5

The Power and Political Economy of Social Media

Key questions

- What are the ideologies and common myths that surround social media?
- What is meant by the political economy of social media and how does this work?
- What is digital labour and what role does it play within the political economy of social media?

Key concepts

Political economy of social media	Audience commodity
Digital labour	Internet prosumer commodity
Social media ideologies	Targeted advertising
Corporate colonization of social media	Prosumer surveillance
Prosumption	Panoptic sorting
	Global division of digital labour

Overview

Political economy analyzes the structural features of capitalism, such as the causes of crises, whereas ideology critique analyzes the claims that are made about reality and how true they are. If one wants to understand power, then one needs to analyze both ideology and political economy. For a critical analysis of social media, this means that we have to take a look at both ideological aspects and political economy.

This chapter's task is to provide an introduction to the critical power structure analysis of social media. For this purpose, it will explain how surplus value production and exploitation work on corporate social media platforms, i.e. aspects of labour and capital accumulation are analyzed. I point out the limits of the participatory social media hypothesis (in section 5.1), introduce Marx's cycle of capital accumulation (5.2), which I apply to social media (5.3). I discuss the connection of unpaid user labour to other forms of labour (5.4) and, finally, draw some conclusions (5.5).

5.1. Social Media as Ideology: The Limits of the Participatory Social Media Hypothesis

Social Media: Participation as Ideology

Techno-deterministic approaches that assume that the rise of these technologies results in a more democratic society dominate studies of "web 2.0" and "social media". This becomes especially clear when representatives of this approach speak of "participatory social media". For example, Jenkins argues that increasingly "the Web has become a site of consumer participation" (Jenkins 2008, 137), Shirky (2008, 107) says that on web 2.0 there is a "linking of symmetrical participation and amateur production", Tapscott and Williams (2007, 15) argue that "the new web" has resulted in "a new economic democracy", Howe (2008, 14) speaks of social media crowdsourcing as a "manifestation of a larger trend toward greater democratization of commerce", Benkler (2006, 15) states that due to commons-based peer production "culture is becoming more democratic: self-reflective and participatory", Bruns (2008, 17) says that Internet produsage allows "participation in networked culture", Deuze (2007, 95) concludes that "new media technologies like the Internet have made visible [...] the participatory engagement of people with their media". To be fair, one has to say that Deuze (2008) has also written contributions in which he stresses the "corporate appropriation of participatory culture" (contribution title).

Approaches like the ones just mentioned miss a theoretically grounded understanding of participation. They use claims about implications for democracy, but miss that in democracy theory mainly the approach of participatory democracy theory (Held 2006) uses the term "participation". The earliest use of the term "participatory democracy" that I could trace in the literature is an article by Staughton Lynd (1965) that describes the grassroots organization of the student movement. Participatory democracy theory (for a more detailed discussion and its implications for the analysis of social media, see Fuchs 2011b, chapter 7) has two central features:

- the broad understanding of democracy as encompassing areas beyond voting, such as the economy, culture, and the household, and
- the questioning of the compatibility of participatory democracy and capitalism.

The Limits of YouTube

One should analyze the political economy of social media platforms when making judgements about their participatory character. If there are, for example, asymmetries in terms of visibility and attention, then it is questionable that corporate social media are truly participatory. It is therefore not enough to stress enabling and limiting potentials of the Internet, but one rather needs to analyze the actual distribution of advantages and disadvantages. It is also important to analyze the negative aspects of social media in order to temper the uncritical social media-optimism that is an ideological manifestation of the search for new capital accumulation models that wants to exploit user labour in order to raise the profit rate in the digital media industry. Critics have stressed in this context that web 2.0 optimism is uncritical and an ideology that serves corporate interests (Fuchs 2011b; Van Dijck and Nieborg 2009) or that web 2.0 users are more passive users than active creators (Van Dijck 2009).

Analysis of the ten most viewed videos on YouTube (see Table 5.1) shows that transnational media corporations, the organized exploiters of surplus value-generating labour, control YouTube's political attention economy. Entertainment and music are very popular on YouTube and Facebook (see also Table 5.2), whereas politics is a minority interest. An analysis of Facebook groups shows that the most popular groups are about IT and entertainment, whereas politics is of minor interest.

Table 5.1 The most viewed YouTube videos of all times

Rank	Title	Type	Owner	Views
1	Psy – Gangnam Style	Music	YG Entertainment	1 369 600 342
2	Justin Bieber – Baby	Music	Universal	835 366 175
3	Jennifer Lopez – On the Floor	Music	Universal	653 625 451
4	Eminem – Love the way you lie	Music	Universal	543 003 278
5	LMFAO – Party rock anthem	Music	Universal	523 909 234
6	Charlie bit my finger – again !	Entertainment	Private	513 822 064
7	Shakira – Waka Waka	Music	Sony	510 871 915
8	Lady Gaga – Bad Romance	Music	Universal	510 222 649
9	Michel Teló – *Ai Se Eu Te Pego*	Music	Universal	484 138 009
10	Carly Rae Jepsen – Call Me Maybe	Entertainment	Universal	415 625 906

Source: youtube.com, accessed on March 1, 2013.

Table 5.2 The most popular fan groups on Facebook

Rank	Facebook fan group	Type	Number of fans
1	Facebook for every phone	IT	208.3 million
2	Facebook	Internet	88.6 million
3	YouTube	Internet	71.0 million
4	Texas Hold'em Poker	Music	68.4 million
5	Rihanna	Music	67.2 million
6	Eminem	Music	66.9 million
7	The Simpsons	Entertainment	61.7 million
8	Shakira	Music	61.3 million
9	Coca-Cola	Brand	60.0 million
10	Harry Potter	Entertainment	59.9 million
51	Barack Obama	Politics	35.2 million
	Michael Moore	Alternative media producer	745 362
	Noam Chomsky	Political intellectual	551 117
	Karl Marx	Political philosopher, communist	176 447

Data source: http://statistics.allfacebook.com, accessed on March 1, 2013.

The Limits of Facebook

Powerful politicians, such as President Obama, dominate the attention given to the political Facebook groups, whereas alternative political figures, such as Michael Moore, Noam Chomsky and Karl Marx, have a much lower number of fans (Table 5.2).

The Limits of Google

The results yielded by a Google search for "political news" show that corporate news organizations dominate the top results (Table 5.3). Only one public service organization (BBC) and one non-profit organization (NPR) are under the top ten results. The top search keywords used on Google in 2010 show that the 12 most used keywords did not contain political topics. Instead, there was more interest in Whitney Houston, Gangnam Style, Hurricane Sandy, iPad 3, Diablo 3, Kate Middleton, Olympics 2012, Amanda Todd, Michael Clarke Duncan, Big Brother Brazil 12.[1]

The Limits of Twitter

Twitter is one of the most popular social media platforms. Blogger Andrew Sullivan wrote after the Iranian protests of 2009 that "the revolution will be

1 www.google.com/zeitgeist/, accessed on July 2, 2013.

Table 5.3 Top results of a Google search for "political news"

Rank	Website	Ownership status	Owner
1	cnn.com	Corporate	Time Warner
2	cbsnews.com	Corporate	CBS Corporation
3	Politico.com	Corporate	Allbritton Communications
4	abcnews.go.com/politics	Corporate	Walt Disney
5	bbc.co.uk	Public service	BBC
6	foxnews.com	Corporate	News Corporations
7	reuters.com	Corporate	Thompson Reuters
8	nbcnews.com	Corporate	Comcast
9	Yahoo.com/politics	Corporate	Yahoo
10	npr.org/sections/politics	Non-profit	Non-profit company

Data source: google.com, March 1, 2013.

