“We want to give others the same chance we had”: When indie developers become money capitalists.

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ABSTRACT

The business of independent game development is now well understood to be highly precarious and risky (Whitson 2019; Keogh 2019). The rapid growth of distribution and development platforms have dramatically grown the number of developers working in a self-funded and entrepreneurial way in the hope of one day having the financial success that will bring with it some amount of future sustainability (Whitson et al. 2021). But at the same time, the chances of success deteriorate as more and more studios strive to have their game stand out from the crowd. In 2022, on Valve’s Steam platform alone, one game was released every 50 minutes (Statista 2022).

A complex ecosystem of publishers, marketers, and investors have inevitably grown around the independent development ecosystem to both support and take advantage of this growing pool of aspirational gamemaking labour. Unlike traditional publishing models, such actors rarely fully or even partially fund the production of new titles from conception. Rather, they jump aboard to support titles that have already been extensively produced and informally marketed that they believe will provide the best chance of return and which they believe best align with the publisher’s own existing brand. Felan Parker (2021, 137), for instance, has examined how Annapurna draws together works that “taken together… signify authenticity as a form of distinction.” Elsewhere, John Vanderhoef (2020, 18) has detailed the “antiestablishment neoliberalism” of indie publisher Devolver Digital.

However, the political economic role of this broader network of independent game financing has yet to be thoroughly theorised beyond such specific case studies. This paper makes a preliminary contribution in this space by examining one particularly interesting trend that has yet to receive significant scholarly attention: that of indie game developers *themselves* becoming publishers or investors after their own developed games are commercially successful. Companies such as Superhot, Landfall, and Kitfox each began life as a typical independent game studio themselves, producing their own games, before eventually turning into an organization that publishes or otherwise funds other developers’ projects. That so many indie

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developers themselves make the transition from production to publishing suggests a broader phenomenon demanding closer attention.

To understand this trend within the broader context of indie game financing, this paper scrutinizes it through Karl Marx's articulation of the circuits of capital outlined in Volume II of *Capital* (1885). Marx details three circuits that define the flow and accumulation of capital, each of which provides a different perspective on the same circular flows. The circuit that is the most "characteristic" of capital is the flow of money capital, represented as

$$M - C .. P .. C' - M'$$

In short: the industrial capitalist begins with a certain quantity of money (M). They use this money to purchase the commodities (C) necessary for the production process (that is, means of production and labour power). The production process (P) then occurs, in which surplus value is created through the labourer's capacity over and above the amount of time paid for in their wages. At the end of this process, a greater value of commodities exists in the produced commodities than was initially thrown into production (C'). At last, this greater quantity of commodities is sold on the market at its value to return a greater quantity of money than the capitalist initially started with (M') to then start the whole process again at this new higher amount.

Marx shows that the smooth progression of this circuit encounters all sorts of interruptions and devaluations, such as the unavailability of means of production or labour-power, the inability to find a buyer for the created commodities, or innovations in the production process rendering already produced commodities less valuable. Most crucially, the capitalist requires a certain amount of money on hand to start the process at all: that required to purchase C continuously until the first lot of invested capital finally returns as M'—a process which could take a considerable length of time.

This need for a constant availability of new money capital to inject even as the already injected money capital only returns inconsistently to be reinvested, ultimately leads to the investment of the credit system, where "money capitalists" (i.e. those capitalists with a spare money hoarded) are able to effectively sell their own money *as* a commodity to the industrialist capitalist in exchange for more money in return (that is, interest). As Marx tells it, the industrial capitalist (that is, the capitalist directly invested in the production process), ultimately strives to become a money capitalist that, rather than taking on all the risks and complications of the production process itself, would rather have enough money capital on hand to sell to the industrial capitalist in exchange for a fraction of the produced surplus value (interest). That is, they desire to reduce the complexity of M – C .. P .. C' – M' to simple M – M': selling money for the return of more money.

Such a situation perfectly describes the case of indie game developers becoming financers after a successful hit. After accruing sufficient money from their own success in the production circuit, instead of reinvesting in a second game, the indie game developer-cum-financer is able to remove themselves from this risky process of game production to instead profit from others taking on board the risks of independent game production by becoming and money capitalist that provides the funds for the M-M' circuit.

The new financers rarely frame it in such cynical terms. Instead, as Superhot say of their fund, they simply wish to "give other foolhardy, upstart indies a helping hand now" (Superhot 2023). The transition of successful indie developer to money capitalist ultimately falls within a broader trend of value extraction from the "intensely in/formalised" (Keogh 2023) developers that underpin videogame production where the financial risks associated with making games are offset onto the developers, rather than the investors. At the same time, this value extraction and risk offsetting is presented in a celebratory fashion as one of democratic empowerment rather than a subsumption into a circuit of value extraction.

This paper ultimately combines Marx's theory of the circuits of capital with discursive research on how indie developers-cum-financers present themselves publicly to theorise the broader role of money capital in independent game production. The case of commercially successful game developers themselves escaping the circuit of videogame production and its inherent risks provides an ideal case study through which to understand how developers become positioned as subordinate to the broader mechanisms of capital creation that drive industrialised videogame production, despite being the creators of its value.

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