusing to license them. Instead, they hand-pick a few easily control-

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led successors (sometimes these successors are subsidiaries, like Hulu LLC)³ and threaten to sue anyone who competes with them.

At which point, netcasters do to the broadcasters exactly what the broadcasters did to the record companies: They take their stuff without asking, declare themselves to be legit operators stymied by anticompetitive dinosaurs, and wait for the courts or Congress to legalize them on the ground that they're too beloved by the voters to destroy.

Today's representatives of the most profitable collections of copyright are simultaneously poor guardians of their own future and poor stewards of their own present. They are so accustomed to a market dominated by a few grumpy giants that they prefer that broken status quo to a future characterized by a shifting landscape of constant innovation, even though the latter would be a better deal for them.

A Self-Defeating Market Pattern

Take Internet radio. Back in 1998, Congress promised a package that would make operating a legal Internet radio station easy, provided you collected a reasonable royalty and adhered to the rules of the road. The edict promised to enable anyone to operate an Internet radio station.

The spectral scarcity that only allows a couple dozen radio stations in each market is a bug, not a feature, and it needn't be so on the Internet, where a user might be able to have her pick of a billion radio stations (or opt to become a radio station herself).

But this is what happened instead: Congress turned the job of figuring out the royalty structure and the rules of the road to the Copyright Royalty Arbitration Panel, which was fast becoming dominated by the record industry. The subsequent deal the record industry oversaw wiped out the vast majority of Webcasters by establishing an onerous, expensive process that you could only get out from under if you were already a traditional broadcaster. This meant that the same screwed-up radio-station conglomerates that the record industry had been battling for decades were also the new gatekeepers for Internet radio.

That turned out well, huh?

While we're on the record industry, take a look through the history of the iTunes Store. First the entertainment industry created the 1998 Digital Millennium Copyright Act (DMCA), which makes it illegal to break anti-copying software (which contains Digital Rights Management or DRM). Then the entertainment moguls entered into a deal with Apple Inc. to sell their music for \$0.99 a track, using Apple's DRM. Then they turned

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” Remember, a decade ago, Google was two grad students in a garage with a server built out of Lego. They were able to topple spectacularly well funded, successful companies like Yahoo Inc. and Altavista because the only expense they had to bear was that of inventing a better technology

around one day and said, “How about selling a track for \$0.25, or \$1.50?” and Apple told them to get lost.

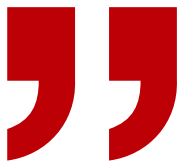
So the entertainment giants tried to create a competitor to Apple to play the DRM’d files Apple had sold, but quickly discovered that Apple would and could use the DMCA to fight this kind of competitor. Then they tried to shame Apple into supporting competitors’ DRM on the iPod, and Apple laughed them out of the room. Finally, they had to give up on DRM and start selling MP3s on Amazon, which created a duopoly through which some competitive leverage could be applied to Apple, creating a price structure close to the one they were hoping for.

The film and TV industry are racing to repeat these mistakes by ensuring that Google and its video subsidiary, YouTube Inc., are the last disruptive entrants into the market.

Broadcasters and film studios are suing Google on the grounds that it has not done enough to stop users from uploading infringing content. Ignoring the text of

their own DMCA (which says that Google doesn’t have to ensure that user-generated content doesn’t infringe, merely expeditiously remove infringing material once notified of the infringement), they argue that Google must invest in notoriously unreliable infringement-detection software and must further invest in an army of copyright screeners who’ll look at all video uploaded to YouTube (14 hours’ worth of video every minute, according to one insider I spoke to) before it is released for public viewing.

The most likely outcome of this saber-rattling is some kind of settlement in which Google dedicates a fraction of its billions in profits to satisfying the video companies, producing a small decrease in infringement, providing a modest amount of money for the plaintiffs (though it’s unlikely that they’ll pass that on to actual video creators – after all, the record industry doesn’t turn over the settlements from its 30,000+ file-sharing lawsuits to the artists whose copyrights they’re supposedly



Copyright is a powerful weapon, and it grows more powerful every day, as lawmakers extend its reach and strength. Funny thing about powerful weapons, though: Unless you know how to use them, they make lousy equalizers

defending), and creating a radically more expensive cost of entry to Google's market.

Remember, a decade ago, Google was two grad students in a garage with a server built out of Lego. They were able to topple spectacularly well funded, successful companies like Yahoo Inc. and Altavista because the only expense they had to bear was that of inventing a better technology – they didn't have to start by raising a billion dollars to settle entertainment industry lawsuits.

But anyone these days who hopes to do to Google what Google did to Altavista won't be so fortunate. And that means that Google need only fear competition from other established giants like Yahoo or Microsoft Corp. – companies whose character as gatekeepers of video distribution and discovery won't be substantially different from Google's.

For the broadcasters and studios, it's "meet the new boss, same as the old boss."

And they've got no one to blame but themselves.

Short-Sighted Creators

Creators' groups are no more savvy than the entertainment giants that exploit them, alas. As a class, these groups are prone to the same litigiousness as the industry associations, and they are setting themselves up to spend another generation as sharecroppers in fields owned by a handful of mega-corporations.

Take the Authors Guild,⁴ a tiny organization representing a few thousand American writers, whose deep pockets and shrill voices give them the spotlight whenever they claim it on behalf of all working writers.

The AG recently made headlines by suing Google over that company's Book Search program, a system that set out to scan and index every book ever published, making it as easy to search the written word as it is to search the Web.

Google proposed to serve up its search results in the same manner as it serves up any other Web results, by

providing a snippet of text and a reference to the original book, along with information on buying it, should it happen to be in print.

What's not to like?

Well, *plenty*, if you're the Authors Guild. They brought a class-action lawsuit against Google alleging that making an intermediate copy of a copyrighted book (a scan) was a copyright infringement (they also suggested that serving up a search result was a similar infringement).

This is a pretty dumb legal theory. If it's true, then every search engine is a massive copyright infringer, because the intermediate copies they make of billions of Web pages (just as likely to be copyrighted as the books in the library) are not substantially different from copies of books. Further, the search results are not particularly different (from a copyright perspective) from search results comprised of snippets from Web pages.

The Authors Guild asked to have their class certified as representing every author published in America – living, dead, or unborn. Once a court certified this class, they could negotiate a deal with Google, and Google would get the right to scan books and make them available under the terms of the deal.

Certifying such a broad class should be difficult – not least because any defendant in such a case should be able to point out to the judge that 8,000 writers comprise a tiny minority of all book authors in the past and future of America.

But Google cannily did not object to the certification. After all, the AG would likely ask for a price tag that Google could afford. And it's unlikely that future competitors of Google would be able to negotiate with such a class, even if they could afford to.

Once the Book Search settlement was announced, writers around the world were astounded to discover that an arrogant cabal of D.C. insiders presumed to strike a deal on their behalf. These writers are up in arms and won't ever let something like this happen again.

So the AG got a settlement out of Google – or rather, Google got a settlement out of the AG. For a price that Google can handily afford, its business model is now definitively legal, and any competitors that try to move in on Google will be stuck playing by the system that Google devised, with Google itself elevated to most favoured nation.

So rather than guaranteeing a future in which dozens of companies compete to see who could offer the best terms to writers, the Authors Guild just raised the cost of entering Google's book-search market to infinity.

Nice going, Authors Guild.

Stop Working for Gatekeepers

So, how do you use copyright to ensure that the future is more competitive and thus more favourable to creators and copyright industries?

It's pretty easy, really: Use your copyrights to *lower* the cost of entering the market instead of raising it.

What if the Recording Industry Association of America (RIAA)⁵ had started out by offering MP3 licenses on fair terms to any wholesaler who wanted to open a retailer (online or offline), so that the cost of starting a Web music store was a known quantity, rather than a potentially limitless litigation quagmire?

What if the Motion Picture Association of America (MPAA)⁶ and the North American Broadcasters Association⁷ made their streams available to anyone who paid a portion of their advertising revenue (with a guaranteed minimum), allowing 10 million video-on-demand systems to spring up from every garage in the world?

What if the Authors Guild had offered to stop suing Google for notional copyright violations in exchange for Google contributing its scans to a common pool of indexable books available to all search-engines, ensuring that book search was as competitive as Web search?

Copyright is a powerful weapon, and it grows more powerful every day, as lawmakers extend its reach and strength. Funny thing about powerful weapons, though: Unless you know how to use them, they make lousy equalizers. As they say in self-defense courses, "Any weapon you don't know how to use belongs to your opponent."