Table 5.4 Twitter user profiles with the highest number of followers

Rank	Twitter user profile	Followers
1	Justin Bieber @justinbieber	35.2 million
2	Lady Gaga @ladygaga	34.6 million
3	Katy Perry @katyperry	33.0 million
4	Rihanna @rihanna	28.6 million
5	Barack Obama @barackobama	27.8 million
6	Taylor Swift @taylorswift13	24.5 million
7	Britney Spears @ britneyspears	24.3 million
8	YouTube @youtube	24.0 million
9	Shakira @shakira	19.9 million
10	Kim Karadashian @KimKaradashian	17.4 million
	Michael Moore @MMFlint	1 460 507
	Noam Chomsky @daily_chomsky	87 901
	Occupy Wall Street @OccupyWallSt	177 549
	Occupy London @OccupyLondon	38 056

Data source: www.socialbakers.com/twitter/, accessed on March 1, 2013.

twittered", which contributed to the myth of Twitter revolutions.[2] Can meaningful political debates be based on 140-character short messages? Short text invites simplistic arguments and is an expression of the commodification and speed-up of culture. Table 5.4 shows that nine out of the ten most followed Twitter users are entertainment-oriented. Barack Obama is the only exception in the top ten. But Table 5.4 also shows that politics has a stratified attention economy

2 www.theatlantic.com/daily-dish/archive/2009/06/the-revolution-will-be-twittered/200478/, accessed on August 20, 2011.

on Twitter: whereas Barack Obama has a very large number of followers, the number is much lower for representatives of alternative politics, such as Michael Moore, Noam Chomsky, Occupy Wall Street and Occupy London.

The Corporate Colonization of Social Media

Such data make clear that corporations and their logic dominate social media and the Internet and that the Internet is predominantly capitalist in character. Social media do not constitute a public sphere or participatory democratic space, but are rather colonized by corporations, especially by multimedia companies that dominate attention and visibility. Politics is a minority issue on social media. Georg Lukács argues that ideology "by-passes the essence of the evolution of society and fails to pinpoint it and express it adequately" (Lukács 1923/1972, 50). An ideology is a claim about a certain status of reality that does not correspond to actual reality. It deceives human subjects in order to forestall societal change. It is false consciousness (Lukács 1923/1972, 83).

Observers who argue that the contemporary web and social media are participatory, cause revolutions, facilitate democracy or advance the public sphere, facilitate an ideology that celebrates capitalism and does not see how capitalist interests predominantly shape the Internet. Not only management gurus and marketing agencies, but also scholars in academia advance social media ideology. They postulate a false social media reality that neglects the role of capitalism. The implication of the claims that are made is that social media result in a better world. However, as the method of ideology critique that empirically compares claims to reality has frequently shown, we have a much more stratified reality that is shaped by structures of domination.

The Internet and social media are today stratified, non-participatory spaces and an alternative, non-corporate Internet is needed (see Fuchs 2011b, chapters 7, 8 and 9). Large corporations colonize social media and dominate its attention economy. Even though Twitter and mobile phones supported the political rebellions, protests and revolutions in countries like Algeria, Bahrain, Egypt, Iran, Jordan, Libya, Morocco, Tunisia and Yemen in early 2011, and the publishing of videos about the effects of domination (as the video about the death of Neda Soltani in the Iranian protests in 2009 or the video about the death of Ian Tomlinson at the London anti-G20 protests in 2009) can support the communication of protest, one should not overestimate these potentials. There are no Twitter-, Facebook- or YouTube-revolutions. Only people who live under certain social conditions and organize collectively can make rebellions and revolutions. Technology is, in itself, not a revolution.

On corporate social media, the liberal freedom of association and assembly are suspended: big corporate and, to a lesser extent, political actors dominate and therefore centralize the formation of speech, association, assembly and opinion on social media. Liberal freedoms turn on capitalist social media into their opposite.

The concept of social media participation is an ideology. Given this empirical result, it seems both necessary and feasible to theorize "web 2.0" not as a

participatory system, but by employing more negative, critical terms such as class, exploitation and surplus value. This requires us to ground the analysis of social media in the works of the founding figure of critical political economy – Karl Marx.

5.2. The Cycle of Capital Accumulation

In the three volumes of *Capital* (1867, 1885, 1894), Marx analyzes the accumulation process of capital. This process, as described by Marx, is visualized in Figure 5.1.

In the accumulation of capital, capitalists buy labour power and means of production (raw materials, technologies, etc.) in order to organize the production of new commodities that are sold with the expectation to make money profit that is partly reinvested. Marx distinguishes two spheres of capital accumulation: the circulation sphere and the sphere of production. In the circulation sphere, capital transforms its value form. First, money M is transformed into commodities (from the standpoint of the capitalist as buyer): the capitalist purchases the commodities labour power L and means of production Mp. The process M-C is based on the two purchases M-L and M-Mp. This means that due to private property structures workers do not own the means of production, the products they produce and the profit they generate. Capitalists own

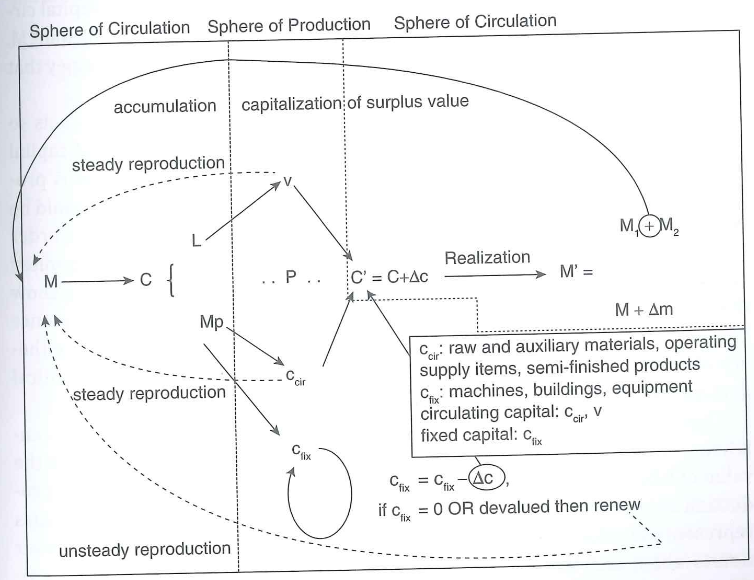


Figure 5.1 The accumulation/expanded reproduction of capital

these resources. In the sphere of production, a new good is produced: the value of labour power and the value of the means of production are added to the product. Value takes on the form of productive capital P. The value form of labour is variable capital v (which can be observed as wages), the value form of the means of production constant capital c (which can be observed as the total price of the means of production/producer goods).

In the sphere of production, capital stops its metamorphosis so that capital circulation comes to a halt. There is the production of new value V' of the commodity. V' contains the value of the necessary constant and variable capital and surplus value Δs of the surplus product. Unpaid labour generates surplus value and profit. Surplus value is the part of the working day that is unpaid. It is the part of the work day (measured in hours) that is used for producing profit. Profit does not belong to workers, but to capitalists. Capitalists do not pay for the production of surplus. Therefore the production of surplus value is a process of exploitation. The value V' of the new commodity after production is V' = c + v + s.

