

Dallas Smythe Today - The Audience Commodity, the Digital Labour Debate, Marxist Political Economy and Critical Theory. Prolegomena to a Digital Labour Theory of Value.

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Abstract: *Due to the global capitalist crisis, neoliberalism and the logic of commodification of everything have suffered cracks, fissures and holes. There is a return of the interest in Marx, which requires us to think about the role of Marxism in Media and Communication Studies. This paper contributes to this task by discussing some foundations of contemporary Marxist media and communication studies, including a focus on the renewed interest in Dallas Smythe's audience commodity category as part of the digital labour debate. Dallas Smythe reminds us of the importance of engagement with Marx's works for studying the media in capitalism critically. Both Critical Theory and Critical Political Economy of the Media and Communication have been criticized for being one-sided. Such interpretations are mainly based on selective readings. They ignore that in both approaches there has been with different weightings a focus on aspects of media commodification, audiences, ideology and alternatives. Critical Theory and Critical Political Economy are complementary and should be combined in Critical Media and Communication Studies today. Dallas Smythe's notion of the audience commodity has gained new relevance in the debate about corporate Internet services' exploitation of digital labour. The exploitation of digital labour involves processes of coercion, alienation and appropriation.*

Keywords: *Dallas Smythe, audience commodity, Internet prosumer commodity, blindspot debate, Critical Theory, Critical Political Economy of Media and Communication, Marx, Marxism*

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1. Introduction

In 1977, Dallas Smythe published his seminal article *Communications: Blindspot of Western Marxism* (Smythe 1977a), 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). More than 30 years have passed and the rise of neoliberalism resulted in a turn away from the interest in class and capitalism and in the rise of postmodernism and the logic of the commodification of everything: Marxism became the blindspot of the social sciences. The declining interest in Marx and Marxism is visualized in figure 1 that shows the number of articles in the Social Sciences Citation Index that contain one of the keywords Marx, Marxist or Marxism in the article topic description and were published in the five time periods 1968-1977, 1978-1987, 1988-1997, 1998-2007, 2008-2011. Choosing these periods allows observing if there has been a change since the start of the new capitalist crisis in 2008 and also makes sense because the 1968 revolt marked a break that also transformed academia.

Figure 1 shows that there was a relatively large academic article output about Marx in the period 1978-1987 (2752). Given that the number of articles published increases historically, also the interest in the period 1968-1977 seems to have been high. One can observe a clear contraction of the output of articles that focus on Marx in the periods 1988-1997 (1716) and 1998-2007 (1248). Given the historical increase of published articles, this contraction is even more severe. This period has

also been the time of the intensification of neoliberalism, the commodification of everything (including public service communication in many countries) and a strong turn towards postmodernism and culturalism in the social sciences. One can see that the average number of annual articles published about Marxism in the period 2008-2011 (190) has increased in comparisons to the periods 1988-2007 (125 per year) and 1988-1997 (172 per year). This circumstance is an empirical indicator for a renewed interest in Marx and Marxism in the social sciences as effect of the new capitalist crisis. The question is if and how this interest can be sustained and materialized in institutional transformations.

Due to the rising gap between the rich and the poor, widespread precarious labour, and the new global capitalist crisis, neoliberalism and the silence about class and capitalism have suffered cracks, fissures, and holes. Eagleton (2011) notes that never has a thinker been so travestied as Marx and shows that the contrary of what the common prejudices say about Marx makes up the core of his works. But since the start of the global capitalist crisis in 2008, a relatively large interest in the works of Karl Marx has developed. Slavoj Žižek (2010) argues in this context that the recent world economic crisis has resulted in a renewed interest in the Marxian Critique of the Political Economy. This is also shown by the attention recently paid to Marx in the mainstream media. *Time* magazine, for example, had Marx on its cover and asked about the global financial crisis: What would Marx think? (*Time Magazine*, February 2, 2009). Hobsbawm (2011, 12f) says that for understanding the global dimension of contemporary capitalism, capitalism's contradictions and crises and the existence of socio-economic inequality, we "must ask Marx's questions" (p. 13). "Economic and political liberalism, singly or in combination, cannot provide the solution to the problems of the twenty-first century. Once again the time has come to take Marx seriously" (Hobsbawm 2011, 419). Given the importance of Marx for understanding, interpreting, and changing contemporary society, we should take Smythe's suggestion to develop a Marxist theory of media and communication very serious today. If we want to have a society and media oriented on human interests, then we need a Marxist theory of society and a Marxist theory of media and communication.