Recording artists get an extra 45 years of copyright, and it's promptly taken from them by the all-powerful record labels, who then use it to strengthen their power by extending their grasp over distribution channels. Authors are given the right to control indexing of their works, and it's promptly scooped up by Google, who can use it to prevent competitors from giving authors a better deal.

For so long as copyright holders think like short-timers, seeking a quick buck instead of a healthy competitive marketplace, they're doomed to work for their gatekeepers, rather than the other way around.

notes

- 1 See <http://everything2.com/node/1418981>
- 2 See <http://en.wikipedia.org/wiki/Payola>
- 3 www.hulu.com
- 4 www.authorsguild.org
- 5 www.riaa.com
- 6 www.mpa.org
- 7 www.nabnet.com

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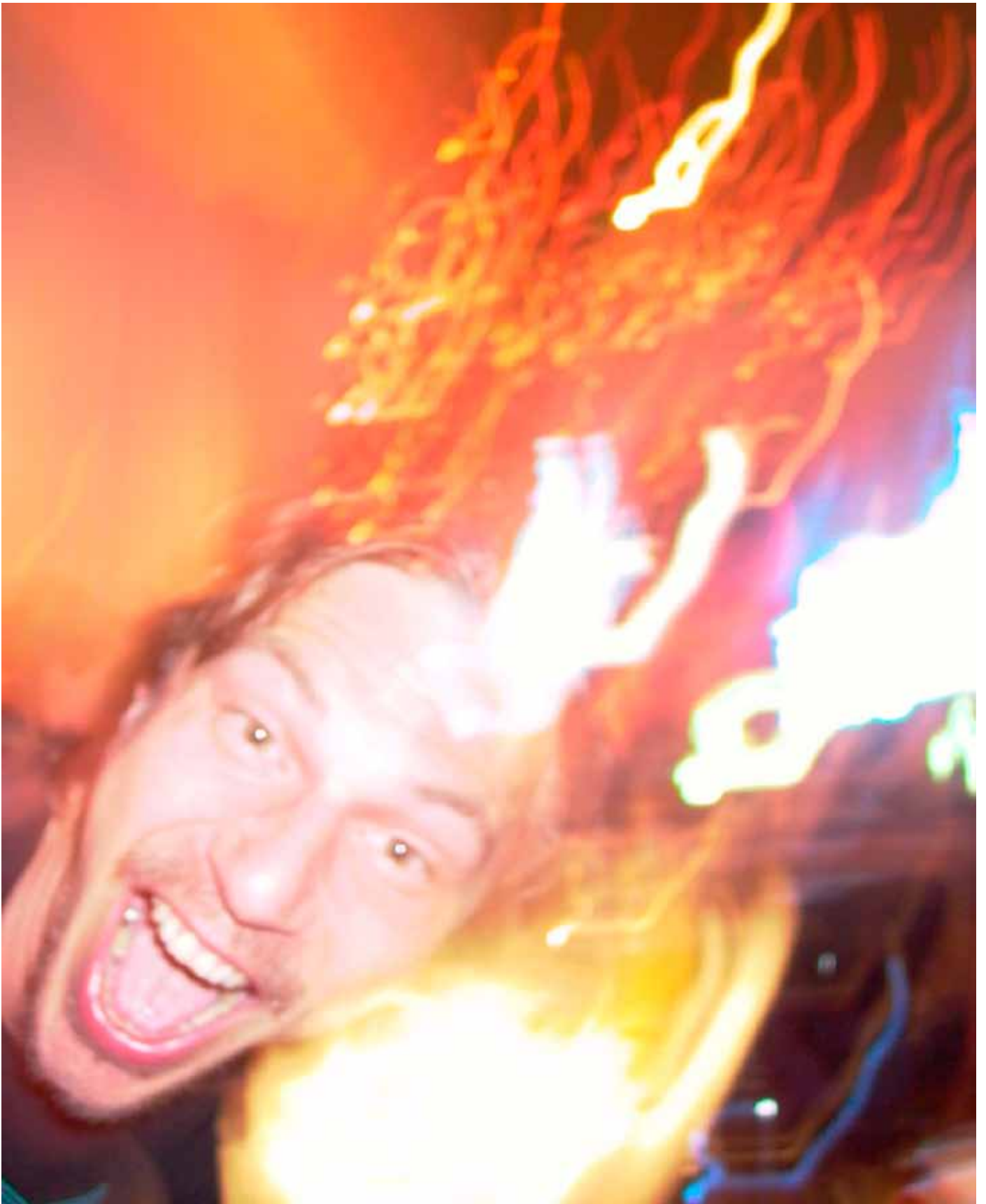
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By Niels Böttger-Rasmussen
and Klaus Æ. Mogensen

Business Models in the Anarchist Economy

The trend and logic of *anarconomy* will challenge the company itself as a value-creating construct, the hierarchical organizational structure, and traditional pricing. What before cost fortunes will be free in the future! However, the trend also holds a number of promising business models for the future. Read on and become wiser

► In the last issue of FO/Futureorientation, Klaus Æ. Mogensen presented the idea and phenomenon of *anarconomy*, which is described in depth in the report from September 2009 entitled “ANARCONOMY – the Anarchist Economy is Coming”. The conclusions of the article were clear:

- Open-source networks create free products and services that increasingly challenge commercial products and services
- The open-source principles are spreading out from the internet into the physical world, where they will challenge producers of all kinds of physical products
- The cost of more and more products is reduced to little more than the cost of the raw materials – and for purely digital products, the cost will literally be zero.

And as Klaus Æ. Mogensen wrote in conclusion:

The big question then is: If all sorts of things – entertainment, knowledge, computers, houses, etc. – become nearly free, what will be left that you can make money on? What should we make a living from?

We look closer at this question in this article, which is based on the section about business models in the previous Anarconomy report (report, page 23).

A global conversation

The internet’s potential for combining the perfect market with all forms of self-organization will cause Anarconomy to gain speed in the coming years. *The Cluetrain Manifesto*¹ with its 95 theses about the new internet economy already pointed towards this in 1999:

“A powerful global conversation has begun. Through the Internet, people are discovering and inventing new ways to share relevant knowledge with blinding speed. As a direct result, markets are getting smarter—and getting smarter faster than most companies.”

Anarconomy demands a new economic playbook. Its logic challenges not only the traditional monopolies, but also the company itself as a value-creating entity. The logic of Anarconomy even challenges hierarchical organization structure and traditional price formation. What used to cost fortunes will be free in the future.

Companies that:

- are hierarchically organized
- charge money for products
- charge money for services
- desire to keep a monopoly

will face serious changes. Many will collapse. Some will change and adapt their business models, and most will argue that anarconomy is either unfair or illegal.²

Anarconomy challenges and undermines current business models

- *Anarconomy challenges traditional monopolies based on legislation, immaterial rights and technology.* National legislation can be circumvented by sourcing commodities from countries with less regulation. This challenges companies such as pharmaceutical monopolies. The opportunity for anybody to, at essentially no cost, copy, share and distribute digitalized products covered by intellectual property rights makes such rights increasingly hard to protect. In the future, individuals and small companies will obtain access to more of the technology that used to be reserved for use by big companies: small and cheap computers, printers, scanners, etc., as well as a lot of other production equipment for layout, energy production or other desktop-sized production.
- *Anarconomy challenges the company as an entity.* The market is increasingly an alternative to self-contained companies.³ An entrepreneur need not hire people for his firm, but can buy services on the market from free agents or other companies instead. In the traditional economy, there are many advantages of having work done inside a company (lower transactions costs, for example). There are costs associated with seeking information, and continually negotiating and making contracts. It also costs time and money to maintain control and guarantee services in a market. On top of this, there are the advantages of economies of scale and improved secrecy and loyalty within the company. However, in a developed internet economy, it is actually advantageous to buy services on the market.
- *Anarconomy challenges hierarchies.* Networks grow up that replace old, hierarchical organizational principles. Automation of routine work contributes to this as business requirements shift towards creativity, cooperation and building relationships – tasks for which networks are superior to hierarchies.
- *Anarconomy challenges traditional models of price formation.* Things that used to be expensive become free. Things that used to be free, or for which it wasn’t possible to evaluate and trade, get a price tag. For example, it is now possible to collect comprehensive data about each individual consumer based on gaining their attention, commitment and participation. Services that weren’t possible to price before because they were too expensive or complex to produce compared to their potential value are also now possible.

