§3.16 The Open-Source Movement

It is appropriate to end this long chapter with an example of the creation and improvement of valuable property seemingly not motivated by economic incentives. The "open source" software movement refers to the voluntary collaboration of thousands of programmers, who are not paid and do not obtain any property right, on creating new, often very valuable, software code. Examples of successful open-source projects are the Linux operating system, the Mozilla browser, and the Apache server. The members of the programmer groups that work on particular projects agree in effect not to assert intellectual property rights in their contributions. As a result, the source code they create and improve is "open" to anyone who wants to use or work on it. Usually there is a committee that decides which contributions shall become part of the "official" source code.

Why would a skilled programmer contribute his time, free of charge, to creating open-source code when he could sell his time to a commercial software producer, such as Microsoft? The answer is not entirely clear, but there do appear to be economic motivations for contributing to open-source code.1 First, some of the contributors are users of the code, and by fixing bugs in it they make their own work as users easier. Second, it is easier for the software community to evaluate the contribution of a programmer to open-source code than to proprietary source code, because proprietary source code is often kept a trade secret. Hence there may be career benefits to participating, either temporarily or on a part-time basis, in the open-source movement. Third, skilled programmers derive utility from their work, and the utility may be greater if they can choose the projects they work on, as they could not do if they worked for a commercial firm. What the open-source movement shows is not the inadequacy of economics to explain behavior, but the variety of economic incentives that determine behavior.