The commodity then leaves the sphere of production and again enters the circulation sphere, where capital conducts its next metamorphosis: it is transformed from the commodity form back into the money form by being sold on the market. Surplus value is realized in the form of money. The initial money capital M now takes on the form M' = M + Δm; it has been increased by an increment Δm. Accumulation of capital means that the produced surplus value/profit is (partly) reinvested/capitalized. The end point of one process M' becomes the starting point of a new accumulation process. One part of M', M_1, is reinvested. Accumulation means the aggregation of capital by investment and exploitation in the capital circuit M-C . . P . . C'-M', in which the end product M' becomes a new starting point M. The total process makes up the dynamic character of capital. Capital is money that is permanently increasing due to the exploitation of surplus value.

Commodities are sold at prices that are higher than the investment costs so that money profit is generated. Marx argues that one decisive quality of capital accumulation is that profit is an emergent property of production that is produced by labour, but owned by the capitalists. Without labour, no profit could be made. Workers are forced to enter class relations and to produce profit in order to survive, which enables capital to appropriate surplus. The notion of exploited surplus value is the main concept of Marx's theory, by which he intends to show that capitalism is a class society. "The theory of surplus value is in consequence immediately the theory of exploitation" (Negri 1991, 74). One can add: the theory of surplus value is the theory of class and, as a consequence, the political demand for a classless society.

Capital is not money per se, but is money that is increased through accumulation – "money which begets money" (Marx 1867, 256). Marx argues that the value of labour power is the average amount of time that is needed for the production of goods that are necessary for survival (necessary labour time). Wages represent the value of necessary labour time at the level of prices. Surplus labour time is labour time that exceeds necessary labour time, remains unpaid, is appropriated for free by capitalists, and transformed into money profit. Surplus value

"is in substance the materialization of unpaid labour-time. The secret of the self-valorization of capital resolves itself into the fact that it has at its disposal a definite quantity of the unpaid labour of other people" (Marx 1867, 672). The production of surplus value is "the *differentia specifica* of capitalist production" (Marx 1867, 769) and the "driving force and the final result of the capitalist process of production" (Marx 1867, 976).

5.3. Capital Accumulation and Social Media

Many corporate social media platforms accumulate capital with the help of targeted advertising that is tailored to individual user data and behaviour. Capitalism is based on the imperative to accumulate ever more capital. To achieve this, capitalists have to either prolong the working day (absolute surplus value production) or increase the productivity of labour (relative surplus value production) (on relative surplus value, see Marx 1867, chapter 12).

Relative Surplus Value

Relative surplus value production means that productivity is increased so that more commodities and more surplus value can be produced in the same time period as before.

> For example, suppose a cobbler, with a given set of tools, makes one pair of boots in one working day of 12 hours. If he is to make two pairs in the same time, the productivity of his labour must be doubled; and this cannot be done except by an alteration in his tools or in his mode of working, or both. Hence the conditions of production of his labour, i.e. his mode of production, and the labour process itself, must be revolutionized. By an increase in the productivity of labour, we mean an alteration in the labour process of such a kind as to shorten the labour-time socially necessary for the production of a commodity, and to endow a given quantity of labour with the power of producing a greater quantity of use-value. [. . .] I call that surplus-value which is produced by lengthening of the working day, *absolute surplus-value*. In contrast to this, I call that surplus-value which arises from the curtailment of the necessary labour-time, and from the corresponding alteration in the respective lengths of the two components of the working day, *relative surplus-value*. (Marx 1867, 431f)

Sut Jhally (1987, 78) argues that "reorganizing the watching audience in terms of demographics" is a form of relative surplus value production. One can interpret targeted Internet advertising as a form of relative surplus value production: at one point in time, the advertisers show not only one advertisement to the audience, as in non-targeted advertising, but also different advertisements to different user groups depending on the monitoring, assessment and comparison of the users' interests and online behaviour. On traditional forms of television, all watchers see the same advertisements at the same time. In targeted online advertising, advertising companies can present different ads at the same time. The efficiency of advertising is increased: the advertisers can show more advertisements that are likely to fit the interests of consumers in the same time period as in non-targeted advertising. Partly the advertising company's wage labourers and partly the Internet users, whose user-generated data and transaction data are utilized, produce the profit generated from these advertisements. The more targeted advertisements there are, the more likely it is that users recognize ads and click on them.

The users' click-and-buy process is the surplus value realization process of the advertising company, in which surplus value is transformed into money profit. Targeted advertising allows Internet companies to present not just one advertisement at one point in time to users, but rather numerous advertisements so that there is the production of more total advertising time that presents commodities to users. Relative surplus value production means that more surplus value is generated in the same time period as earlier. Targeted online advertising is more productive than non-targeted online advertising because it allows presenting more ads in the same time period. These ads contain more surplus value than the non-targeted ads, i.e., more unpaid labour time of the advertising company's paid employees and of users, who generate user-generated content and transaction data.

Prosumption

Alvin Toffler (1980) introduced the notion of the prosumer in the early 1980s. It means the "progressive blurring of the line that separates producer from consumer" (Toffler 1980, 267). Toffler describes the age of prosumption as the arrival of a new form of economic and political democracy, self-determined work, labour autonomy, local production and autonomous self-production. But he overlooks that prosumption is used for outsourcing work to users and consumers, who work without payment. Thereby corporations reduce their investment costs and labour costs, jobs are destroyed, and consumers who work for free are extremely exploited. They produce surplus value that is appropriated and turned into profit by corporations without paying wages. Notwithstanding Toffler's uncritical optimism, his notion of the "prosumer" describes important changes of media structures and practices and can therefore also be adopted for critical studies.

Ritzer and Jurgenson (2010) argue that web 2.0 facilitates the emergence of "prosumer capitalism", that the capitalist economy "has always been dominated by presumption" (14), and that prosumption is an inherent feature of McDonaldization. The two authors' rather simplistic and one-dimensional analysis ignores that prosumption is only one of many tendencies of capitalism, not its only quality and not the dominant quality. Capitalism is multidimensional and

has multiple interlinked dimensions. It is at the same time finance capitalism, imperialistic capitalism, informational capitalism, hyperindustrial capitalism (oil, gas), crisis capitalism, etc. Not all of these dimensions are equally important (Fuchs 2011b, chapter 5). Critical scholars have introduced concepts such as consumption work (Huws 2003) and Internet prosumer labour (Fuchs 2010c) for stressing how the boundaries between leisure and work, as well as production and consumption, have become liquid in contemporary capitalism.

Dallas Smythe, the Audience Commodity and Internet Prosumer Commodification

Dallas Smythe (1981/2006) suggests that in the case of media advertisement models, media companies sell the audience as a commodity to advertisers:

> Because audience power is produced, sold, purchased and consumed, it commands a price and is a commodity. [. . .] You audience members contribute your unpaid work time and in exchange you receive the program material and the explicit advertisements. (Smythe 1981/2006, 233, 238)

With the rise of user-generated content, free-access social networking platforms, and other free-access platforms that yield profit by online advertisement – a development subsumed under categories such as web 2.0, social software and social networking sites – the web seems to come close to accumulation strategies employed by capital on traditional mass media like TV or radio. Users who upload photos and images, write wall posting and comments, send mail to their contacts, accumulate friends or browse other profiles on Facebook, constitute an audience commodity that is sold to advertisers. The difference between the audience commodity on traditional mass media and on the Internet is that in the latter case the users are also content producers, there is user-generated content, the users engage in permanent creative activity, communication, community building and content-production. The fact that the users are more active on the Internet than in the reception of TV or radio content is due to the decentralized structure of the Internet, which allows many-to-many communication. Due to the permanent activity of the recipients and their status as prosumers, we can say that in the case of corporate social media the audience commodity is an Internet prosumer commodity (Fuchs 2010c).

