

The Morningside Muckraker

COLUMNS, OPINION

Free Culture? Free Finance.

OCTOBER 28, 2014 by **THE MODERN MONEY NETWORK (COLUMBIA CHAPTER)**



“The great moral question of the twenty-first century is this: if all knowledge, all culture, all art, all useful information can be costlessly given to everyone at the same price that it is given to anyone; if everyone can have everything, everywhere, all the time, why is it ever moral to exclude anyone?”

– Eben Moglen

In the early days of the European Enlightenment, the mass production of cultural artifacts required scarce and expensive printing machinery. For printing press owners, the critical economic question was not *whether* to print, but rather *what* to print. Governments, concerned that printers were devoting their industrial energies to business materials, subversive political literature and pornography, responded by granting monopolies over the making of copies of particular works. The effect of this proto-copyright law was to give the owners of the means of cultural production a private stake in the growth of culture itself, as printers were able to purchase the rights to authors' works and then retain exclusive profits from their production, sale, and distribution.

That was then, and this is now.

As Columbia Law Professor Eben Moglen notes, in the 21st century, every form of cultural expression – literature, visual art, music, film, software – can be infinitely digitally reproduced by anyone in possession of a cheap, handheld computer, at an effective marginal cost of *zero*. For the first time, it is possible to imagine a non-tragic cultural commons: everyone freely giving and taking from the sum of human knowledge without the risk of ecological degradation, or the interference of unnecessary intermediaries like printers, salesmen, and distributors.

Artists Have To Eat¹

Free culture advocates like Moglen often argue that the exponential social benefits of free knowledge and culture impart a moral obligation on individual creators to eschew proprietary culture and join the creative commons. We agree, but remain unconvinced that appeals to individual sentiment will be sufficient, on their own, to convince the public that commons-based production is a feasible alternative to proprietary culture.

For amateurs and dilettantes who do not rely on their art for a living, moving to the commons has plenty of upside and little downside. For creative professionals, however, particularly those burdened by economic hardship, the risks associated with transitioning to a non-proprietary business model can feel (rightly or wrongly) prohibitive. Often times, the typical free culture advocate's response to this

1 Paraphrased from Harry Hopkins, FDR's Director of the Works Progress Administration, in defense of the inclusion of jobs programs for artists in the New Deal. <http://www.pbs.org/wgbh/americanexperience/features/general-article/dustbowl-wpa/>.

concern is to either dismiss it, to reemphasize the moral case for freedom, or to point to others' success stories as proof that "it can be done."

We believe these responses are insufficient and miss the deeper point: no matter how feasible commons-based production may appear to those who are familiar with it, for those suffering from the paralyzing effects of systemic money scarcity – unemployment, poverty, overwhelming consumer debt – the free culture response is incomplete at best, and callous at worst.

Our proposal for addressing this issue is to combine the free culture movement's view of the bitstream economy with the Modern Money view of the monetary economy. In our [last column](#), we argued that the campaign finance reform (CFR) movement would be strengthened by a more realistic, contemporary view of public finance and its possibilities. In particular, we noted that innovative policy ideas, such as publicly funded voting vouchers, would be far more likely to gain support if the public realized the vouchers could be paid for directly by the federal government—without a necessary increase in taxes, borrowing, or inflation.

The Modern Money framework we use is even more relevant to the free culture movement. As Maryland Law Professor Frank Pasquale observed in a [response](#) to the last MMN Muckraker column, in a world where sovereign governments create currency through keystrokes, public finance is no longer a zero-sum game, concerned chiefly with collecting money from some people and giving it to others. Instead, it can be used to directly address questions of employment, investment, and industrial subsidy: Where should the money for creative jobs come from? How can we design programs that reward creators for their labor without restrictive property rights or centralized control of culture? From the Modern Money perspective, these questions are questions about the design and function of money itself.