” Anarconomy demands a new economic playbook. Its logic challenges not only the traditional monopolies, but also the company itself as a value-creating entity. The logic of Anarconomy even challenges hierarchical organization structure and traditional price formation. What used to cost fortunes will be free in the future

” New business models will crop up because the money we used to spend on music, phones or software can be spent on other products instead (concerts and restaurants, for example). The digital and the mass produced become free, making unique products and experiences worth more

Business consequences

Will the opportunities for making money and doing commercial business be impaired in a future increasingly characterized by anarconomy? How will it be possible to make money? What are the inducements for creating value if more people get free access, if there are fewer advantages of establishing big companies and hiring people, and if it becomes increasingly hard to charge money for your services because there are some providers that, for various reasons, are willing to offer them for free?

New business models will crop up because the money we used to spend on music, phones or software can be spent on other products instead (concerts and restaurants, for example). The digital and the mass produced become free, making unique products and experiences worth more.

The trend towards free products and services has several causes. For one, the cost of digital production falls all the time, and this means that knowledge content becomes cheaper to produce. This is true for all sorts of information, and for services as well as products. Knowledge and information on a digital basis can be copied, shared and distributed at practically no cost.

The calculation capacity, network capacity and storage capacity of computers is doubled in less than two years. It becomes easier to discriminate between the prices of various groups. It becomes easier to break your product up into modules and give some away while you charge money for the rest.

As digitalization and virtual networks make a range of services and activities cheaper or free, they become available to more people and the market expands. Things that used to be economically infeasible now become possible. Cheaper digital tools makes it increasingly easy to establish an enterprise (commercial or non-commercial) and create social innovations based on Anarconomy.

Secondly, the developments in digital and media technology provide opportunities for making money in more ways than before. One example is the sale of services or add-on products to customers. Another example is the trend to allow the customer to give something other than money in return. For example, the customer could give personal details that can be used in advertisements, by selling advertisement space or customer data to third parties.

Products can be made available for free (*Freeconomics*) if the users deliver other services in return. Users could communicate the message to friends or participate in surveys of opinions and ideas - services that the supplier can use for innovation or optimization of his business. There are many ways to create value by involving users in product development, marketing, quality assurance, production and delivery of services – in short, the entire value chain.

We also often see a company offer an early version of a product for free in expectation of getting feedback that makes the final, commercial product better. In December 2008, Microsoft thus made it possible to download a free beta version of their upcoming operating system *Windows 7*.

A third reason why an increasing number of products and services become free is that there are people willing to create value without getting paid for it, as per the Copenhagen Institute for Futures Studies' book *Creative Man*.⁴

In the following, we present different factors that characterize these developments, and we take a look at business models that make it possible to earn money – even by giving your product away.

90,000 researchers can't be wrong

There is a wide range of non-commercial products and services on the internet that have been created cooperatively by many users. Such products and services include open source software like OpenOffice and Linux and open content like Wikipedia. These are often based on licenses according to which the user-created content can't be used commercially, even through income from advertisement.

This is a clear parallel to voluntary work in private associations. While most traditional voluntary work competes only to a limited extent with commercial companies, a lot of what is developed in the wiki economy constitutes an alternative to commercial products. This is true for Wikipedia, Linux, OpenOffice, and many more.

There are significant economies of scale in the wiki economy. It is often sufficient that 1 in a 100 or 1000 users choose to be productive and deliver content. The reward isn't money, but social recognition, something to put on the CV, development of competencies, the feeling of having done something good, or simply the satisfaction of solving an interesting problem or challenge.

Wikipedia has considered using its brand and large audience to gain advertising income for further development, but it has chosen not to in fear of reducing the commitment of the volunteers. Money doesn't always work as inducement, and sometimes it even works as a

disincentive. For example, it turns out that you get fewer blood donors if you offer money for blood.⁵

However, the question of commercialism or voluntarism isn't necessarily one of either/or. The sponsorship of voluntary work or publicly funded work is growing, and commercial companies increasingly focus on social responsibility. Hence, it might well be a part of a company's Corporate Social Responsibility policy to sponsor Creative Commons and others in the wiki economy. Partnerships between actors in business, civil society and the public are becoming increasingly common, and the reluctance to engage in such cooperation is decreasing. It is okay to have commercial partners as long as they don't get too much power. Professionalism and ethical standards help ensure this.

Open source is an important contributor to future innovation. Companies must find the right balance between what is strictly necessary to patent and what may be advantageous to release as open source in order to become involved in creative exchange with others.

The more, the merrier

Peer-to-peer (P2P) networks (see info box page 49), of which the service Napster is one of the best known, have created competition for the classical B2B and B2C business models. Napster shared music files openly until it was closed in 2001.

Focusing on peer-to-peer production provides good opportunities for involving consumers and partners in developing solutions, drawing on talents outside the company, and gaining close connections with customers and partners. IBM cooperates with Linux's peer-to-peer producers and offers grants at a value of several hundred million dollars in the shape of software and other resources.

A website based on extensive P2P activity can just as easily be established on a commercial or a non-commercial basis. If it can be done cheaper and better on a commercial basis, it likely will. We can also expect to see non-commercial alternatives to even more commercial services, even services outside of IT and knowledge sharing. We already have P2P banks (see info box about ZOPA, page 49) and wiki-based aids to real estate trading.⁶ Freecycle.org is a website where you can give items away that you no longer need and receive other items in return.

P2P activity is generally seen as an alternative to commercial business. However, it can also be a platform that brings your company into close dialogue with your customers and from where you can sell other products or services. Lego, for instance, combines mass production with P2P, whereby the users become part of virtual design teams that invent and exchange new Lego models.

This takes place in an array of Lego Clubs around the world, where Lego fans meet, both physically and online.

Sponsorship of an open source or P2P activity can also contribute to improving a company's image or morale. For example, you can permit your employees to spend two work hours a month contributing to Creative Commons activities in the way that some companies today allow employees to spend work hours on traditional charity work.

There are also other sources of additional value. Embedded free open source software can increase the value of your product, whether it's a PC, a mobile phone or a camera. Companies can also make money from advising other companies and customers about how they can get the optimal yield from open source programs by, for example, adding new functions.

A stranger is an employee you haven't hired yet

The networks that support large parts of Anarconomy also change our way of doing HR. These networks make for an excellent recruitment platform for companies. In addition, network participants who the companies seek to recruit will already have excellent networking competencies in their special fields.

Companies are challenged in part because the anarconomy networks lack traditional commercial focus. The networks might even have been started to challenge big corporations, so it may require special efforts by the companies to draw directly on the networks. It can thus be advantageous for companies to develop a better understanding of the informal networks (blogs, wikis, P2P communities, etc.) that refer to – and compete with – their products. A de-commercialized recruitment process follows a bottom-up logic. The company's HR department must hence enter into an honest, interest-based dia-

logue with the network before it can hope to hire a new employee.

For the HR departments, this means that the concept of 'employees' must be expanded considerably. With anarconomy, we can speak of an 'employee horde', which is much less clearly defined, less loyal, and perhaps even hostile towards companies. However, this less clearly defined employee horde presumably contains a large part of a company's future labour.

Attention is the new coinage

Google has made a good business from giving its products away. It doesn't cost anything to use Google's search engine. Instead, Google makes money on the advertisement links on the side and the promoted links at the top of the results pages. In a similar fashion, Hotmail and the internet jukebox Spotify are free to use because they are financed by commercials.⁷

Advertisements are increasingly tied to social media like Facebook, MySpace and Flickr, where the users identify themselves and their circles of friends. Brands like Harry Potter, Coca-Cola and Greenpeace can, like people, have their own profiles and be part of these circles of friends. The opinions and purchasing behaviors of the individual can be communicated to the circle. You can also receive invitations to games where brands pop up or teasers from new movies are shown. Payment to the social media is tied to the number of contacts, blog entries and remarks on a user's profile. This is because it is most valuable for companies to get hold of individual consumers who shape popular opinion.

Desire-based payment

A new model of payment that is gaining ground is the donation model. Here, users or network members voluntarily donate a sum of money to the supplier of a

PEER-TO-PEER

Peer-to-Peer (P2P) is a general term for the exchange of data, products or services between equal partners instead of between a central supplier and a number of subordinate receivers. Normally, P2P requires all participants to follow the same set of rules or protocols.

P2P networks are networks of computers that are connected without a central server. The term can also cover decentralized file sharing through services such as Napster or BitTorrent. There are also protocols for producing P2P wikis, whereby the information isn't saved on a central computer, but distributed on the user's computers.