The conflict between Cultural Studies and Critical Political Economy of the Media (see Ferguson and Golding 1997; Garnham 1995/1998; Grossberg 1995/1998) about the question of the activity and creativity of the user has been resolved in relation to web 2.0: on Facebook, Twitter, blogs, etc., users are fairly active and creative, which reflects Cultural Studies insights about the active character of recipients, but this active and creative user character is the very source of exploitation, which reflects Critical Political Economy's stress on class and exploitation.

Prosumer Surveillance

Economic surveillance on corporate social media is surveillance of prosumers, who dynamically and permanently create and share user-generated content, browse profiles and data, interact with others, join, create and build communities and co-create information. The corporate web platform operators and their third-party advertising clients continuously monitor and record personal data and online activities. They store, merge and analyze collected data. This allows them to create detailed user profiles and to know a lot about the users' personal interests and online behaviours. Social media that are based on targeted advertising sell prosumers as a commodity to advertising clients. There is an exchange of money for the access to user data that allows economic user surveillance. The exchange value of the social media prosumer commodity is the money value that the operators obtain from their clients. Its use value is the multitude of personal data and usage behaviour that is dominated by the commodity and exchange value form.

The corporations' surveillance of the prosumers' permanently produced use values, i.e., personal data and interactions, enables targeted advertising that aims at luring the prosumers into consumption and shopping. It also aims at manipulating prosumers' desires and needs in the interest of corporations and the commodities they offer. Whereas audience commodification in newspapers and traditional broadcasting was always based on statistical assessments of audience rates and characteristics (Bolin 2011), Internet surveillance gives social media corporations an exact picture of the interests and activities of users (Andrejevic 2007, 2012). The characteristics (interests and usage behaviour) and the size (the number of users in a specific interest group) of the Internet prosumer commodity can therefore be exactly determined and it can also be exactly determined who is part of a consumer group that should be targeted by specific ads and who is not.

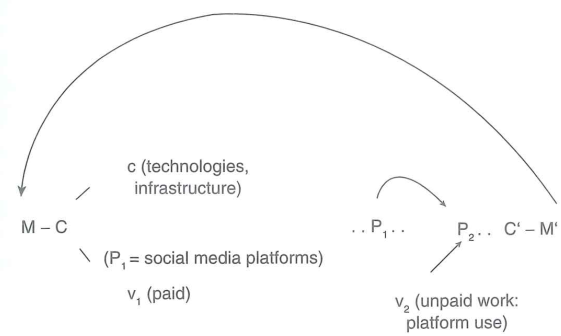
Panoptic Sorting of Internet Prosumers

"The panoptic sort is a difference machine that sorts individuals into categories and classes on the basis of routine measurements. It is a discriminatory technology that allocates options and opportunities on the basis of those measures and the administrative models that they inform" (Gandy 1993, 15). It is a system of power and disciplinary surveillance that identifies, classifies and assesses (Gandy 1993, 15). The mechanism of targeted advertising on social media is the form of surveillance that Gandy has characterized as panoptic sorting: it *identifies* the interests of users by closely surveilling their personal data and usage behaviour, it *classifies* them into consumer groups, and *assesses* their interests in comparison to other consumers and to available advertisements that are then targeted at the users.

Social media prosumers are double objects of commodification: they are commodities themselves and through this commodification their consciousness becomes, while online, permanently exposed to commodity logic in the form of

advertisements. Most online time is advertising time. On corporate social media, targeted advertising makes use of the users' personal data, interests, interactions, information behaviour, and also the interactions with other websites. So while you are using Facebook, Twitter, YouTube, etc., it is not just you interacting with others and browsing profiles; all of these activities are framed by advertisements presented to you. These advertisements come about by permanent surveillance of your online activities. Such advertisements do not necessarily represent consumers' real needs and desires because the ads are based on calculated assumptions, whereas needs are much more complex and spontaneous. The ads mainly reflect marketing decisions and economic power relations. They do not simply provide information about products as offers to buy, but information about products of powerful companies.

Capital Accumulation on Corporate Social Media



C' = **Internet prosumer commodity** (user-generated content, transaction data, virtual advertising space and time).
Most social media services are free to use, they are not commodities.
User data and the users are the social media commodity.

Figure 5.2 Capital accumulation on corporate social media platforms that are based on targeted advertising

Figure 5.2 shows the process of capital accumulation on corporate social media platforms that are funded by targeted advertising. Social media corporations invest money (M) for buying capital: technologies (server space, computers, organizational infrastructure, etc.) and labour power (paid employees). These are the constant capital (c) and the variable capital v_1 outlays. The outcome of the production process P_1 is not a commodity that is directly sold, but rather social media services (the specific platforms) that are made available without payment to users. As a consequence of this circumstance, management literature has focused on identifying how to make profit from free Internet services.

The waged employees, who create social media online environments that are accessed by users, produce part of the surplus value. The users employ the platform for generating content that they upload (user-generated data). The constant and variable capital invested by social media companies (c, v_1) that is objectified in the online environments is the prerequisite for their activities in the production process P_2. Their products are user-generated data, personal data, and transaction data about their browsing behaviour and communication behaviour on corporate social media. They invest a certain labour time v_2 in this process.

Corporate social media sell the users' data commodity to advertising clients at a price that is larger than the invested constant and variable capital. Partly the users and partly the corporations' employees create the surplus value contained in this commodity. The difference is that the users are unpaid and therefore infinitely exploited. Once the Internet prosumer commodity that contains the user-generated content, transaction data, and the right to access virtual advertising space and time is sold to advertising clients, the commodity is transformed into money capital and surplus value is transformed into money capital. A counter-argument to the insight that commercial social media companies exploit Internet prosumers is that the latter, in exchange for their work, receive access to a service. One can here, however, interpose that service access cannot be seen as a salary because users cannot "further convert this salary [. . .] [They] cannot buy food" (Bolin 2011, 37) with it.

The Profit Rate and Social Media

For Marx (1867), the profit rate is the relation of profit to investment costs:

$$p = s \,/\, (c + v) = \text{surplus value} \,/\, (\text{constant capital } (= \text{fixed costs}) + \text{variable capital } (= \text{wages}))$$.

If Internet users become productive web 2.0 prosumers, then in terms of Marxian class theory this means that they become productive labourers who produce surplus value and are exploited by capital because, for Marx, productive labour generates surplus value (Fuchs 2010c). Therefore exploited surplus value producers are not merely those who are employed by web 2.0 corporations for programming, updating and maintaining the soft- and hardware, performing marketing activities, etc., but are also the users and prosumers who engage in the production of user-generated content.

