

Linux and Open Source

Dana Blankenhorn & Paula Rooney

October 13th, 2008

Economics of open source remains an academic challenge

Posted by Dana Blankenhorn @ 11:44 am



Today, with the announcement that a trade economist, Paul Krugman of Princeton (left), has won what's now known as the Nobel Prize in Economics, here is a challenge that can win you your Nobel.

Explain the economics of open source, especially as it relates to international trade. Give us charts, graphs, and especially models. We like models. Then just wait for the phone call from Scandinavia.

Krugman, best known today as a political columnist at *The New York Times*, was honored for his work modeling international trade. He postulated that people like variety, and that scaling production leads to concentrations of economic power.

In other words his work involves the production of and trade in goods.

The creation of intellectual capital is something else. Richard Florida, now working in Canada, has done some great work on where it winds up getting done in his *Rise of the Creative Class*.

Florida thinks Paul Romer, an expert on economic growth at Stanford, will win next year. But Romer is not working on open source economics.

When I'm looking for open source economic theories my go-to guy is Bruce Perens, who has written eloquently on the subject. But he's not an academic economist. Economists don't usually hand out their top awards to computer programmers.

Yochai Benkler, who wrote *The Wealth of Networks*, another great treatise on open source economics, is another candidate. But he's a law professor, not an economist.

Why do we need an economic theory on open source at all? Because it would assist us in planning and lead smart public policy experts to embrace it more tightly. Knowing what something is about is important.

So if you're an economics professor with a grand unified field theory about open source, your Nobel awaits!

Dana Blankenhorn has been a business journalist for 30 years, a tech freelancer since 1983. See his full profile and disclosure of his industry affiliations.

Popular on CBS sites: Jennifer Aniston | Fall TV | Spore | MLB | iPhone 3G | GPS | Recipes | Shwayze | NFL

[About CNET Networks](#) | [Jobs](#) | [Advertise](#)

© 2008 CNET Networks, Inc., a CBS Company. All rights reserved. | [Privacy Policy](#) | [Terms of Use](#)