Even the internet itself works according to the P2P principle, since it doesn't consist of a single central server, but of numerous servers connected through the TCP/IP protocol. The international network of universities and their mutual exchange of knowledge can be seen as another example.

ZOPA - ZONE OF POSSIBLE AGREEMENT

ZOPA is one of the oldest financial marketplaces based on peer-to-peer (P2P) principles. At ZOPA, you can borrow and lend money outside of the traditional banking system. ZOPA is experiencing considerable growth, and the turnover is about £30 million. In a future in which banks are more strictly regulated and in which trust in the traditional financial system has been damaged, P2P solutions could have a very bright future.

ZOPA's business model is based on fees. If you wish to take a loan through ZOPA, you pay a fee of about £120. Lenders pay a fee of 1 percent of the money lent. It is debatable whether such a fee structure is 100 percent Anarconomy, but a range of venture capital firms back ZOPA.

ZOPA matches borrower and lender, and this creates a more personal relationship. Moreover, the interest rate is set by agreement between borrower and lender. At ZOPA and similar sites, lenders can choose to lend to individuals or to pools of borrowers.



Things that used to be economically infeasible now become possible. Cheaper digital tools makes it increasingly easy to establish an enterprise (commercial or non-commercial) and create social innovations based on anarconomy



The trend is clear: all purely digital products will become free, and physical products that can be digitally produced won't cost more than the raw materials. The commercial products of the future will be unique products, services and experiences and the raw materials from which they are made– not least company/customer relationships

service. The best-known example of this model may be Wikipedia. However, the best know example of a donation crisis, in November 2008, was also Wikipedia.

When Radiohead put up its album *In Rainbows* for free download, fans and customers could choose to donate a sum of money. There's some uncertainty about what they earned from this, but it is estimated to be more than the total sale of their previous album.

Many individual creators of free content on the net ask users to donate small sums in return. This business model is similar to street performers putting out a hat. The product is given away for free - there's no requirement to pay. But you are well aware that if no one coughs up, the performer won't be back. The difference, however, is that the 'audience' on the internet typically is far larger, but also finds it much easier to be anonymous. For this reason, it is harder to apply group pressure to the free riders.

Among others, the comic book creator Phil Foglio and the fantasy author Lawrence Watt-Evans take advantage of the possibility of microdonations. Foglio uses this model for his award-winning comic *Girl Genius*, which you can read free of charge three times a week.⁸ Watt-Evans uses a slightly different model to make money on

books in which his publisher isn't interested. He publishes one chapter at a time on his website,⁹ and when his fans have paid a certain sum, he publishes the next chapter. Everybody can read the chapters free of charge once they have been published.

At the request of the Copenhagen Institute for Futures Studies, these authors provided information as to how much they earn in this manner. They responded that they typically have made US\$ 7,500-15,000 a year in this manner. Neither Watt-Evans nor Foglio see the donations as other than a supplement to their income from selling printed books. Foglio doesn't believe that the opportunity to read *Girl Genius* for free online has hurt the sale of the printed collections. On the contrary, this means that more people know the series and hence feel like buying it in hard copy. Both noted that the financial crisis has decreased the desire to donate.

99 percent free

Another method of payment has been called Freemium: a basic product is delivered free of charge, while money is made on selling a more advanced premium product or added services. The aim is to reach as many users as possible, since the marginal costs of servicing an extra user

is next to nothing (at least as long as we speak of digitalized services). If you reach enough people, this can be good business even if 99 percent make do with the free basic product and just 1 percent buys the extra services. For example, the photo service Flickr is free, while Flickr Pro costs money. Skype is free, but you pay if you call a regular phone, and money is also made on extra services and advertisements.

Freemium isn't necessarily restricted to digital products. Ryan Air's CEO Michael O'Leary has stated that his goal isn't just to provide cheap flights, but to provide free flights in the long run. Today, it costs Ryan Air US\$ 70 to fly a passenger from London to Barcelona, while the cost of the 'naked' ticket is only US\$ 20. The rest of the cost is recouped from payments for extra luggage, onboard sales, advertisements, etc.

Musicians also make use of the Freemium model. The Brazilian *Banda Calypso* lets street musicians copy their music at no cost and sell it themselves before concerts, because that makes more people know their music and buy concert tickets.¹⁰ The band Radiohead gave their album *In Rainbows* away on the internet months before the CD (with better sound quality) hit the streets, and it became their best-selling album ever¹¹ (see also Henrik Moltkes article page 10; *ed.*).

A new economy?

An important feature of anarconomy is that expensive middlemen disappear or are replaced by slimmed-down versions. For example, web portals allow people to find many products in a particular category and can easily compete with traditional outlets on price and quality. The product is increasingly ordered directly from the producer and delivered directly to the customer. When a band sells its music directly to the fans, record companies, importers and shops are cut out of the equation. On the one hand, this means that business models based on being a middleman become redundant. On the other, this means that the producer can make money from offering the product at a much lower price because the middlemen aren't getting their slice of the pie. It also creates closer relations between consumer and producer. You don't buy the product from a large, anonymous corporation, but directly from those who have made the effort to create the product. It is this close relationship that makes customers willing to pay voluntarily for a product they otherwise could have obtained for free.

Once a product can be digitized, its supply becomes practically infinite, and then, according to common economic thought, the price must drop to near zero. You can keep the supply artificially low, and hence the cost up, if you hold a monopoly based on intellectual property rights. This only works if people respect this right. So far,

it has turned out to be impossible by technical or legal means to prevent bootlegging, and that is unlikely to change in the future. On the contrary, there are growing movements such as the Pirate Party that advocate freer access to copying.

The trend is clear: all purely digital products will become free, and physical products that can be digitally produced won't cost more than the raw materials. The commercial products of the future will be unique products, services and experiences and the raw materials from which they are made— not least company/customer relationships.

Even if an enormous and rapidly growing volume of content and services is free of cost, it doesn't mean it is worthless. We can get the same utility from open source software as we do from commercial software, and the same enjoyment from free music and movies as we do from similar commercial ones. This cracks the foundation of traditional economic thought, according to which there's a clear and well-defined connection between economic growth and growth of wealth. This isn't the case when wealth consists of free immaterial products or material products that are cheap in spite of sizeable knowledge content. We saw the consequences of a growing gap between real and nominal value recently when the financial market collapsed. We need a thorough revision of economic thought, a revision that includes anarconomy.

notes

- 1 Rick Levine et al: *The Cluetrain Manifesto*, 1999
- 2 Such is the opinion of Sonic Youth's bass player, Kim Gordon, who argued that, by putting their album *In Rainbows* up for free download, Radiohead "did a marketing ploy by themselves and then got someone else to put it out. It seemed really community-oriented, but it wasn't catered towards their musician brothers and sisters, who don't sell as many records as them. It makes everyone else look bad for not offering their music for whatever." (www.tinyurl.dk/8758)
- 3 Ronald Coase, "The Nature of the Firm", *Economica* 386-405, 1937
- 4 Can be downloaded for free at www.cifs.dk/cm
- 5 See e.g. www.tinyurl.dk/9087
- 6 www.realestatewiki.com
- 7 www.spotify.com
- 8 www.girlgeniusonline.com
- 9 www.watt-evans.com
- 10 Chris Anderson: "Free! Why \$0.00 Is the Future of Business", www.wired.com/techbiz/it/magazine/16-03/ff_free (www.tinyurl.dk/8854)
- 11 http://en.wikipedia.org/wiki/In_rainbows

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flickr: hyperscholar / Guido "random" Alvarez

By Christine Lind Ditlevsen

The Truth is a Scarce Resource

We have long lived in a hyper-relativistic time in which each individual follows *his* or *her* truth. While this has made us free to live and think as each of us considers best, it has also made us lonely and denied us the platform of a common world-view or set of values that makes for a cohesive society. However, this may be changing. *Christine Lind Ditlevsen* argues that, after an individualist golden age, community is coming back into vogue.

► When one talks about *truth* today, one has to use the plural. This isn't merely a result of the more-or-less banal psychological conclusion that "what is true for you isn't necessarily true for me". It also has deeper, existential significance. The fact that we have the freedom to walk around in different realities makes us fragile and strange to each other. *Hell is other people*, as Jean-Paul Sartre wrote.

Before the science of the Age of Enlightenment truly began to make truth relative, our Western society mainly had a single metanarrative, a single conception of the world, monopolized by the Christian church. What was good and evil, how life had to be lived, ethics and morality, what constituted a good excuse for war, the definition of knowledge, gender roles, child rearing, school systems, taxes, work life, freedom, and love – all was dictated by the Christian church.

