FCJ-097 Co-creation and the new industrial paradigm of peer production

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> What is the reality behind so called best practice co-creation concepts? Are these lipservice to co-creative approaches? Are you really in the driver's seat or are you just being made to believe that you have influence on the outcome? What are the building blocks of co-creation? Which conditions are required? Are organisations really prepared to allow customers to influence and control their organisation and therefore become a co-creative organisation?

To understand the reality or illusion behind projects claiming to practice co-creation or co-design, one must look at the polarities of power and control that determine the context in which the co-creative processes take place, with on the one hand the communities of external collaborators, and on the other hand the corporate entities. But before tackling this issue in particular, it may be useful to see the emerging new paradigm of production that is arising out of the new participative processes.

The new institutional reality could be described as follows.

The First Layer: Collaborative Platforms

At the core are the enabling collaborative socio-technological platforms that allow knowledge workers, software developers and open design communities to collaborate on joint projects, outside of the direct control of corporate entities.

Interesting questions already arise here. These concern who or what is the driving force behind the creation and development of such platforms? They can be initiated by developing communities, managed and maintained by a new type of non-profit institution (like the FLOSS Foundations), or they can be corporate platforms that have been opened up to external participants.

The Second Layer: Open Design Commons/Communities and Physical Infrastructure

Around the corporate platform is the open design community and the knowledge/software/design commons ruled by a set of licenses which determine the particular nature of the property.

Interesting questions arise here. Is it a true commons license like the GPL? Or a sharing license like the Creative Commons, where the stress is on the individual sovereignity in determining the level of sharing that is allowed? Or is it a corporate license, giving very limited rights, or even with outright digital sharecropping, i.e. with the expropriation of the totality of the creative output reserved for usage by the organizing corporation?

It is important to see the open design commons not just as a collaborative community or a new type of 'intellectual property' depository, but also as a fundamentally new type of manufacturing infrastructure. Open design communities have different priorities and constraints than proprietary IP, and naturally design for modularity, lower threshold capital requirements, sustainability, etc. Thus, we are talking about the seeding of a new physical productive infrastructure as well.

The Third Layer: Entrepreneurial Coalitions

Around the commons are the entrepreneurial coalitions that benefit and sustain the design commons, create added value on top of it, and sell this as products or services to the market.

Important questions raised here are as follows. How is the coalition itself organized? Do all parties have equal say, as in the Linux Foundation, or does one big party dominate, as in the Eclipse Foundation and IBM. How does the business ecology relate to the community? Is is nothing but a corporate commons?

The Fourth Layer: Funding Ecologies

In addition, there is a funding infrastructure.

What is the process governing the stream of returns from the monetized market sphere; to the commons, its community, and the infrastructure of cooperation? Do businesses support the community directly, through the foundations? Is the government or a set of public authorities involved? Are there crowdfunding mechanisms?

The Fifth Layer: The Partner State as Orchestrator?

15 Finally, there is the role of public authorities and governments in orchestrating the public-private-common triad in order to benefit from the local effects of the new networked coopetition between entrepreneurial coalitions and their linked communities.

16 In the not so far future, wealth building or sustaining capacity will be determined to a large degree by the capacity of cities, regions and states to insert themselves within the global coopetition between different enterpreneurial coalitions (think *Drupal* vs *Joomla*, but on a much larger scale).

Overview of the Main Models Emerging So Far

17 When we via these layers through an interlocking triad (community—foundation—business) or quaternary structure (if public authorities are involved), we can now distinguish at least three main models:

- In commons-centred peer production, like Linux, the community is at the core, and a real commons operates, with the community strong enough to sustain its own infrastructure, and cooperating with market players.
- In a sharing environment, where individuals share their creative endeavour, it is the corporate third party platform which monetizes the attention space, and may control the platform to a significant degree; the community does not control its own platform, but is not without power of influence, since quick and massive mobilizations are always possible.
- In a crowdsourced environment, participant producers are even more isolated from each other, and the corporation integrates them into the value chain which they control. Since individuals are here competing for market value themselves, solidarity is more difficult to obtain, giving corporate platform owners more influence.

18 A good illustration of the various possibilities is Lego. Lego still operates as a classical producer of toys, selling to consumers. In Lego Factory, it provides a crowdsourced environment, where co-designers can take a cut of the kits they succeed in selling; the new Lego World virtual environment is a sharing environment; finally, Lugnet is true commons-oriented peer production, happening outside the control of the company altogether.

The Ladder of Participation: The Gradation of Control on Community/Corporate Polarity

19 Here are ten different co-creation modalities, depending on the polarity of control between peer producers and the corporate entities:

- Consumers: you make, they consume. The classic model.
- Self-service: you make, they go get it themselves. This is where consumers start becoming prosumers, but the parameters of the cooperation are totally set by the producing corporation. It's really not much more than a strategy of externalization of costs. Think of ATM's and gas stations. We could call it simple externalization.
- Do-it-yourself: you design, they make it themselves. One step further, pioneered by the likes of Ikea, where the consumers re-assemble the product themselves. There is a complex externalization of business processes.
- Company-based Crowdsourcing: the company organizes a value chain which lets the wider public produce the value, but under the control of the company.
- Co-design: you set the parameters, but you design it together. For examples, see here: https://www.p2pfoundation.net/Co-Design.
- Co-creativity: you both create cooperatively. In this stage, the corporation does not even set the parameters, the prosumer is an equal partner in the development of new products. Perhaps the industrial model of the adventure sports material makers would fit here. For examples, see here: https://www.p2pfoundation.net/Co-Creation.
- Sharing communities create the value: Web 2.0 proprietary platforms attempt to monetize participation.
- Peer production proper: communities create the value, using a Commons, with assistance from corporations who attempt to create derivative streams of value. Linux is the paradigmatic example.

- Peer production with cooperative production: peer producers create their own vehicles for monetization. The OS Alliance is an example of this.
- Peer production communities or sharing communities place themselves explicitly outside of the monetary economy.

20 A diagram that mindmaps the possibilities of the open is found here.

Author's Biography

Michel Bauwens is an active writer, researcher and conference speaker on the subject of technology, culture and business innovation. He is the founder of the Foundation for Peer-to-Peer Alternatives and works in collaboration with a global group of researchers in the exploration of peer production, governance, and property. He has been an analyst for the United States Information Agency, knowledge manager for British Petroleum, eBusiness Strategy Manager for Belgacom, as well as an internet entrepreneur in his home country of Belgium. He has co-produced the 3-hour TV documentary Technocalyps with Frank Theys, and co-edited the two-volume book on anthropology of digital society with Salvino Salvaggio. Michel is currently Primavera Research Fellow at the University of Amsterdam and external expert at the Pontifical Academy of Social Sciences (2008). Michel currently lives in Bangkok, Thailand. In February 2009, he joined Dhurakij Pundit University's International College as Lecturer, assisting with the development of the Asian Foresight Institute.

Notes

[1] Monitor updates at https://del.icio.us/mbauwens.

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[2] The work of the P2P Foundation is supported by SHIFTN.

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Journal Note

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