Twitter Thread by Ric Burton ■■ ■ ■■



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Community Capitalism

I wanted to wrap up the year by writing about something I have been thinking about for the last few months:

Who owns the best businesses in the world?

I am trying to draw a line from inherited wealth of feudal lords to community-owned services with tokens.

The last 1,000 years can be roughly split into two 500-year chunks: feudalism & capitalism. Feudal lords controlled all of the land, farms, buildings and capital. This was passed down inside families and never distributed to the workers.

Capitalism totally changed that.

Risk, reward and ruin were separated when joint-stock companies became more common. The prerequisite for successful entrepreneurship shifted from inheritance to initiative.

People without wealth could access it and start new ventures.

Founders started founding new companies.

Equity compensation kicked off in the 1950s but it really went into overdrive when it was mixed with high-growth technology companies backed with high-risk equity bets. Silicon Valley perfected the art. Employees at many of the most successful technology companies became owners.

The SEC did two huge things this year. They raised the crowdfunding limit to $5m and introduced a proposal to allow gig workers to receive stock.

I predict that we will see competitors to Airbnb, Uber and DoorDash all take advantage of this rule.
https://t.co/ptLHUJyUbQ

> SEC: proposed pilot program to allow tech companies to pay gig workers up to 15% of their annual compensation in equity rather than cash https://t.co/EJjLWQatcr
>
> — Jesse Walden (@jessewldn) November 24, 2020

What was the greatest technology investment of the 2010s that was available to the general public? Answer: The Ether Sale in 2014

Initial investors in that event who held on to $1,000+ Ether made 3,000x their money. There has never been an event like it.

https://t.co/4S7maTq6As

Every month, a bunch of new ways to earn tokens pops up: mining, staking, liquidating, curating, slashing, contributing, securing, managing.

Protocols are rewarding the participants with a share of the capital.
https://t.co/C93K1H4HD7

> 12/ I call these \u201cCrypto Cooperatives.\u201d They are not only going to change the world, but help fix it.
>
> What we need to do as quickly and reasonably as possible however is design them for everyone and the people who need them the most\u2014to build a better world for all.
>
> — Ian Lee \U0001f4ad (@ianjohnlee) December 30, 2020

This year, the stock market was pushed to new heights during a pandemic while millions of people lost their jobs. The wealth gap is becoming a wealth gulf.

I do not have all the answers to this problem, but my gut tells me that we need more people to become owners of technology.

Owning public stock in the digital services is not enough. We need to own the services themselves. Big technology companies have become more powerful than nation states. The community capital of the 21st century must be distributed as far as possible.

https://t.co/b3HYOzuLIu

> Social networks of today are Delaware-based digital dictatorships
>
> We will look back on the billions of minds controlled by them as serfs toiling the digital soil for their masters
>
> We cannot let so much value be controlled by a few dudes running companies in California
>
> — Ric Burton \U0001f1ec\U0001f1e7 \u2023 \U0001f1fa\U0001f1f8 (@ricburton) December 17, 2020

I hope we will look back on the digital services of today in the same way we view the feudal lords of yore. These tyrants that controlled the digital land and forced us to till their soil.

There is so much amazing stuff to be built. Community capitalism is coming.

Note: These thoughts are extremely loose and have only a smattering of historical depth. I welcome all corrections, clarifications and criticism.

I just wanted to get this idea out.

If you would like to read the full post, I just sent it out on Substack: https://t.co/3c9N31W31Y