Truth could be understood simply as this Christian story that society told about itself.

The remarkable thing about such *monopolized truth* is that it also affects people who don't believe in it. The truth permeates the entire societal structure – the choices available to the individual and the way we speak of reality – to such an extent that it creates what we could call *a hard-to-grasp metaphysical framework around consciousness*.

All-encompassing monopolized truths are of a religious or ideological character, exemplified by belief systems such as Christianity, Islam, Maoism, and fascism. Today, it is difficult to grasp that religion can define the entire truth and not just spiritual life and the belief in higher powers. This is because truth has become *truths* – because it is a lifetime since most of us in the West have been subjected to a monopolized truth. The GDR is the exception – and now during the 20th anniversary of the fall of communist ideology, symbolized by the Berlin Wall, you can read everywhere about how the liberation from monopolized truth and the realization of freedom wasn't an entirely positive process.

The fact is that monopolized truths exist because they make sense; at first for a few people, later for an entire society that begins to live by, verbalize and organize their community according to the given truth. What at first is an idea held by a few people ultimately becomes a shared worldview, and hence life becomes difficult to imagine otherwise.

Goodbye to monopolized truths

Truth has splintered into more and more *truths*, both shared societal narratives and personal beliefs. This has occurred along with a sequence of social processes that were initiated by driving forces such as urbanization, globalization, individualization, and digitalization. Christianity, conservatism and social democracy, all of

which have been strong in many European countries, no longer monopolize our perceptions of truth. There is no longer a single story or a few stories that make *us* who we are. This means that we now live our lives in parallel with each other rather than running on the same track. A man becomes a doctor because he wants to – not because his father or grandfather was one. You get married because you want to – not because the church requires it. And you get divorced if you want to – because there are no moralizing institutions that can prevent you from doing so. You have a political view because you agree with a party or group – not because your workplace, class or family shares this view.

The disintegration of monopolizing truths very much has its basis in the rise of natural science. This breakthrough was among other things made possible by the monopolized truth of *Catholicism*, since it was actually the Catholic Church that hired scientists to clarify the Catholic worldview by examining the heavens. The Church could not imagine that these scientists would discover that the world is in no way ordered the way the church preached. Science discovered natural laws that persist no matter under what conditions they are tested and no matter how often they are tested. Unlike the Mosaic Law, the Law of Gravity can be tested.

This verifiability is what distinguishes a scientific truth from an ideological or religious one. Science also differs from ideology and religion in that it doesn't rest on its laurels. Scepticism towards one's own truths is an integral part of scientific thought. For instance, the message of the philosopher of science Karl Popper was that scientific truths are hypotheses that haven't yet been falsified. This means that enlightenment only lasts until it is replaced by new enlightenment, hence truths simply last longer under religious and ideological monopolies.

An illustration of this can be found in the familiar rebellion against the idea that the Earth is the centre of the universe – a hypothesis that was gospel for thousands of years until Galileo Galilei in 1632 deconstructed it with his studies of the phases of the planet Venus. It took the Catholic Church more than 350 years to publicly accept that Galileo was right – that the Earth orbits the Sun – not the other way around. Not until Pope John Paul II, who died in 2005, did the Church acknowledge its error.

The failure of the individual

Through the course of the 20th century, many of the institutions disappeared that kept the great Christian narrative alive. This narrative had certain necessary ingredients that could support society as we knew it: the nuclear family, social classes, the well-determined course of life, nationality, authority, hierarchy. Knowing thy place...



Science discovered natural laws that persist no matter under what conditions they are tested and no matter how often they are tested. Unlike the Mosaic Law, the Law of Gravity can be tested. This verifiability is what distinguishes a scientific truth from an ideological or religious one



The communal ‘we’ has suffered over the last ten years. Individuals have been left to themselves and have hence had to seek meaning, truth and cohesion on their own. We may have attempted to use virtual networks, but these networks are based on the same individual freedom as everything else

What did we get in return? The following industries have flourished in Europe in the last decade: coaching, consultancy and media. Why? Because they are the ones that construct and communicate truths. Even though we have been given free choice, sensitivity, equality, and influence, we still miss the truths, because they bound us together.

The communal ‘we’ has suffered over the last ten years. Individuals have been left to themselves and have hence had to seek meaning, truth and cohesion on their own. We may have attempted to use virtual networks, but these networks are based on the same individual freedom as everything else. The members’ interest in the network – or what they *could get out of* the network – was thus the only thing tying them together. Associations, parties, clans, and clubs lost members. The stories such organizations could tell couldn’t compete with the attractive, obligation-free stories that individuals could tell about themselves, on Facebook, in the Talent Show, to the coach and at work.

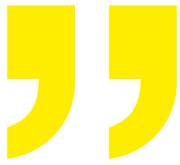
However, there are limits to what an individualized story can handle. In a sense, one man’s morals make no morals. The individual is capable of a lot, but lacks the dimensions necessary to create meaning fully. He lacks the ability to feel naturally responsible in the way that

one can when one talks and acts for a community. He cannot determine what is right and wrong without either going by his gut feeling or existing legislation – and he lacks a truth not of his own making.

The future is about to become de-individualized, and community is coming back in force.

Future communities

It is obviously difficult, not to say impossible, to illustrate the new future communities – they don’t exist yet. However, some present-day examples point into the future and provide an idea of what we can expect. The re-actualization of the idea of the commune is a good example. While the old, socialist production commune *Svanholm Storkollektiv* in Skibby flourishes in its 30th year, the modern large-scale co-housing project *Lange Eng* in Albertslund is an updated example of the idea of living in a community that goes further than the common, relatively obligation-free neighbourhood in suburbia. This co-housing project is interesting because relatively early (in 2006) it formulated a value set and a vision pointing towards the 2010s. In this value set, the co-housing is described as an “obligating community” and, when entering the community, members must “accept this value



Through the course of the 20th century, many of the institutions disappeared that kept the great Christian narrative alive. (...). What did we get in return? The following industries have flourished in Europe in the last decade: coaching, consultancy and media. Why? Because they are the ones that construct and communicate truths

set". The association can "exclude households for breaking the association's rules/regulations", even though this is owner-occupied housing! This is far from the individualist focus of the 1980s, 90s and 00s. However, Lange Eng is also a very modern housing development with a large, modern community house with rooms for various activities and different types of togetherness. The project, which finished construction in 2008, consists of individual owner-occupied apartments, designed by one of today's hippest architectural firms, Dorte Mandrup Arkitekter. Lange Eng is a modern hybrid – a pioneering example of something we may see more of.

Lange Eng is interesting because it emphasizes the *obligating* community. In a way, it is a return to the family as a centre of truth, except that the family members you live with are chosen. They are not a 'network', however, because the connections are neither loose nor virtual. In the modern commune, you are forced to live with and look at each other all year round. This is a true community – whether or not you actually have something to say to each other.

Something similar can be imagined in worklife. It is possible that in the future we will see more truly meaningful communities at the workplace. Either where the employees are co-owners – everybody is joined in a community to earn money and get a share of the profit – or where you work for 'a higher cause', which isn't a commercial value community ('the company's five core values') created by company consultants. This can, for example, be a political goal or managing an interest.

However, the movement towards a stronger focus on community will also be visible in daily life and at a more

down-to-earth level. For example, it is conceivable that *the common meal* will be far more on the agenda in the years to come. The zeitgeist already has a strong focus on food and health, and there will be a natural coupling of this with the sense of community experienced through eating food. This will be a move away from the lonely TV dinner, the quick snack, and *functional food* (which mainly presents food as body fuel) towards food as social action and community.

As Jens Ulrich, PhD of social science at Aalborg University, describes in his article *Måltidet kan redde vores smuldrende fællesskaber*, the meal involves both the collective and the individual. We eat the same, but from each our own plate.

"The meal can be lifted from just being a framework for our community to also being the content of our community," Ulrich writes, and continues: "If we dare acknowledge our pleasure, the conversation about the content of the meal can be a platform for a community that goes beyond what we eat and drink. If our conversation begins with what we eat and drink, it's an easy step to move onto organic farming, GMO food, or vitamin-enriched cereal products. Then, suddenly, we've moved into topics with a political content that matters for what decisions are made regarding the structuring of the larger community."

In this way, new communities can form on a large, as well as a small, scale.