New media corporations do not (or hardly) pay the users for the production of content. One accumulation strategy is to give them free access to services and platforms, let them produce content, and to accumulate a large number of prosumers that are sold as a commodity to third-party advertisers. No product is sold to the users, but the users are sold as a commodity to advertisers. The more users a platform has, the higher the advertising rates can be set. The productive labour time that capital exploits involves, on the one hand, the labour time of the paid employees and, on the other hand, all of the time that is spent online by the users. Digital media corporations pay salaries for the first type of knowledge labour. Users produce data that is used and sold by the platforms

without payment. They work for free. There are neither variable nor constant investment costs. The formula for the profit rate needs to be transformed for this accumulation strategy:

$$p = s \,/\, (c + v_1 + v_2)$$

s: surplus value, c: constant capital, v_1: wages paid to fixed employees, v_2: wages paid to users

The typical situation is that $v_2 => 0$ and that v_2 substitutes v_1 ($v_1 => v_2 = 0$). If the production of content and the time spent online were carried out by paid employees, the variable costs (wages) would rise and profits would therefore decrease. This shows that prosumer activity in a capitalist society can be interpreted as the outsourcing of productive labour to users (in management literature the term "crowdsourcing" has been established; see Howe 2008) who work completely for free and help maximize the rate of exploitation:

$$e = s \,/\, v = \text{surplus value} \,/\, \text{variable capital}$$

The Rate of Exploitation and Social Media

The rate of exploitation (also called the rate of surplus value) measures the relationship of workers' unpaid work time and paid work time. The higher the rate of exploitation, the more work time is unpaid. Users of commercial social media platforms have no wages ($v = 0$). Therefore the rate of surplus value converges towards infinity. Internet prosumer labour is infinitely exploited by capital. This means that capitalist prosumption is an extreme form of exploitation, in which the prosumers work completely for free. Marx (1867) distinguishes between necessary labour time and surplus labour time. The first is the time a person needs to work in order to create the money equivalent for a wage that is required for buying goods that are needed for survival. The second is all additional labour time. Users are not paid on corporate social media (or for consuming other types of corporate media), hence they cannot generate money for buying food or other goods needed for survival. Therefore, all online time on corporate social media like Google, Facebook, YouTube or Twitter is surplus labour time.

The outsourcing of work to consumers is a general tendency of contemporary capitalism. Facebook has asked users to translate its site into other languages without payment. Javier Olivan, international manager at Facebook, commented that it would be cool to use the wisdom of the crowds.[3] Pepsi started a competition in which one could win US$10 000 for the best design of a Pepsi can. Ideabounty is a crowdsourcing platform that organizes crowdsourcing projects for corporations such as, for example, RedBull, BMW and Unilever. In such projects, most of the employed work is unpaid. Even if single individuals receive symbolic prize money, most of the work time employed by users and consumers is fully unpaid, which allows companies to outsource paid labour time to consumers or fans that work for free.

3 www.msnbc.msn.com/id/24205912, accessed on August 20, 2011.

Value and Social Media

Value is a complex concept (Fuchs 2014). Bolin (2011) identifies economic value, moral value, news value, public value, cultural value, aesthetic value, social value, educational value, political value and symbolic/sign value as specific interpretations of the term. Marx shared with Smith and Ricardo an objective concept of value. The value of a commodity is, for them, the "quantity of the 'value-forming substance', the labour, contained in the article", "the amount of labour socially necessary" for its production (Marx 1867, 129). Marx argues that goods in capitalism have a dual character. They have a use value-side (they are used for achieving certain aims) and a value-side. There are aspects of concrete and abstract labour. Concrete labour generates the commodity's use value (the good's qualitative character as a useful good that satisfies human needs), abstract labour the commodity's value (the good's quantitative side that allows its exchange with other commodities in the form of the relationship x amount of commodity A = y amount of commodity B). Subjective concepts of economic value, as held, for example, by classical French political economists such as Jean-Baptiste Say and Frederic Bastiat, or by representatives of the neoclassical Austrian school, assume that the worth of a good is determined by humans' cognitive evaluations and moral judgements, and interpret the notion of value idealistically. They say that the value of a good is the value given to them by the subjective judgements of humans.

One problem of the value concept is that its subjective and objective meanings are often mixed up. As the moral value of capitalism is economic value, one needs a precise concept of value (Fuchs 2014). To focus the meaning of the term "value" on economic value does not automatically mean to speak in favour of capitalism and commodification; it only reflects the important role the capitalist economy has in modern society and stresses commodity logic's tendency to attempt to colonize non-commodified realms. The goal is a world not dominated by economic value, but achieving this goal does not necessarily need a non-economic definition of the value concept. Marx made a difference between the concept of value and the concept of price. When we talk about the value of a good, we talk about the average number of hours needed for its production, whereas the price is expressed in quantities of money. "The expression of the value of a commodity in gold – *x* commodity A = Y money commodity – is its money-form or price" (Marx 1867, 189). Marx argued that the value and the price of a commodity do not coincide: "the production price of a commodity is not at all identical with its value [. . .] It has been shown that the production price of a commodity may stand above or below its value and coincides with it only in exceptional cases" (Marx 1894, 892). He also dealt with the question of how values are transformed into prices. Chapter 9 of *Capital Volume III* (Marx 1894, 254–272) is devoted to this question.

Information – A Peculiar Good

Information is a peculiar good:

- It is not used up in consumption.

- It can be infinitely shared and copied by one individual without losing the good itself. Several people can own it at the same time.
- It has no physical wear and tear. Its wear and tear is what Marx (1867, 528) called "moral depreciation": it is caused by competition and the drive of companies to establish new versions of informational commodities, such as the newest version of the iPod or iPad or a new song by an artist in order to accumulate ever more capital and by the creation of symbolic difference postulated by advertising and branding so that the older informational commodities appear to consumers to be "outdated".
- It can be easily and cheaply copied and quickly transmitted.
- It is a social good that reflects the history of social interactions and the history of knowledge.
- The value for producing the initial form of information is relatively high (it includes many hours of development costs), whereas, starting with the second copy, the value is relatively low (work time mainly is the time of copying and distributing the good).
- Information is, however, normally sold at a price that is higher than its value (measured in the amount of hours needed for its production). The difference between value and price is at the heart of profit making in the information industries.

A piece of artwork sold at a high price makes use of the value-price-differential and the ideological belief of the buyers in the superiority of the artist. Similarly, branding can constitute a value-price-differential. Branding is an ideological mechanism that wants to make consumers believe that a commodity has a symbolic value above its economic value. Consumers' ideological belief in the superiority of a certain commodity allows companies to achieve excess-profit, a profit higher than yielded for similar use values. Related phenomena are financial assets that are sold at prices that do not correspond to the profits the underlying commodities are yielding. Marx (1894) speaks in this respect of fictitious capital and David Harvey (2005b) talks of a temporal fix to overaccumulation that results in the deference of "the re-entry of capital values into circulation into the future" (Harvey 2005b, 109) so that the difference between profits and asset price can result in financial bubbles. Just like there can be a difference between value and price of a commodity, there can be a difference between profit and financial market worth of a financial asset.

Social Media Work

Bolin (2011) argues that in broadcasting, it is the statisticians, not the audiences, who work (see also: Maxwell 1991; Meehan 1984). The advertisers do not buy audiences, but the belief in a certain audience value generated by statisticians that relatively arbitrarily measure audience ratings. "Audiences do not work; it is rather the statisticians and market executives who do" (Bolin 2011, 84). From a Marxist perspective (that Smythe employed, see Fuchs 2014, chapter 4), audiences' work time is the time they consume commercial media. The exact quantity of labour value can never be determined. Therefore, Marx said that the "individual commodity counts [. . .] only as an average sample of its kind" (Marx 1867, 129f). Audiences create the value of the commercial media commodity, whereas audience statistics determine the price of the audience commodity by approximating average audience numbers based on a sample of a certain size.

