The Internet versus the State

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Silicon Valley has long held a more-or-less libertarian view that the Internet would defeat state controls on individual freedoms. The mistake is in thinking that this was about mass politics rather than individual freedom, and then perhaps only for those who could leverage the technical aspects of the Internet systems and sets of protocols.

The mistake is compounded by focusing on the constrained sharing of political information. You all know John Gilmore's quote: "The Net interprets censorship as damage and routes around it."[1] But this was taking the analogy of packet switching a step too far. The Internet is not (yet) a political agent with a goal of defeating censorship.

The State Can Manage Mass Information

There are two approaches that work well for authoritarian regimes.[2] The first is to largely forgo the economic benefits of the global Internet by limiting individual access to it, as practiced in Cuba and similar small, controlled economies. This doesn't work for savvy and brave individuals, as indeed there's always a way to connect. But it's a way to dampen information flow for the masses.

The second method is a combination of censorship and proactive disinformation, as practiced in China, as only one instance. Individuals can find the uncensored Internet, but if the masses can have their immediate needs met without trying to find their way through, they won't. More important is disinformation.

As we've seen in the US, disinformation works well.[3] Not only will most people not use the Internet to practice good epistemological hygiene, they don't want to do so if what they read confirms their own biases. So, in general, the Internet isn't going to free the masses politically via the free exchange of information, the Arab Spring notwithstanding.

However, the Internet offers escapes from a central authority for individuals. As Shanthi Kalathil and Taylor Boas noted, one of the issues to be addressed was economic: "Internet use in the economic sphere may pose multiple challenges to authoritarian rule."[2] These authors saw this only in terms of the rise of a business elite. They didn't consider the advantages for the individuals rather than a mass movement.

Internet-Savvy Citizens Can Still Escape State Controls

If you look at that, then my recent article on economic emergent collectives becomes relevant.[4] In this article, I argued that the "sharing economy" is a misnomer, as is "on-demand economy," and economic emergent collectives (EECs) better capture what's going on, which is that some network is developed, typically leveraging Internet capabilities. I gave several examples, but I recently ran across an article that I thought was the best example yet.

In this space, I've similarly discussed the do-it-yourself (DIY) world enabled by the Internet[5] and the movement toward self-employment.[6] All of these threads have come together with the one of the Internet enabling individuals to escape the constraints of a central state authority and leverage Internet mechanisms for their own economic advantage.

There's a truly fascinating story unfolding in Venezuela right now. Already I've set the stage for understanding it in concepts you've read here. Now I will summarize the situation as an advertisement for the excellent piece of journalism you can read for yourself.[7]

A Special Case of Self-Employment on the Internet

Under the state-run economy, folks are finding it difficult to buy the essentials in Venezuela.

A good job pays $20 a month and the supermarket shelves are bare because of cost controls. Forget traveling abroad. Or starting a company. But, like most things in this state-run economy, electricity is virtually free.

You already get it, don't you? Bitcoin mining. Order custom computers from China, plug them into the Internet and the electric grid, and rack up more than $1,000 per day with virtually no overhead. Then spend the money buying food and other goods on Amazon, and have it couriered to yourself.

The state secret police have attempted to crack down on this by arresting people for electricity theft. But it seems they have had a hard time making these charges stick and the emerging bitcoin community is fighting back with other Internet tools and forming secret collectives. In fact, it would seem the state is losing this war: some secret police seem to be using confiscated machines to mine their own bitcoins.

The real danger to the newly wealthy bitcoin miners comes from criminals who have targeted the miners for kidnapping. The miners have had to hire security, or even leave the country, hiring others to run the mining computers for them.

The motto of engineers is "you tell me the rules and I will play by them, but you won't like it." This is the potential of the Internet: it offers clever people a way around all the other rules. It's the attraction for us engineers. So all you techies out there: keep being subversive.

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