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However, the movement towards a stronger focus on community will also be visible in daily life and at a more down-to-earth level. For example, it is conceivable that the common meal will be far more on the agenda in the years to come. The zeitgeist already has a strong focus on food and health, and there will be a natural coupling of this with the sense of community experienced through eating food

They Own the Future

The future is in higher demand than before. There was a time when the Copenhagen Institute for Futures Studies more or less had future studies to itself. That's not the case any more. More and more people want to take part in illuminating the future – even at university level! This is probably because there's more money (sorry: appropriations) in it, and because the increasing pace of change has made the future more interesting.

The question "Who owns the future?" has become more urgent. At the same time, in the information society, there is an increasingly varied multitude of answers to this question. Hence, the key becomes asking well-targeted questions. If you ask who owns the future, a lot of answers crop up. Here's a preliminary list of who owns the future:

1. *The young*. This is the easy answer. The young have a longer future ahead of them than us older people. Unfair, but undeniable. And they rake it in: half of today's babies can expect to live to 100.
2. *The healthy and the fit*. A spectre is haunting Europe – the spectre of health. In the future, it will be harder to behave unhealthily. This, of course, occurs due to the best intentions to give us all a longer future, perhaps even a better future; i.e., delaying the pressure on the public sector through welfare incomes and hospital expenses. But we are bound to see a counter-reaction at some point. This columnist knows someone who refuses to stop smoking based on the argument that he doesn't want to die healthy. This is one viewpoint; but if he lives long enough – and I certainly hope he does – the health police will come to get him.
3. *They who will be remembered*. "Fools die, friends die; even you will die. One thing I know will never die: judgement over every death." This was written in *Havamal* in the 11th century, so it is a reflection that has endured through the ages. However, good reputation and the prerequisites for it aren't what they used to be. Andy Warhol thought that we all had the right to 15 minutes of world fame; and if this is realized, it will be difficult to remember them all.
4. *The 'dead'*. Many companies are owned by trust funds. The company's founder writes the trust deed, and we often talk about his 'dead hand' as

limiting the company's freedom and hence reaching into the future. Among the 'dead hands' are also patent holders and other Intellectual Property Rights holders who, long after their deaths, can still call the shots. However, these may 'catch a tartar' in the coming open source society.

5. *They who write history*. The future always becomes the past. Past and future are a matter of interpretation, and the interpreters are 'right' – at least until another interpretation comes along.
6. *Politicians with 'success'*. The reputation of politicians is nothing to write home about. They are generally ranked on the level of journalists, lawyers and real estate vendors. Perhaps this is because only the future will show how good politicians are. In the present, spin, horse-trading and mudslinging overshadow this. But with 20/20 hindsight, you can tell a good politician. Winston Churchill wasn't always well respected in his own time, but has become so later. Perhaps this will also happen to some of today's politicians. This is a very friendly interpretation but, conceivably, it may be true.
7. *They who care to act*. The future doesn't yet exist. It is a result of the actions and decisions we will make along the way. So they who care to act will decide the future.
8. *All of us*. It is almost pure Communism whereby each contributes according to ability, in the sense of taking part in our society's development, and as citizens consume according to need. We all take part in developing our society; i.e., creating the future. This may be the essence of being a society, even if we all, to some degree, may point to some people we wish would stay out of it!

There are most likely more groups that think they can make demands on owning the future; but ultimately the question of who owns the future is rather perverse. You can't own something that doesn't exist, even if the financial sector comes close to accomplishing this (through, for instance, *derivates*).

The moment you own the future, it has become the present.

Eternally owned is only that which is lost.

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BOOK REVIEW

War and Peace in the 21st Century

In his latest book *Krig og fred I det 21. århundrede*, Bertel Heurlin very persuasively presents the problems and trends that have contributed to changes in our perception of the concepts 'war' and 'peace' since the end of the Cold War, particularly after 9/11 2001. The pace of change is increasing, not just for companies and individuals in society, but also for our civilian and military organizations. The concepts of war and peace are also rapidly changing in meaning (the meaning is very different from what it was just 20 years ago) and present-day international security operations require both civilian and military efforts.

The target group for Heurlin's book consists of people with an intermediate to advanced education in peace and war studies, military officers, journalists, and others. However, if you don't belong to this target group, you should still take the time to read the book. I warmly recommend it to all people interested in getting an introduction to war and peace studies and the trends and challenges that will form future security policies (for instance, nuclear weapons and the war on terror.)

The book is organized into three parts. Part 1 is an introduction to the ideas of war and peace. Part 2 presents the general dimensions of war; i.e., it explains war and peace as concepts and their theoretical foundations. This may be a bit intimidating to the inexperienced reader, but it is worth it. In chapter 6, Heurlin presents his idea of six different 'revolutions' that will shape the future strategic environment (at the Copenhagen Institute for Futures Studies, we would call them *mega-*

trends). He posits these in relation to the five leading war and peace paradigms. Part 3 presents specific dimensions of war and peace: law, the concept of security, the war on terror, nuclear weapons, identities, and Denmark in war.

Questions regarding war and peace are some of the most fundamental subjects in a society. As a committed citizen, one should have insight into the discussions that shape how we view, analyze and interpret future threats, war and peace. Denmark is a nation that, according to classical strategic analyses, currently experiences the highest level of security in its history. In 2008, the Defence Commission stated: "Denmark is not expected to face a conventional military threat in any foreseeable future and hence enjoys a favourable geostrategic position without historic precedent." Even so, Denmark has changed its military from a so-called mobilization military to a military that fights abroad. Since 2001, Denmark has been engaged in operations in Iraq and later Afghanistan. Even though the United States is the world's greatest military power by far, and one of Denmark's closest allies, this can't explain Denmark's significant foreign involvement. Other Nordic nations have chosen different strategic solutions from Denmark.

Krig og fred I det 21. århundrede is ambitious in its goal. Heurlin provides a good introduction to how we can define war and peace and how our perceptions of these concepts are changing. These changes are among other results of the development of new trends in our society as well as the introduction of new threats.

These threats arise because of the asymmetry of global power, globalization, radicalization, climate change, and the proliferation of ever stronger death-dealing technology – for example, weapons of mass destruction.

The book attempts to explain different interpretations of central questions such as:

When have we won the war and achieved peace? How do we define our societal objectives when we are at war? Should the war on terror, stability and rebuilding operations, and counter-insurgency operations be viewed on equal footing as the combat operations traditionally performed by military and intelligence? Why are, for example, our efforts in the Helmand province in Afghanistan and fighting pirates in the Gulf of Aden relevant to our national and international security?

Viewed from the outside, it would seem easy to answer the question of what 'war' and 'peace' are. But how could former German Chancellor Gerhard Schröder defend German participation in NATO's operations in former Yugoslavia in 1999 – a war aimed at preventing ethnic cleansing in Kosovo – with the explanation: "This isn't war. This is a political action with military means to achieve peace."¹

The questions are serious ones. The ways we interpret them and try to answer them are in the process of changing the conditions in which our civilian and military leaders educate our civilian and military institutions. They are connected to changing relations between civilian and military institutions as well as civil rights. Since the fall of the Berlin wall 20 years ago, a number of researchers



This isn't war. This is a political action with military means to achieve peace

Gerhard Schröder, then German Chancellor, about German participation in NATO's operations in former Yugoslavia in 1999.

have attempted to understand the changes in the character of war, and Heurlin provides a good analysis of, among others, Alvin Toffler's, Mary Kaldor's, Mikkel Vedby Rasmussen's, and Rupert Smith's interpretations of why war in the 21st century is different from before. Rupert Smith's overview provides a good picture of what characterizes the new wars:

TABLE 1:
Rupert Smith's description of new wars compared to old wars

INDUSTRIAL WARS	NEW WARS
Vital interests, survival (hard security)	Non-vital interests (soft security)
The goal is to win	Securing special conditions
War is the last resort	Wars should solve or limit crises
Greatest possible show of strength	Limited, stressed use of force
Rapid end to war	Long-term efforts
Symmetric warfare regarding goal, means, and methods	War is fought among civilians; no fronts; no counterforce

The term 'new wars' should be taken with a grain of salt. There's nothing new about them. There are several wars throughout history that match the overall definition of new wars (take, for instance, the colonization struggles of the 16th to 18th centuries). One could argue that the Cold War was an exception in world history because it was a 50-year period of tension between two different blocs. When I worked as a consultant for

the American Defence Department, these problems were the key to discussions regarding publishing new strategies and directives, such as the directive DODD 3000.05, *Military Support for Stability, Security, Transition, and Reconstruction (SSSTR) Operations*, which puts stability, security, transition, and rebuilding operations on equal footing with combat operations for which the American military must prepare.² In this directive, there is a recognition that military strength alone can't ensure success in future operations. The 'new' wars require greater civilian efforts and a higher degree of professionalism from both military and civilian participants. The greater civilian efforts now influence military organizations more than ever. It isn't just the American security system that takes the consequences of these changes seriously; most NATO countries are undergoing the same changes.