Frameworks for Funding

Once the public accepts that a more expansive fiscal role for the government is necessary, the policy space for free culture activism expands dramatically beyond defensive attempts to turn back the clock on copyright expansion. For example, we could adopt Dean Baker's idea for [Artistic Freedom Vouchers \("AFVs"\)](#). The model for these vouchers is very similar to the voting voucher idea we

discussed in our last column: every citizen receives a \$50 (or more) coupon that they can donate to fund creative projects, which must be released to the commons under a copyleft license.² Such an approach would improve financial security for creative workers and increase the size and value of the creative commons for future artists. Moreover, this approach is inherently biased towards community art, as a local artist can pre-fund her next album with seed money from a few dozen friends and relatives' vouchers.

Another way to grow the creative commons is through direct job creation. There is no economic reason why artists (or, indeed, anyone else) should be denied the opportunity to work for public purpose if they so desire. This isn't even a new idea. During the New Deal, programs like the Works Progress Administration and the [Federal Art Project](#) successfully employed out-of-work artists (like Jackson Pollock, Louise Nevelson and Mark Rothko) in a range of fields to establish community arts centers, give public theatre and music performances, give free lessons, record oral ethnographic histories, and make paintings, sculptures and murals for public spaces. Even today, there are [plenty of opportunities](#) for creative input into infrastructure development, community revitalization, education and many other government programs.

2 In contrast to the standard public domain framework, the legal architecture of the non-proprietary Creative Commons licenses are based on an ingenious 'hack' of copyright law known as "copyleft." As Richard Stallman explains:

"The simplest way to make a [work] free ... is to put it in the public domain, uncopyrighted. This allows people to share the [work] and their improvements, if they are so minded. But it also allows uncooperative people to convert the [work] into [a proprietary work]. They can make changes, many or few, and distribute the result as a proprietary product. People who receive the [work] in that modified form do not have the freedom that the original author gave them; the middleman has stripped it away. ...

So instead of putting [our work] in the public domain, we "copyleft" it. Copyleft says that anyone who redistributes the software, with or without changes, must pass along the freedom to further copy and change it. Copyleft guarantees that every user has freedom. ...

To copyleft a [work], we first state that it is copyrighted; then we add distribution terms, which are a legal instrument that gives everyone the rights to use, modify, and redistribute the [work], *or any [work] derived from it*, but only if the distribution terms are unchanged. Thus, the [work] and the freedoms become legally inseparable. Proprietary [creators] use copyright to take away the users' freedom; we use copyright to guarantee their freedom."

<https://www.gnu.org/copyleft>.

Decentralized investment and work in the creative commons encourages not only the production of shared knowledge, but also increases democratic voice. The forms of culture rewarded don't have to be only those that maintain political approval or the patronage of wealthy consumers. In fact, when such art forms are publicly funded in this way, they become legitimized as the authentic experience of marginalized social groups.

Copyright vs. Copyleft: True Competition

The great lie of copyright is that that without monopolistic property rights over their work, artists would have no incentive to create. But the right to exclude is not a necessary incentive – it is but one way to secure money in exchange for the fruits of one's labor. And as macroeconomist Stephanie Kelton likes to say, “cash registers don't discriminate” – the local supermarket will accept an artist's money, regardless of whether it was earned through a public paycheck, a cultural investment voucher, or the royalties from an exclusive copyright.

Creating publicly funded, decentralized systems of cultural production in parallel to the existing proprietary system of copyright subsidies would enable the public to compare, for the first time, the merits of proprietary versus non-proprietary culture. Additionally, governments and courts would be able to compare the success of copyleft and copyright business models when evaluating whether extension after extension of copyright term limits does, in fact, promote the “Progress of Science and useful Arts.”³

Perhaps, then, when presented with hard, empirical proof, society would finally be able to embrace the obvious truth – one that has been obscured for so long by copyright's seductive economic logic – that sharing is better than hoarding, participation is better than exclusion, and learning is better than ignorance.

3 [United States Constitution, Article I, Section 8.](#)