There are two different basic understandings of the term "value". In a subjective sense, some people understand it is giving mental worth to something, considering it as important. In a more objective sense, value means monetary value or the number of hours that people spend working on something. On corporate social media, users create content, browse content, establish and maintain relations with others by communication, and update their profiles. All the time they spend on these platforms is work time. The Internet prosumer commodity that an advertiser buys on, for example, Facebook or Google is based on specific demographic data (age, location, education, gender, workplace, etc.) and interests (e.g. certain keywords typed into Google or certain interests identified on Facebook). Thereby, a specific group can be identified as target group. All time spent by members of this group on the specific social media platform constitutes the economic value (work time) of a specific Internet prosumer commodity. This work time contains time for social relationship management and cultural activities that generate reputation. Users spend time creating appreciation of others and appreciation of themselves by others in the form of social relations, affects, social bonds, friendships, personal relations, communities, etc. One therefore needs to reflect on how economic value production by the media is connected to what Bourdieu termed social, cultural and symbolic capital (Bolin 2011). Users employ social media because they strive for a certain degree to achieve what Bourdieu (1986a, 1986b) terms social capital (the accumulation of social relations), cultural capital (the accumulation of qualification, education, knowledge) and symbolic capital (the accumulation of reputation). The time that users spend on commercial social media platforms generating social, cultural and symbolic capital is in the process of prosumer commodification transformed into economic capital. Labour time on commercial social media is the conversion of Bourdieuian social, cultural and symbolic capital into Marxian value and economic capital. The subjective and economic understanding of the term "value" are connected by circumstance that human subjectivity is the foundation of capital accumulation on corporate social media.

The Social Media Prosumer Commodity's Price

How is the social media prosumer commodity's price determined and how is value transformed into money profit? Advertising clients are interested in the access to specific groups that can be targeted with individualized advertising that fit their interests. Access to this group and the data about their interests (who is a member of a specific consumer group that shares certain interests) is sold to advertisers. On Google and Facebook, advertisers set a maximum budget for one campaign and a maximum they are willing to pay for one click on their advertisement or for 1000

impressions (=presentations of an ad on a profile). The exact price for one click or for 1000 impressions is determined in an automated bidding process, in which all advertisers interested in a specific group (all ads targeted at this specific group) compete. In both models, every user is offered as a commodity and commodified, but only certain user groups are sold as a commodity. In the pay-per-click model, value is transformed into money (profit is realized) when a user clicks on an ad. In the pay-per-view model, value is transformed into money (profit is realized) when an ad is presented on a user's profile. Value and price of the social media prosumer commodity do not coincide; the price is mathematically determined by an algorithm and based on bids. The number of hours spent online by a specific group of users determines the value of the social media prosumer commodity. The price of this commodity is algorithmically determined.

All hours spent online by users of Facebook, Google and comparable corporate social media constitute work time, in which data commodities are generated, and potential time for profit realization. The maximum time of a single user that is productive (i.e. results in data commodities) is 100% of the time spent online. The maximum time that the same user contributes to profit realization by clicking on ads or viewing ads is the time that s/he spends on a specific platform. In practice, users only click on a small share of presented ads. So in the pay-per-click accumulation model, work time tends to be much larger than profit realization time. A lot of commodities that are offered for sale are created by online labour; only a certain share of it is sold and results in profits. This share is still large enough for companies like Google and Facebook to be able to generate significant profits. Online labour time is at the same time potential profit realization time. Capital tries to increase profit realization time in order to accumulate capital, i.e. to make an ever-larger share of productive labour time also profit realization time.

The Law of Value on Social Media

Marx formulated the law of value as saying that "the greater the labour-time necessary to produce an article, [. . .] the greater its value" (Marx 1867, 131). It also applies in the case of commercial social media: the more time a user spends on commercial social media, the more data about her/his interests and activities are available and the more advertisements are presented to him/her. Users spending a lot of time online create more data and more value (work time) that is potentially transformed into profit.

Time dimensions play a crucial role in determining the price of an ad: the number of times people click on an ad, the number of times an ad or target URL has already been viewed, the number of times a keyword has been entered, the time that a specific user group spends on the platform. Furthermore, the bidding maximums used as well as the number of ad clients competing for ad space influence the ad prices. In the pay-per-view method, Facebook and Google earn more with an ad that is targeted at a group that spends a lot of time on Facebook. The larger the target group, the higher Facebook's and Google's profits tend to be. In the pay-per-click method, Facebook and Google only earn money if users click on an ad. According to studies, the average click-through-rate is 0.1%.[4] This means that Facebook and Google tend to gain more profit if ads are presented to more users.

Generally, we can say that the higher the total attention time given to ads, the higher Google's and Facebook's profits tend to be. Attention time is determined by the size of a target group and the average time this group spends on the platforms. Online time on corporate social media is both labour time and attention time: all activities are monitored and result in data commodities, so users produce commodities online during their online time. In the pay-per-view mode, specific online time of specifically targeted groups is also attention time that realizes profit for Facebook or Google. In the pay-per-click mode, attention time that realizes profit is only the portion of the online time that users devote to clicking on ads that are presented to them. In both cases, online time is crucial for (a) the production of data commodities, and (b) the realization of profit derived from the sales of the data commodities. Both surveillance of online time (in the sphere of production) and attention time (in sphere of circulation) given to advertisements play an important role in corporate social media's capital accumulation model.

According to Google Trends, Michael Jackson was among the top trending search keywords on Google on June 27, 2012. Using the Google AdWords traffic estimator (on June 27, 2012) showed that by creating a campaign with a maximum CPC of €10 and a budget of €1000 per day, one can expect to attract 2867–3504 impressions and 112–137 clicks for total costs of €900–1100 per day if one targets Google users who search for "Michael Jackson". In comparison, I used the same settings for the keywords "Cat Power", an indie rock singer whose music I like and who is definitely much less popular than Michael Jackson. In a campaign that targets users who google "Cat Power", one can expect to attract 108–132 impressions and 3.9–4.7 clicks for total costs of €30.96–37.84 per day. The profit that Google makes with the data commodity associated with the keywords "Michael Jackson" is much larger than the one it makes with the keywords "Cat Power" because the first is more sought-after. And that a keyword is popular means that users spend more collective usage time per day entering the keyword and reading its result pages than for other keywords. The example shows that popular interests, for whose generation and result consumption users spend more labour time on the Internet than for not-so-popular keywords, tend to result in higher profits for Google than interests that are not so popular.

Possible Breakdown and Alternatives

That surplus value generating labour is an emergent property of capitalist production means that production and accumulation will break down if this labour is withdrawn. It is an essential part of the capitalist production process. That prosumers conduct surplus-generating labour can also be seen by imagining what would happen if they stopped using Facebook: the number of users would drop, advertisers would stop investments because there are no objects for their advertising messages and therefore no potential customers for their products, the profits of the new media corporations would drop, and they would go bankrupt. If such activities were carried out on a large scale, a new economy crisis would arise. This thought experiment shows that users are essential for generating profit in the new media economy. Furthermore, they produce and co-produce parts of the products, and therefore parts of the use value, value, and surplus value that are objectified in these products.

4 Comscore. 2012. *The power of Like²: How social marketing works.* White Paper. www.comscore.com/ger/Press_Events/Presentations_Whitepapers/2012/The_Power_of_Like_2-How_Social_Marketing_Works, accessed on June 27, 2012.