With a good understanding of the meaning of war and peace in the 21st century, we can begin to understand the challenges of the new paradigm, and begin to take them seriously in our societies. One of the critical challenges posed by the new wars is to create civilian capacity for participating in the uncertain new wars with no clear fronts. While the NATO countries hesitate to send more soldiers to Afghanistan, and President Obama considers how many more soldiers the United States can send, we ignore the real problem: there simply aren't enough civilian experts to solve the new tasks related

to the new wars. Counter-insurgency operations – a key element of the 'new wars' – require a strong civilian presence. But where is this presence in, for instance, Afghanistan? According to the latest numbers, the American Defence Department needs to fill 300 civilian jobs in Iraq and 350 in Afghanistan. The American Foreign Ministry lacks 30 percent of the required personnel in a wide range of embassies. Will there be new personnel for the US Foreign Ministry and Agency for International Development? No - only 700 new diplomats are hired every year, barely enough to replace those who retire.³ The NATO effort isn't only threatened because of a lack of soldiers. It may be even more seriously threatened because soldiers don't have the necessary competencies.

Bertel Heurlin: *Krig og fred i det 21. århundrede – facts, forestillinger og forklaringer*. 1st edition, 2009. Forlaget Samfundslitteratur

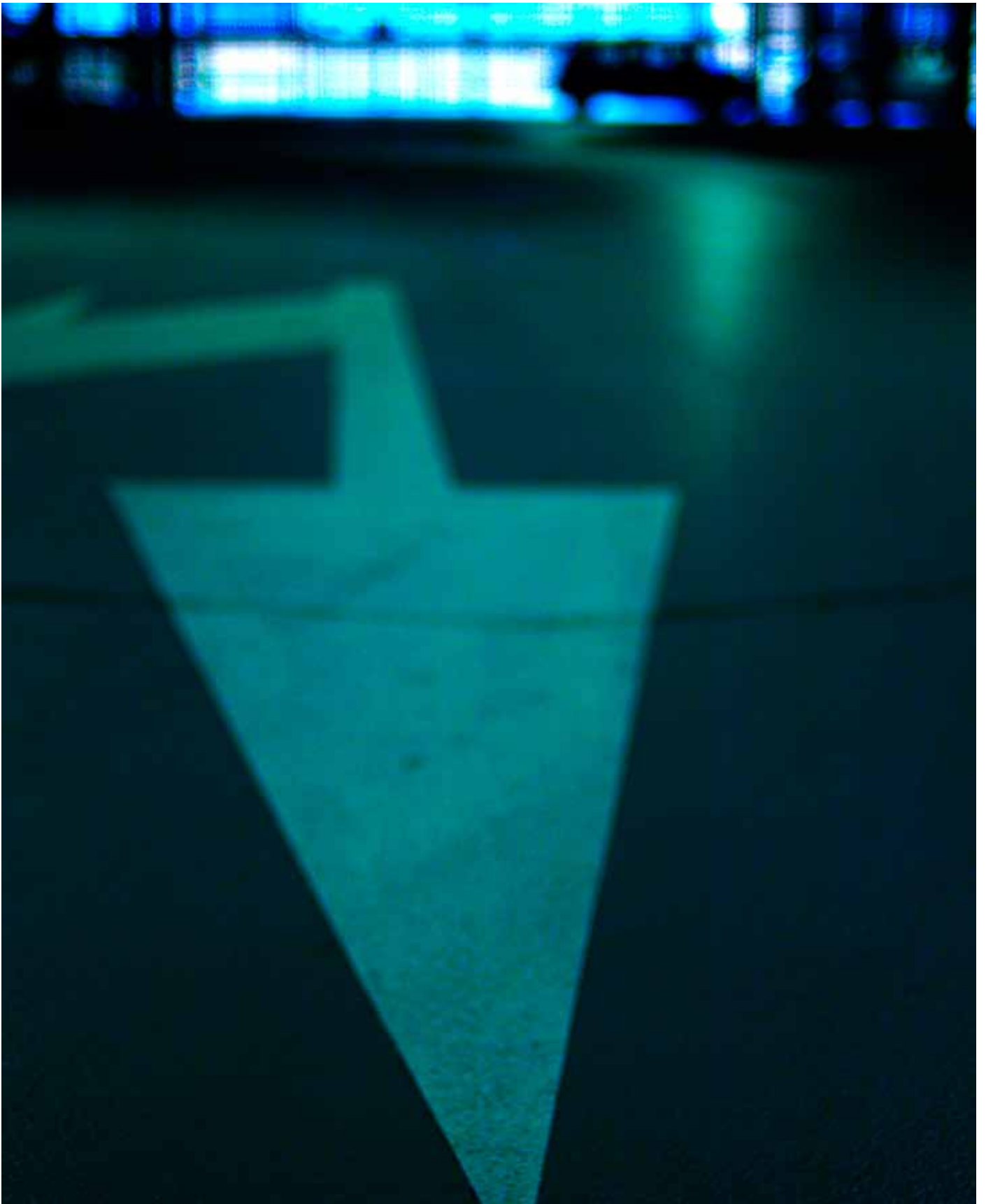
notes

1 Heurlin, p. 16.

2 <http://www.washingtonpost.com/wp-dyn/content/article/2005/11/30/AR2005113002076.html> og <http://www.dtic.mil/whs/directives/corres/pdf/300005p.pdf>

3 Ron Capps, "Call in the civilians" Foreign Policy (October 2, 2009) <http://www.foreign-policy.com/articles/2009/10/26/call_in_the_civilians>

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OUTSIDE THEME

The Convenient Fallacy of the Role of Psychology in the Financial Crisis

The use of psychological terms by economists is effectively contributing to holding the wrong people responsible for the financial crisis

“The financial crisis is a psychological phenomenon,” says the headline of an article from newsletter of the Financial Services Union Denmark (#7/2009). This article is one of many articles written about the current economic crisis, wherein economists and other financial actors refer to the psychological effect as a very central parameter in understanding the development of the financial crisis. We hear experts speak sentences that make psychology appear to be just about the most important thing in keeping a society going – like: “The drop in housing prices isn’t dangerous in itself ... it is rather the psychological effect it has.” Implicitly: drops engender more drops. This is psychology.

But what exactly is ‘the psychological effect’ – seen psychologically?

‘The psychological effect’ isn’t a technical term, but rather an approximation to a phenomenon. It refers to the quite fundamental urge people have to put experiences, messages and actions into contexts in order to make them meaningful. When we put news and events into contexts, we are provided by a rationale with which to understand the world, but it also makes way for the irrational: the *affective action*, which many economists fear in times of crisis – and rides high on in prosperous times.

In good times, this strengthens a movement that can be explained rationally and economically, while in bad times, the reverse happens; the descending spiral is strengthened beyond what it should be if we solely look at numbers and act rationally.

Economists hence see ‘the psychological effect’ as a dynamic that strengthens already extant trends. It has become a layman’s term, embedded in both economy and investment, and it plays on two strong emotions in people: fear and greed.

Economic spin

Both fear and greed feed on media coverage. Dire economic predictions in the media tickle our fears of losing what we have, while positive news makes us gleefully rub our hands. How many were comforted in the years 2003-2007 by the thought of growing equity in the bricks of their houses – and hence bought a small, extra flat as investment, since things were going so well? How many are sitting today with a somewhat too large mortgage in their houses and fear technical insolvency? Perhaps

the mortgage loan was used to buy stocks that are worth less now than then. You never know where the market ends ... greed gives way to fear. Perhaps things will turn around again and result in new greed? Time will tell. Memory is usually short. Unlike work, where many earn their money in the transaction 'one day's pay for one day's work', investments are about *speculating* yourself to money. Hence, investments are very much based on notions of how big fluctuations there will be on a given market – whether housing or stock. For this reason, the 'image of the market' is a vital issue that is being fought about. Just like with the weather forecast, we are on a daily basis fed with data about the newest economic winds and rainstorms. Which stocks are going up or down? What are the numbers for housing sales in the second quarter? What are the forecasts for interest rates and unemployment?

