THE STATE AS EPISTEMIC TRUST-BUSTER: THE PATH FROM INFORMATION TO KNOWLEDGE

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Stewart Brand—editor of the *Whole Earth Catalogue*, founder of the Long Now Foundation and all-round Silicon Valley guru—famously remarked in one of the original hackers' conferences (in 1984): 'information wants to be free'. It was apparently meant as part of a formulation of the complex nature of the economics of information. Put in its strongest form, the idea is this: as the cost of acquiring information is driven down by efficiency advances in technology (aka 'information wants to be free'), the cost of getting the information you need increases because you are now exposed to so much of it (Clarke 2000). This formulation certainly describes the quandary facing today's internet's user in our 'post-truth condition', when information about the missteps and errors of established authorities is also routinely part of the mix. Moreover, Brand's insight suggests that a market will open for agencies capable of customizing the information overload to user needs. In effect, a supply-driven change has manufactured new demand—a take on 'Say's Law' for our times. Ever since the advent of the daily newspaper in early eighteenth-century England, modern mass and social media have been largely dedicated to fulfill this market.

It is worth observing that whatever else this dynamic demonstrates, it is *not* that information is inherently a *public good*. This is not to deny Brand's premise; information arguably *does* want to be free. But information may be set free in all sorts of ways that then require people to find the means to turn the resulting flow to their advantage. As I have suggested, what we call 'media' has spontaneously raised to the challenge, but the question remains whether the media truly make information available to all, and even if it does, whether it does to everyone's benefit. Those two conditions need to be met for information to be deemed a public good. In other words, information must constitute genuine *knowledge*—and this requires a specific kind of sustained effort that goes beyond the removal of barriers to information flow. While the media certainly channel information in specific ways, their *modus operandi* is different. Trying to increase market

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share is not the same as aiming for universal coverage. On the contrary, depending on the return on investment, a media outlet usually finds after a certain point that its resources are better spent shoring up its current market share than increasing it still further with greater outreach.

This helps to explain why welfare economists have regarded the state as the natural deliverer of 'public goods', however they are defined. This reflects a certain view about the basis of the state's legitimacy, namely, that it is predicated on universal coverage. This means that everyone within its borders is subject to its rule and—especially as states have become increasingly democratized—everyone expects that the rulers to be held to account by the ruled. Moreover, when welfare economists speak of the state's role in delivering public goods, they often invoke the idea of 'market failure', which suggests an interesting epistemic relationship between the state and ordinary market players such as business firms. The paradigm cases of public goods tend to be about infrastructure, such as roads and utilities, without which business could not transpire efficiently, if any at all. However, no single firm or even group of firms can imagine turning a profit from investing in such matters due to all the others who would equally benefit in the process. These hidden beneficiaries would be effectively 'free riders' to the investment, who would also be given an incentive to compete against the original investors. Anyhow, the state—understood as an epistemically superordinate entity—can see how this kind of investment would in fact benefit everyone in the long term, including even the reluctant investors. Such a judgment presumes that the state has the capacity to see more comprehensively—in both spatial and temporal terms—than any potential business firm under its political remit.

Those familiar with the history of economics will recognize a politically domesticated (i.e. non-Marxist) replay of the so-called 'Socialist Calculation' debate of the 1920s, which effectively split the social democratic ranks of Europe into 'liberal' and 'socialist' wings, a division that grew during the Cold War and morphed afterwards into today's 'libertarian' and 'social justice' tendencies in democratic regimes more widely. At stake here is much more than simply whether the state or the market can best provide public goods. It is about the very existence of public goods as anything other than an artifice of the state. The suspicion is that only because the state sets an artificial boundary around the sphere of social relevance—namely, the entire human population within its jurisdiction—that the prospect of certain people lacking certain goods becomes a problem. After all, even more basic than public goods are the 'natural goods' originally identified by Adam Smith, such as air and water. And while Smith was right that in one very clear sense such goods are not scarce at all, they have been of variable quality at the point of access—even in Smith's day pollution has always been an issue. Indeed, the mortality of humans and

other life forms is directly related to this variability. Not surprisingly, by the end of the nineteenth century, some radical liberal (aka 'laissez faire') economists were proposing that the variability of natural goods contributes to Darwinian natural selection, comparable to a market in which the buyer must always beware because the seller is relatively indifferent to the quality of his goods not only because he monopolizes the market, but because he expects a high turnover in buyers. So, even if some are poisoned by the air and water, others will soon emerge to replace them.

(In light of the ongoing Covid-19 pandemic, it is interesting to note that the above line of argument was also used at the time to oppose the early introduction of vaccinations as 'counter-selectionist', just as one might oppose government subsidies as suppressing the 'natural' outworking of the market. High infant mortality rates should be treated in the same spirit as high failed business start-up rates; both should be tolerated.)

I have raised the nature/artifice dichotomy because it goes to the heart of the normative question that underwrites the idea of public good in a strong sense that implicates state involvement: is nature the standard or simply the default position? When *universitas* ('corporation') entered Roman law in the later Middle Ages, the idea was to manufacture an 'artificial person' whose ends transcend the interests of those who constitute it at any given time. Such entities originally included churches, monasteries, universities, city-state—and much later, nation-states and finally business firms. Before that time, personhood was by default based on parental descent, with temporary exceptions made for goal-specific associations (e.g. a military or commercial expedition) that required novel social arrangements for their execution. Thus, the exact relationship between 'artificial' and 'natural' persons in the new legal environment was unclear and resulted in an increasingly fractious European political scene. However, Thomas Hobbes shifted the debate decisively in the mid-seventeenth century by explicitly arguing for the superior power of an artificial person ('Leviathan') over all natural persons. From that point onward, the prospect of the state as a reformer, if not enhancer, of humanity's natural disposition became increasingly presumed in politics, even as theorists debated the merits of various authoritarian and democratic regimes.