Not all prosumer work on social media is commodified (just like not all audience work is commodified). Work that contributes content, attention or comments to non-commercial non-profit projects (such as Wikipedia or alternative online news media, such as Indymedia, Alternet, Democracy Now!, openDemocracy, WikiLeaks, or the use of social media by non-governmental organizations (NGOs)) is work in the sense that it helps to create use values (alternative news, critical discourse, etc.), but it is non-commodified work – it cannot be exploited, does not have exchange value and does not yield profit. Such projects are an expression of the struggle for a society and an Internet that is not ruled by the logic of commodities and exchange value. Although they are precarious, the existence of alternatives shows that social media and media in general are, in capitalism, shaped by (a) class structures, (b) ideological "incorporation and legitimation" and (c) "gaps and contradictions" that constitute "cracks and fissures" that allow "currents of criticism and movements of contestation" (Golding and Murdock 1978, 353). The question of the alternatives will be discussed in more detail in Chapters 9 and 10.

5.4. Free Labour and Slave Labour

The Social Factory

Unpaid Internet prosumer labour is a new form of labour that is connected to other forms of exploited labour (for foundations of a critical theory of digital labour see my book *Karl Marx and digital labour*, Fuchs 2014). The emergence of "playbour" does not replace Fordist and industrial forms of work that are based on the separation of labour time and reproductive spare time. It is a new quality of the organization of work that is connected to the rising importance of knowledge and creative work and the attempts of capital to overcome crises by reorganizing work.

In playbour, surveillance as a coercive means of work control is to a certain degree substituted or complemented by ideological forms of control, in which workers monitor and maximize their own performance or monitor themselves mutually. Surveillance thereby becomes transformed into control of the self. Playbour is an actual control strategy of humans that aims at enhancing productivity and capital accumulation. At the same time, it is an ideology that postulates (e.g. in management ideology, public debates, etc.) the democratization of work and thereby wants to create the illusionary impression that we have entered an age without alienation or exploitation.

The factory is the space for the production of economic value. Italian theorists such as Mario Tronti and Toni Negri have argued that, especially since the capitalist crisis in the 1970s, the production of value has diffused from the factory as a space for the organization of wage labour into the broader realm of society. The contemporary globalization of capitalism has dispersed the walls of the wage labour factory all over the globe. Due to the circumstance that capital cannot exist without non-wage labour and exploits the commons that are created by all, society has become a factory. Different forms of unpaid and low-paid work would be at the heart of what Autonomists call the social worker, who works in the social factory: "all of society lives as a function of the factory and the factory extends its exclusive domination over all of society" (Tronti, in Cleaver 1992, 137). Nick Dyer-Witheford (2010, 485) says that the rise of the social workers has resulted in the emergence of the "factory planet" – the factory as locus for the production of value and commodities is everywhere, commodification has become universal and total. The boundaries of the factory have enlarged from the wage labour place into society and thereby exploitation has become more global and more pervasive.

The factory is an inherent creation of capitalism. It is the space where the exploitation of labour and the creation of value take place. The factory is not static, but develops and changes its organizational forms along with the historical trajectory of capitalism. This means that there is not one type of factory in a historical period of capitalism, but there are different types of factories that are all connected to each other and are necessary organizational forms of capital accumulation. In contemporary capitalism, we find, for example, the blue-collar/white-collar factories, the Internet factory, the sweatshop factory, the domestic factory (household), etc.

The Social Factory Online

Social media and the mobile Internet make the audience commodity ubiquitous, and the factory is not limited to your living room and your wage workplace – the factory and workplace surveillance are also in all in-between spaces. The entire planet is today a capitalist factory. Internet user commodification is part of the tendency of the commodification of everything that has resulted in the generalization of the factory and of exploitation. Neoliberal capitalism has largely widened the boundaries of what is treated as a commodity.

Internet labour and its surveillance are based on the surveillance, blood and sweat of super-exploited labour in developing countries. Alain Lipietz (1995) has, in this context, spoken of the emergence of "bloody Taylorism" as a contemporary accumulation regime that is coupled with two other accumulation regimes (peripheral Fordism, post-Fordism). Bloody Taylorism is based on the "delocalization of certain limited Taylorist industrial activities towards social formations with very high rates of exploitation" (Lipietz 1995, 10). "To the traditional oppression of women, this strategy adds all the modern weapons of anti-labour repression (official unions, absence of civil rights, imprisonment and torture of opponents)"

(Lipietz 1995, 11). Taylorism has not been replaced, we do not live in an age of post-Taylorism; rather, we are experiencing an extension and intensification of Taylorism that is complemented by new ideological forms of workforce control. The emergence of "workplayplaces" is a tendency in contemporary capitalism that interacts with established forms of work, play and toil. The corporate Internet requires for its existence the exploitation of the labour that exists under bloody Taylorist conditions. On top of this foundation, which makes heavy use of traditional workplace surveillance, we find various workplayplaces on the Internet where users work without payment and deterritorialize the boundaries between play and work.

The iSlave behind the iPhone

Students & Scholars Against Corporate Misbehaviour (SACOM)[5] reported that Chinese Foxconn workers who produce iPhones, iPads, iPods, MacBooks and other ICTs are facing the withholding of wages, forced and unpaid overtime, exposure to chemicals, harsh management, low wages, bad work safety conditions, lack of basic facilities, etc. In 2010, 18 Foxconn employees attempted suicide, 14 of them succeeded.[6] SACOM describes Foxconn workers as "iSlave Behind the iPhone".[7] This example shows that the exploitation and surveillance of digital labour, i.e. labour that is needed for capital accumulation with the help of ICTs, is in no way limited to unpaid user labour, but includes various forms of labour – user labour, wage labour in Western companies for the creation of applications, and slave-like labour that creates hardware (and partly software) in developing countries under inhumane conditions (Fuchs 2014, Hong 2011, Qiu 2009, Sandoval 2013, 2014, Zhao 2008).

Surveillance of Foxconn workers is direct, coercive, disciplinary and Taylorist. "Foxconn's stringent military-like culture is one of surveillance, obedience and not challenging authority. Workers are told obey or leave".[8] "Supervisors yell at workers with foul language. Workers experience pressure and humiliation. Workers are warned that they may be replaced by robots if they are not efficient enough. Apart from scolding by frontline supervisors, other forms of punishment include being required to write confession letters and copying the CEO's quotations. A majority of workers have to stand for ten hours during work shifts. There is no recess as promised by Foxconn. Some workers suffer from leg cramps after work. Workers have extra workloads or have to skip the second meal break under the arrangement of 'continuous shifts'. [. . .] At the entrance of each building, there is a worker station to check the identities of the workers".[9]

5 Students & Scholars Against Corporate Misbehaviour (SACOM), iSlave Behind the iPhone: Foxconn Workers in Central China. http://sacom.hk/wp-content/uploads/2011/09/20110924-islave-behind-the-iphone.pdf, accessed on July 3, 2013.
6 http://en.wikipedia.org/wiki/Foxconn_suicides, accessed on April 16, 2013.
7 Ibid.
8 CNN Online, Apple Manufacturing Plant Workers Complain of Long Hours, Militant Culture. http://edition.cnn.com/2012/02/06/world/asia/china-apple-foxconn-worker/index.html, accessed on July 3, 2013.
9 SACOM, op cit.

