



**Online Bolshevik Allocation Mechanism (OBAME):
Bringing Bolshevism to the Internet Age
Rani Spiegler
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In early 2009, **Rani Spiegler**, a non-Harvard economic theorist who became notorious for his failed 2007 attempt to use economic theory to save the world, shocked the cyberspace with his latest brainwave – the so-called **Online Bolshevik Allocation Mechanism (OBAME)**, a website that aims to compete with e-commerce giants such as Ebay and Amazon. The unique feature of OBAME that turned its launch into a major internet event is the special allocation method it employs. By borrowing elements from the Bolshevik method, OBAME represents a veritable clash between economic systems, bringing back to life the ancient battle between Capitalism and Socialism – long thought to be settled – and updating it for the internet age.

To find out what all the fuss is about, we told our business reporter **Steve Reich** to leave the credit crunch aside for a while, and sent him for a no-holds-barred interview with Professor Spiegler. Here is the full interview.

SR: Good morning, Professor Spiegler.

RS: Hey, is your name really Steve Reich?

SR: Yes, it is.

RS: Wow. You're the third Reich I've met this week.

SR: Can you please tell us about OBAME, Prof. Spiegler?

RS: OBAME, or the Online Bolshevik Allocation Mechanism, to give its full name, is a web mechanism for allocating goods and services. So far we've focused on entertainment: books, DVDs, hotels etc. But we're hoping to expand.

SR: What is the idea behind OBAME? And what makes it so special?

RS: Well, the basic idea is to take the Bolshevik method of allocating stuff and bring it back to life by adapting it to the internet age. Suppose you're interested in getting a book. In typical e-commerce websites based on the market system, you are confronted with some set of choices, and you choose what you want – either by accepting a posted price or by taking part in an auction mechanism. In contrast, OBAME requires you to provide certain details, and the system determines which book you're going to get.

SR: So I don't get to choose the book?

RS: Exactly. The system allocates it to you, based on the criteria you provided.

SR: And what are those criteria?

RS: The usual things: ethnicity, place of residence, annual income...the same things you normally need to specify in a tax return form or an application for a sex change operation.

SR: How does the system decide how to allocate?

RS: There is a virtual triumvirate that gets to decide.

SR: A real committee? Flesh and blood people?

RS: We tried to simulate a real Bolshevik committee with a whole array of AI programs, but so far the best approximation we were able to get was with a random number generator. We're still working on it.

SR: So...how is the committee operating at the moment?

RS: At present, the virtual committee consists of three real people. Their identities are confidential, especially my mom's.

SR: Let's get back to the early beginnings of OBAME. How did you get this idea in the first place?

RS: Since the credit crunch, I have become aware of growing popular discontent with many features of the capitalist system. Then I read on an airplane Dick Thaler and Cass Sunstein's book "Nudge". (I know their names sound made up, but these are actually real people.) I later learned that their policy recommendations didn't quite work as expected and that as a result they were working on a sequel called "Shove".

SR: They're going to make a movie out of it. Russell Crowe is going to play John Nash.

RS: Anyway, this made me think that perhaps Starsky and Hutch...

SR: Thaler and Substein.

RS: Yeah, right. Cagney and Lacey didn't take their critique far enough; all this Libertarian Paternalism thing is too soft, and what we actually need right now is to go all the way to out-and-out Bolshevism. Yet at the same time it was clear to me that this would require proper modernization.

SR: And is the internet mechanism the way you chose to modernize Bolshevism?

RS: Exactly. You shouldn't forget that young internet users, who were born after the collapse of the USSR, don't know how Bolshevism really worked. We need to adapt the system to their world.

SR: Aren't you concerned that OBAME will lead to inefficient allocations?

RS: Not in the least. Efficiency is not a priority. Anyhow, OBAME has a unique feature that enables users to bribe the committee, and that may address this critique.

SR: Really? How's that?

RS: You simply click on a bribery link, and then you can enter the precise bribe you're offering into a dialogue box, using a secure website that is supported by all major credit cards. OBAME allows various forms of bribe: money, sexual favours, dish washing.

SR: But isn't a bribe just like an all-pay auction, the very emblem of the market system that OBAME aims to overthrow?

RS: Well, our bribery method is the very opposite of transparency. It's very opaque. Users would have no idea what they need to do in order to win this so-called "auction", to use your term. But bribery is not the only way that OBAME offers to influence the virtual committee. We also have a "protekzya" option.

SR: A what...?

RS: Protekzya. It's an Israeli colloquial term for nepotism. Users can refer to a friend in order to get priority in OBAME. Their friendship is verified using a specially designed Facebook interface.

SR: Is this priority transpar...?

RS: No, no, opaque, very opaque.

SR: Is OBAME going to exert censorship on books?

RS: We're not ruling out censorship - or show trials, for that matter. That's part of the fun of Bolshevism. But we're not going to tell users whether books are censored.

SR: Opacity again?

RS: Roughly speaking.

SR: I think I'm getting the hang of it. But why on earth would anyone prefer OBAME to Ebay, Amazon or Tripadvisor, all market-based websites?

RS: Choice overload.

SR: Choice over what?

RS: Choice overload. I forgot to mention that OBAME is based on solid behavioural economics foundations. Consumers in our age are bewildered by the huge variety of alternatives they can choose from, and they actually seek refuge from that. OBAME will give them the shelter they seek. In OBAME, you don't get to make any choices. Another plus is that if you have a partner and the two of you go on a holiday and the hotel turns out to be a disaster, your partner wouldn't be able to blame you for the bad choice you made.

SR: Of course, she could blame me for having made the hotel reservation through OBAME...

RS: I would say that in general, the disillusionment with capitalism in the wake of the credit crunch offers a great opportunity for OBAME.

SR: On a more personal note, as a much despised faculty member at University College London, do you perceive some kind of symbolism in the fact that OBAME was launched exactly 160 years after Karl Marx first arrived in this great city?

RS: I don't see the connection. Marx had a beard, I don't.

SR: Well, I had a more abstract connection in mind.

RS: In that case, let me emphasize that OBAME tries to recreate Bolshevism, rather than Communism or even Socialism. In fact, I maintain that Marx betrayed the Bolshevik ideal.

SR: What is in your opinion the main difference between Marx and OBAME?

RS: There are many differences. Apart from the beard thing I referred to above, I would say that the main difference is that whereas Marx believed in historical determinism, OBAME is pragmatic.

SR: Thank you, Professor Spiegler, for a very interesting interview.

RS: Thanks. May OBAME be Bolshevism's gate into the twenty-first century.