Investment experts have their own TV shows in prime time on the big American networks – like "Mad Money" with Jim Cramer on CNBC, with the slogan "*we have the financial expertise you need*". The problem is that Jim Cramer has an agenda. For instance, he admitted in 2006¹ that he manipulated the market for his hedge funds through various tricks. His former partner, Nicholas W. Maier, accuses him of 'Pump and Dump'. This is when you buy stock at very low prices and then pump up their values by mailing hysterical newsletters about how this stock will skyrocket. Then you sell your stock when the price rises – and the 'normal' investors are left with worthless stocks.

Mad Money Jim has long since realized that investments can be optimised through media coverage. FOR THIS REASON he is an actor on both markets. The media have become the faithful servants of the market and rarely live up to their roles as 'society's watchdogs'. It is economic SPIN. The most efficient example of such spin comes from the former Director of the US Central Bank, Alan Greenspan. It is well known² that he was a master of manipulation, and with his position at the front of the global economy, he had considerable influence and responsibility. The difference between him and Jim Cramer may simply be that he – most likely – didn't make his spin for the sake of his personal profit.

We know similar tendencies in Denmark, albeit in the political sphere, in the TV show "Jersild og spin" on DR TV. The show is about smart opinions, political positions, and 'spin on spin' – not about what constitutes good politics or what the political initiatives actually mean. The program's experts primarily discuss what other commentators hope to achieve by what they are saying – not *what* they are saying. Our modern lives have in this way exchanged *reality and meaning* with a media-tainted 'image of reality'. Our society and its financial

actors have been caught in – and are dependent on – the media's twisted, sensation-hungry interpretations of reality. They have lost contact with the true reality on which the interpretations are based.

In retrospect, the financial actors have perhaps been more interested in the battle for the media image (there's money in it) than handling the real problems with, for example, sub-prime loans, rating systems, etc. Hence, when reality finally breaks through the media image, it does so with unrestrained, violent force. A perfect storm requires that it can grow quietly in strength before it hits us. And when the crisis hit us unexpectedly, it might have been because the economists looked away from the numbers and believed in the fantastic prize and the psychological market forces that would make the curves keep going up forever.

Rejection of responsibility

The economists' tales about 'the psychological effect' can be seen as an interpretational schematic that shapes and organizes and contributes to create cohesion and meaning in our recovery actions. The problem is that the psychological factor is exaggerated and indirectly ignores the severity of the real problems by moving the crisis to a psychological universe where it strictly speaking doesn't belong.

The crisis originates in the economic sphere, among economists, investors, house owners, and speculators. When the financial crisis is reduced to a psychological phenomenon, the involved actors can quickly brush off their responsibility and lay the blame at the *recipients* of the services. "The citizens should not react in affect – don't let psychology win," is the underlying rationale when real estate brokers, bank economists and mortgage company spokesmen tries to talk up the market. A comfortable psychological error that effectively maintains an unsteady foundation for our society's economy, since perhaps there ARE imbalances in the system that cannot be explained through psychology. Perhaps we really need zero growth (or worse) right now to make the overheated boilers cool down, before the train again hurtles forward. Perhaps it is time that more money is earned as 'one day's pay for one day's work' – or through regular company operations – and less as returns on investment. This will move the focus from 'psychology' to 'economy', since psychology as a tool and model of explanation largely is unimportant for these simpler forms. Here, economy suffices brilliantly as a model of explanation.

You can't speculate yourself out of a crisis

In existential psychology, you see crises as an integral part of life, and it is a lifelong task to handle such adversity. Crises are important and natural parts of human

” Economists hence see ‘the psychological effect’ as a dynamic that strengthens already extant trends. It has become a layman’s term, embedded in both economy and investment, and it plays on two strong emotions in people: fear and greed

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growth, and they are triggered by events – usually connected with losses.

The definition of a crisis is interesting, since it very clearly describes the financial crisis. Crises arise when you suddenly find yourself in a life situation where all your previous experiences and tools cease to be effective. They become powerless. You can’t fully grasp the new life situation and lack concepts with which to nail the world down. You also suffer from a lack of meaning.

In a crisis, there are two concurrent agendas or tasks you have to consider in a therapeutic perspective. The most fundamental is to respond quickly to the situation you’re in. Once chock sets in, you become paralyzed. Hence, You need to calm in the short term. In the financial crisis, this was done through bailout plans, state guarantees, etc. to ease the extent of the crisis.

Later, the violent reactions and great swings set in. You slowly begin to treat the difficult experiences by examining and understanding the prerequisites, mechanisms, dynamics and conditions that caused the crisis.

At least in the ideal case. For only through *actively* taking responsibility for a future life, a new orientation is created for the actor. It is a necessary part of the process of ending a crisis, and successful crisis management thus always changes the fundamental assumptions you used to take for granted. However, hocus-pocus explanations of the psychological kind don’t suffice, and we have

to ask ourselves where and when the main actors of the financial crisis – the speculators, hedge funds, banks, mortgage companies, etc. – have made the necessary soul searching? Where is the process that deals with the difficult reflections? Where is the well-considered and sustainable model of explanation? And where in the political system is it expressed? “Spend more,” was the political message following the release in Denmark of the otherwise frozen SP (special pension) assets. “And remember, our tax cuts will improve your economy next year,” it was added. Once again, an expression of psychology that had to be turned around: the affective fear reactions had to be stopped.

However, the winning agenda is a proactive vision that must be able to answer the question: What does it mean? What should life look like from now on – and what can we realistically do? In relation to the economic crisis, the questions are: what should our future society look like? And how do we organize the financial market so it supports us in this movement? The winning agenda is a visionary, meaningful agenda that can provide direction for the fundamental agenda while an unsustainable situation is straightened out. Otherwise, you act in a shortsighted manner. However, many have a tendency to use already familiar tools to quickly end the ‘undesirable’ crisis – taking the easy way out. But a good psychological rule of thumb is that the tools that got you into a crisis

can't get you out again. So if economists and other good people really believe in psychology in crisis, this might be the place to start. Further speculation will hardly help end the financial crisis; most likely, the opposite.

Economists versus psychologists

When you hear economists and real estate brokers mutter "it isn't the financial crisis itself that is the problem, but rather the story of it," this is a truth with modifications. It is true enough that a negative tale about the economy creates uncertainty, which makes people hold back on consumption and investments. However, this way of viewing everything – the market as story and psychology – is a reactive approach. This is because (as described above) you then continue using the same tools that got us into the period with overheating and bubbles. We thus lock the work towards a solution in the twisted and spin-controlled media image instead of fundamentally addressing the problem-causing system: our society and its financial and economic subsystems.

In reality, the primary explanation for the financial crisis may simply be that things were overestimated in relation to their real values; and that the checks and balances were eroded, driven by the aforementioned greed. We can't say that for sure, since we aren't economists – and the economists don't say anything (not very many of them, in any case).

This is slightly absurd. Usually, economists are the first to say that you should stick to facts, objectivity, rationality, and the numbers. Economics has long desired to become an exact science – this has been the goal since World War II. However, when the crisis comes along, when the systems turn out to be wrong, the economists are the first shout that psychological factors are to blame. And now, two psychologists are writing this article, asking for economic solutions to economic problems. This goes to show that something needs to be changed in our understanding of it all. That we need to get psychology back where it belongs – and get economy back as the framework within which our society's economical problems are solved. In the meanwhile, we will do what we can to take care of some of the people that have real human problems as a result of the current economic morass.

notes

- 1 TheStreet.com, Aaron Task, 2006
- 2 "Superbobler og ninja-lån", Jesper Vind Jensen, Weekendavisen, October 16th 2008.

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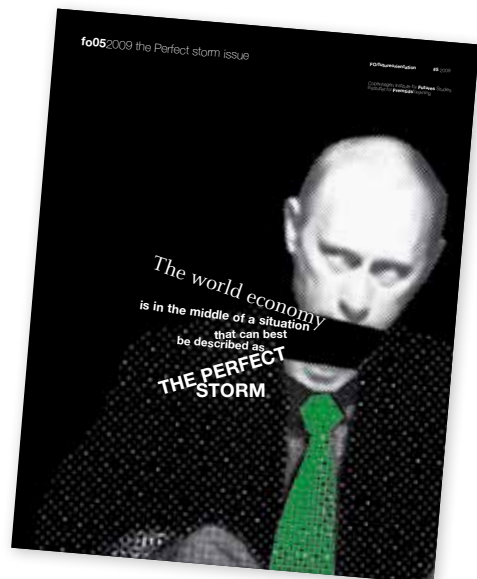
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