The Joy of the Phone and Computer in the West is the Blood and Sweat of Africans and Asians

iPhones, iPads, iMacs, Nokia phones etc. are also "blood phones" and "blood pads", and "blood Macs" in another sense: many smartphones, laptops, digital cameras, mp3 players, etc. are made out of minerals (e.g. cassiterite, wolframite, coltan, gold, tungsten, tantalum, tin) that are extracted from mines in the Democratic Republic of Congo and other countries under slave-like conditions (Fuchs 2014, chapter 6). Delly Mawazo Sesete describes the production conditions:

> These minerals are part of *your* daily life. They keep your computer running so you can surf the internet. [. . .] While minerals from the Congo have enriched your life, they have often brought violence, rape and instability to my home country. That's because those armed groups fighting for control of these mineral resources use murder, extortion and mass rape as a deliberate strategy to intimidate and control local populations, which helps them secure control of mines, trading routes and other strategic areas. Living in the Congo, I saw many of these atrocities firsthand. I documented the child slaves who are forced to work in the mines in dangerous conditions. I witnessed the deadly chemicals dumped into the local environment. I saw the use of rape as a weapon. [. . .] That's why I'm asking Apple to make an iPhone made with conflict-free minerals from the Congo by this time next year.[10]

The Knowledge Labour Aristocracy

A software engineer at Google earns on average US$103 348 a year,[11] a software engineer at Facebook on average US$111 428.[12] They are highly paid and relatively wealthy, although, just like all workers, exploited. The mean average wage of software developers in the USA was $92 080 in May 2011, the mean average wage of telephone operators in call centres was $28 600.[13] Both types of activities fall under the broad category of knowledge work that is separated by internal class divisions.

The knowledge labour aristocracy derives wage benefits at the expense of other workers. On the one side there are precarious proletarianized knowledge workers, and on the other side a well-paid labour aristocracy that forms a "salaried bourgeoisie": the "members of the new bourgeoisie get wages, and even if they own part of their company, earn stocks as part of their remuneration ('bonuses' for their 'success'). This new bourgeoisie still appropriates surplus value, but in the (mystified) form of what has been called 'surplus wage': they are paid rather more than the proletarian 'minimum wage' (an often mythic point

10 Guardian Online, Apple: Time to Make a Conflict-Free iPhone. www.guardian.co.uk/commentisfree/cifamerica/2011/dec/30/apple-time-make-conflict-free-iphone, accessed on July 3, 2013.
11 www.glassdoor.com/Salary/Google-Salaries-E9079.htm, accessed on April 17, 2012.
12 www.glassdoor.com/Salary/Facebook-Salaries-E40772.htm, accessed on April 17, 2012.
13 Bureau of Labor Statistics, Occupational Employment Statistics. www.bls.gov/oes/, accessed on July 3, 2013.

of reference whose only real example in today's global economy is the wage of a sweatshop worker in China or Indonesia), and it is this distinction from common proletarians which determines their status" (Žižek 2012a).

The Internet as Global Division of Labour

The existence of the Internet in its current dominant capitalist form is based on various forms of labour: the relatively highly-paid wage work of software engineers and low-paid proletarianized workers in Internet companies, the unpaid labour of users, the highly exploited bloody Taylorist work, highly toxic e-waste labour that disassembles ICTs and slave work in developing countries producing hardware and extracting "conflict minerals" (Fuchs 2014). There is a class conflict between capital and labour that is constituted through exploitation.

The rate of exploitation is varied depending on the type and location of activity. In the case of the salaried knowledge worker bourgeoisie, capital pays relatively high wages in order to try to gain their hegemonic consensus, whereas low-paid knowledge workers, users, hardware and software producers and mineral extractors in developing countries are facing precarious work conditions and varying degrees and forms of slavery and exploitation that, as a whole, help advancing the profits of capital by minimizing the wage costs. Free-labouring Internet users and the workers in conflict mines have in common that they are unpaid. The difference is that the former gain pleasure through their exploitation, whereas the latter suffer pain and die through their exploitation which enables the pleasure of the former. The main benefit from this situation is monetary and goes to companies like Google, Apple and Facebook that are the contemporary slaveholders and slave masters.

Different forms of control are needed for exploiting digital labour. Self-control and playbour that feel like fun but create parts of the value constitute only one part of the labour process that has its foundation in a racist mode of production and exploitation of workers in developing countries. The exploitation of play workers in the West is based on the pain, sweat, blood and death of workers in developing countries. The corporate Internet needs for its existence both playbour and toil, fun and misery, biopolitical power and disciplinary power, self-control and surveillance. The example of the Foxconn factories and Congolese conflict minerals shows that the exploitation of Internet playbour needs as a precondition, and is coupled with, the bloody Taylorist exploitation of workers in the developing world.

5.5. Conclusion

The main results of this chapter can be summarized as follows:

- Contemporary social media are not participatory: large companies that centralize attention and visibility and marginalize politics, especially alternative politics, dominate them.
- Management gurus, marketing strategies and uncritical academics celebrate the democratic potentials of social media and neglect aspects of

capitalism. Their assumptions are ideologies that reinforce capitalist domination.

- Corporate social media use capital accumulation models that are based on the exploitation of the unpaid labour of Internet users and on the commodification of user-generated data and data about user behaviour that is sold as commodity to advertisers. Targeted advertising and economic surveillance are important aspects of this accumulation model. The category of the audience commodity becomes, in the realm of social media, transmogrified into the category of the Internet prosumer commodity.
- The exploitation of the Internet prosumer commodity is an expression for a stage of capitalism in which the boundaries between play and labour have become fuzzy and the exploitation of play labour has become a new principle. Exploitation tends to feel like fun and becomes part of free time.
- The existence of digital media is based on various forms of labour and different degrees of the exploited: the salaried bourgeoisie of highly-paid workers in Internet companies, low-paid precarious knowledge workers, unpaid Internet users, highly exploited workers in developing countries, and slave workers extracting minerals that are used as raw materials.
- Commercial social media are spheres of the exploitation of user play labour and at the same time objects of ideological mystifications that idealize social media in order to detract attention from their class character or advance the attraction of investors and the creation and expansion of spheres of capital accumulation. Commercial social media show that exploitation/capital accumulation and ideology are two important and entangled dimensions of the media in capitalism (Golding and Murdock 1978).

RECOMMENDED READINGS AND EXERCISES

The political economy of social media can best be approached by reading and discussing classical and newer texts that focus on aspects of labour and activity in the context of audiences and users. The recommended readings focus on the so-called Blindspot Debate, a classical foundational debate in Media and Communication Studies. It is a debate on the digital labour theory of value between Adam Arvidsson and I as well as four different positions on how to assess YouTube.

The Blindspot Debate

Smythe, Dallas W. 1977. Communications: Blindspot of Western Marxism. *Canadian Journal of Political and Social Theory* 1 (3): 1–27.

Smythe, Dallas W. 1981/2006. On the audience commodity and its work. In *Media and cultural studies*, ed. Meenakshi G. Durham and Douglas M. Kellner, 230–256. Malden, MA: Blackwell.

Murdock, Graham. 1978. Blindspots about Western Marxism: A reply to Dallas Smythe. In *The political economy of the media I*, ed. Peter Golding and Graham Murdock, 465–474. Cheltenham: Edward Elgar.

In 1977, Dallas Smythe published his seminal article "Communications: Blindspot of Western Marxism" (Smythe 1977), in which he argued that Western Marxism has not given enough attention to the complex role of communications in capitalism. The article's publication was followed by an important foundational debate of media sociology that came to be known as *the Blindspot Debate* (Murdock 1978; Livant 1979; Smythe answered with a rejoinder to Murdock: Smythe 1994, 292–299) and by another article of Smythe on the same topic, *On the Audience Commodity and its Work* (Smythe 1981, 22–51).

Ask yourself:

- What are Dallas Smythe's main arguments?
- What are Graham Murdock's main points of criticism?
- There are different types of media commodities. Think about different for-profit media and the way they make money. What is their commodity? Try to construct a complete and systematic typology of media commodities.
- How does the commodity in the case of corporate social media differ from other media commodities?