Against this backdrop, Adam Smith presents a mixed legacy. Of course, Smith proposed market-based capitalism in response to the dominant state-based mode of political economy of his day, mercantilism. Nevertheless, he also believed that it was up to the state to break the monopolies that monarchs had granted certain producers in the form of personal patronage. How such a state should be constituted—on authoritarian or democratic terms—remained an open question, and Smith's admirers interpreted him differently. In particular, Count Henri de Saint-Simon read Smith as calling for what we now would regard as a 'corporate state' in

the name of what he called 'socialism'. Indeed, it is from Saint-Simon that Marx came to characterize the project of human emancipation as the transition from humans fighting each other (from which only nature benefits) to humans fighting on the same side (and collectively subduing nature). In this account, nature is neither the standard nor even the default position—but the enemy itself. Saint-Simon was quite clear that his idea of nature derived from the doctrine of Original Sin, which portrays the history of humanity's animal condition as 'fallen'; hence, he titled one of his manifestos 'The New Christianity'. As an action plan, it meant uprooting centuries of habit, tradition and other means by which human potential has been systematically repressed. Saint-Simon called upon that 'captains of industry' (perhaps closer to what we call 'knowledge managers') to rise to the challenge. Here Saint-Simon's Neo-Christianity equally drew on Francis Bacon's view of nature as an adversary hiding 'her' secrets, which humanity had to reveal to achieve salvation.

More to the point, Saint-Simon spoke of this adversarial relationship to nature as requiring 'exploitation', a term that Marx later threw back at capitalists who, as he saw it, continued to exploit fellow humans in just the same way they exploited nature; both were rendered 'capital'. Nevertheless, the desire to exploit human nature lingers—albeit in domesticated form—in the postwar welfare state extension of the idea of public goods from infrastructure to health and education, notwithstanding the long history of private provision for these services. The underlying intuition was rather different from, say, that of Bismarck, who saw public health and education primarily in national security terms. In contrast, welfare economists of the mid-twentieth century regarded them in the spirit of human capital development for purposes of increasing national productivity ('GNP'). This was much more in Saint-Simon's original spirit, whereby 'peaceful' economic competition would replace warfare. It also helps to explain the backlash that began in the 1960s with Gary Becker and others who became the vanguard of 'Neoliberalism'. They questioned whether the return on investment justified the elevation of health and education to public goods. Was the state's intervention providing added value beyond simply leaving the market to sort it out? The same questioning was also extended to state provision of research—but less vociferously, since the ongoing Cold War was being fought largely on the battlefield of scientific and technological prowess.

This last point is relevant to the United States government's increasingly critical posture toward Silicon Valley tech giants, whose internet-based social media platforms are founded on infrastructure originally provided by the US Defense Department in the Cold War as an alternative channel of communication in the event of a nuclear war. However, as throughout the modern period, once the exigencies of war were removed (and

state debts started to be repaid), such 'next generation' innovation was redeployed to the private sector, resulting in a few enterprising individuals taking advantage of the new and potentially very lucrative markets that had opened up. They are largely the same people who continue to dominate the market a quarter-century later. As for the hostility mounting on Capitol Hill, it most interesting feature is its bipartisan quality—especially when ideological division is otherwise rife in the United States. Exemplifying this spirit are recent best-sellers by Democratic Senator Amy Klobuchar and Republican Senator Josh Hawley, two lawyers who want ordinary Americans to understand the role of antitrust legislation in underwriting America's legacy of liberty and productivity, in order to appreciate the injustice now being perpetrated by companies whose *modus operandi* they have come to take for granted in the name of convenience.

Fuelling this animus is the sense that public goods have been effectively stolen, or at least put under poor stewardship. The argument's moral force is informed by the fact that the internet had been manufactured to be a public good—albeit one designed in wartime for a post-apocalyptic society. In contrast, most public goods have come under state stewardship and provision after having a patchwork history under private control. Nevertheless, the fundamental principle that animates the two paths to public goods is the same—and very much in the spirit of Saint-Simon, namely, that the full expression of human potential is arrested if historically based entitlements come to dominate our understanding of legitimate succession. In this regard, the economic sphere is treated no differently from the political sphere: monopolies are effectively seen as dynasties—and both require a counter-inductive remedy, be it forced competition or forced elections. Such events offer opportunities for people to reconsider lost futures that they might wish to recover. Here academic peer review appears regressive, as it aims to reinforce the trajectories of already established research, even in the cases where novelty is admitted. All of this goes against the spirit of the Humboldtian university, with its emphasis on bringing frontline research to the classroom, specifically to inform students of how the future need not be like the past—and that it is important to understand the latest academic thinking even if one does not plan to contribute to it directly. Indeed, the Humboldtian university remains the most reliable site for converting new information into knowledge as public good. Then the question remains on whether the university will stay true to Humboldt if/when the state withdraws its support.

REFERENCE

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