

## **The Socio-Economic Implications of a Social Knowledge Economy**

– John Restakis, Jan. 2014

In the current debate concerning the rise and consequences of “cognitive capitalism” a new discourse is developing around the concept of a “social knowledge economy”. But what does a social knowledge economy mean and what are its implications for the ways in which a society and an economy are ordered?

Cognitive capitalism refers to the process by which knowledge is privatized and then commodified as a means of generating profit for capital. In this new phase of capitalism the centralization and control of knowledge overtakes the traditional processes of material production and distribution as the driving force of capital accumulation. In the past, capitalism was concerned primarily with the commodification of the material. Essential to this process was the gradual enclosure and privatization of material commons such as pasturelands, forests, and waterways that had been used in common since time immemorial.

In our time, capitalism entails the enclosure and commodification of the immaterial – knowledge, culture, DNA, airwaves, even ideas. Ultimately, the driving force of capitalism in our age is the eradication of all commons and the commodification of all things. The colonization and appropriation of the public domain by capital is at the heart of the New Enclosures.

This process is sustained and extended through the complex and ever evolving web of patents, copyright laws, trade agreements, think tanks, and government and academic institutions that provide the legal, policy, and ideological frameworks that justify all this. Above all, the logic of this process is embedded in the values, organization, and operation of the capitalist firm.

By contrast, a social knowledge economy is based on the principle that knowledge is a commons that should be free and openly accessible for the pursuit of what René Ramirez describes as “good living”, not as an instrument of commercial profit. Knowledge is perceived as a social good.

This pursuit of a social knowledge economy is seen as the key to transforming Ecuador’s economy from its dependence on the North and on multi-national corporations to one in which free and open access to knowledge builds economic independence, innovation, and the means to better serve the common good. It is knowledge mobilized to serve social, not private, ends.

As René Ramirez has said,

“Unlike cognitive capitalism that only recognizes private ownership of knowledge, what is sought in the socialism of good living takes into account public, mixed, collective ownership – and of course also private, (i.e., a range of forms of intellectual property) and that its mode of production is mostly collaborative (networks) with and for society and humanity.”<sup>1</sup>

What is left unanswered is how existing socio-economic institutions help or hinder the power of knowledge to play the transformative role assigned to it.

A starting point for answering this question is the recognition that knowledge in a society – its creation, utilization, and value – is a construct that is moulded by the social and economic forces that define the power relations in a community. Knowledge has always been at the service of power. Cognitive capitalism, the process by which human knowledge is both privatized and commodified, results from the domination and power of capitalist economic and social relations, and in particular, the undemocratic and privatized nature of economics, markets, and the organizational structure of firms.

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<sup>1</sup> Toward Intellectual Independence, René Ramírez Gallegos Interview, 2014, <http://reneramirez.ec/del-capitalismo-cognitivo-a-la-economia-social-del-conocimiento/>

In previous ages knowledge was also controlled and monopolized, to the extent that it was possible, by king or church. Today's information technology, combined with global corporate power, has made such centralization and control far easier and far more extensive.

If the character and use of knowledge in a society is a product of existing power relations, the pursuit of a social knowledge economy must also entail a re-visioning and re-aligning of social, political, and economic relations such that they, in turn, embody and reinforce the values and principles of what knowledge as a commons implies. Absent this, how would a social knowledge economy operate, or be sustained, in an overwhelmingly capitalist economy?

Where are the social and economic spaces in which an open knowledge commons could be used in the service of the broader community or for collective aims? What kinds of organizations are needed to in order for knowledge to be used in this way? What are the conditions necessary for them to thrive? How can they provide a counterweight to the overwhelming power and influence of capital? Without strong civic institutions committed to the idea of the commons and the public good, open knowledge systems are vulnerable to appropriation and ultimate commodification by capitalist firms as is currently the case with the internet itself. The recent ruling of the FCC in the United States undermining net neutrality is a major advance in the privatization of what has until now been an equitably accessible global commons of information.

An economy in which knowledge is a commons in the service of social ends requires the corresponding social and economic institutions that will mobilize knowledge for the realization of these ends. The operation of a social knowledge economy ultimately depends on social and economic institutions that embody the values of commons, reciprocity, and free, open and democratic association that are pre-requisites for the pursuit of social ends. In short, a social knowledge economy ultimately rests on social economy values.

Ramirez puts it this way:

“There are scholars from the ivory tower that would have us believe that you can separate the world of reason and ideas from the world of the material and political economy that exists globally. This not only demonstrates the lack of understanding of what is currently happening on our planet but the absence of political realism to find a real social transformation.”<sup>2</sup>

Just as cognitive capitalism depends on the manifold institutional supports supplied by government policy, legislation, free market ideology, and the collective power of firms and the institutions that serve them, even more so does a social knowledge economy require the corresponding civic and economic institutions that can support and safeguard the value of commons, of collective benefit, of open and accessible markets, and of social control over capital. These civic institutions are embodied in the structure of democratic enterprises, of peer-to-peer networks, of non-profits and community service organizations, of mutually supporting small and medium firms, and of civil society and the social economy itself.

It is these social and economic structures, based on the principles of reciprocity and service to community, that can best utilize knowledge as a commons and safeguard its future as an indispensable resource for the common good and the wellbeing of humanity as a whole.

The identification of these institutions and of the public policies needed for their development and growth is the over arching aim of this research.

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<sup>2</sup> ibid