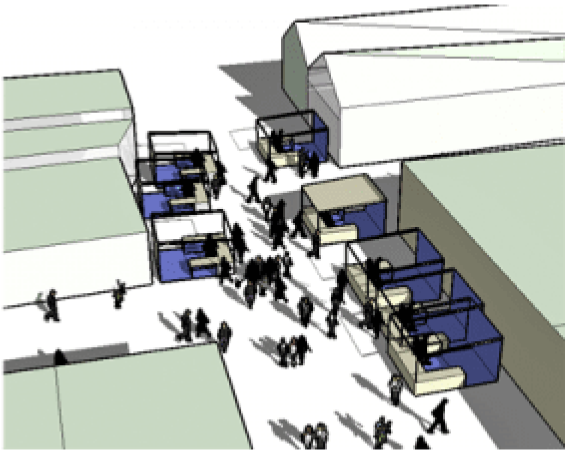
Cooperation and complicity

Description

The Barras is a market in Glasgow that is (or was) notorious as a site for hustlers. It attracts both bargain hunters and spectators. Ten years ago a group of us conducted a study of the area, mainly to consider its soundscape. On more than one visit we observed a familiar scenario involving the sale of bootlegged CDs.

A seller positioned himself on the road at the crossing with a card table covered with a tablecloth scarcely concealed by a small crowd of potential buyers. Before long a lookout signalled a warning. The produce (CDs) were scooped into the table cloth and carried away. The table was speedily carried off the street, and the sellers and crowd continued as if nothing had happened.

A few minutes later two police personnel strolled along the street on their customary patrol. The table came out again when the police were out of sight, and the performance was repeated in another part of the market.



Online exchange

If nothing else, the development of new modes of digital exchange online have expanded and amplified different models of commerce, and recall the operations of informal markets. According to classical theories, the performance of the economy is a product of so many individuals or actors (buyers and sellers) seeking to maximize their individual gain.

The aims of various actors generally conflict, requiring negotiation to maintain or improve the common welfare. *Co-operation* is the operative term, implying that actors work together within a common framework or rule base to meet mutually agreed ends.

But there is another tendency, and that is *complicity*, which implies actors working with or against one another in defiance of the rules, or at least to operate at the edges of their frames of reference and rules bases.

The study of markets is instructive in understanding co-operation and complicity. E-commerce on the Internet has been likened to a bazaar: chaotic, dynamic, and opportunistic in its organization.

Classical economics assumes that market conditions tend towards stable conditions, abetted by sufficient information for rational decision-making. Our observations of physical marketplaces indicates the role of instability, tarrying at the edge of legality. This is the â??realityâ?? of much market activity.

Freakonomics

To the extent that the Barras demonstrates the informal market it participates in the tricky off-beat economics popularised by the economist Steven Levitt, and characterised as *Freakonomics*.

Unregulated digital marketplaces continue this informality, not least the unregulated world of (some) ICOs (Initial Coin Offerings), one of the ways that new digital companies attempt to raise capital. They invent a digital currency and sell its virtual coinage. Buyers expect the currency to inflate over time, i.e. as the value of the company rises so does the currency, much as investors speculate on regulated IPOs (Initial Public Offerings) sold by startups as shares.

The technology that abets this ICO commerce is the blockchain, about which much has been said. See posts tagged: blockchain. Also see an article about ICOs in last yearâ??s Guardian. Iâ??ve also started listening to the *Techmeme* podcast, that covers whatâ??s happening to tech companies.

- http://feeds.feedburner.com/TechmemeRideHome

Also see:

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Category

1. Economics

Tags

1. blockchain
2. ciphercity

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