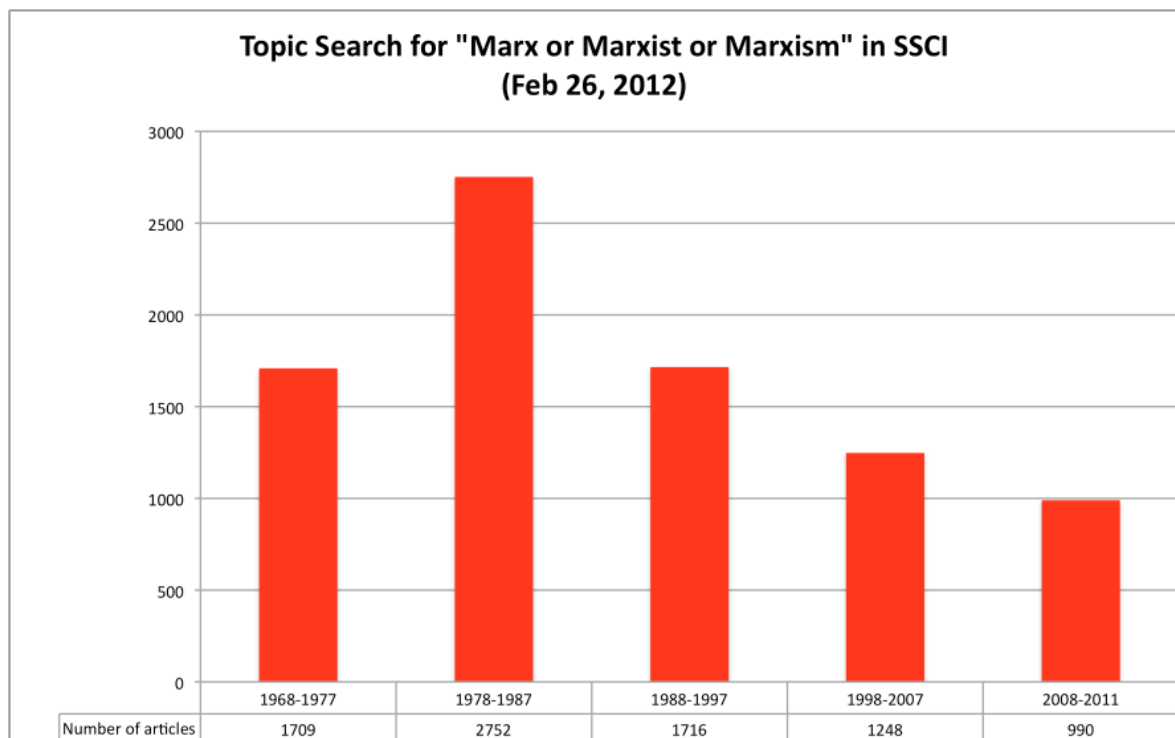


Figure 1: Articles published about Marx and Marxism in the Social Sciences Citation Index

The task of this paper is to explore perspectives for the Marxist study of media and communication today. First, I discuss the importance of taking a Marxist approach for studying media and com-

munication (section 2). Second, I give a short overview of the audience commodity debate and its renewal (section 3). In section 4, I analyze social media capital accumulation with the help of the notion of Internet prosumer commodification. Section 5 provides an overview of ideological changes that relate to digital media, perceived changes and the relationship between play and labour in contemporary capitalism (playbour). Section 6 presents a critique of criticisms of the digital labour debate. Finally, I draw some conclusions.

2. The Importance of Critical Political Economy, Critical Theory and Dallas Smythe Today

Dallas Smythe was a founding figure in the establishment of the Political Economy of Communications and taught the first course in the field (Mosco 2009, 82). He stressed the importance of studying media and communication in a critical and non-administrative way: "By 'critical' researchable problems we mean how to reshape or invent institutions to meet the collective needs of the relevant social community [...] By 'critical' tools, we refer to historical, materialist analysis of the contradictory process in the real world. By 'administrative' ideology, we mean the linking of administrative-type problems and tools, with interpretation of results that supports, or does not seriously disturb, the status quo. By 'critical' ideology, we refer to the linking of 'critical' researchable problems and critical tools with interpretations that involve radical changes in the established order" (Smythe and Dinh 1983, 118).

In the article *On the Political Economy of Communications*, Smythe (1960) defined the "central purpose of the study of the political economy of communications" as the evaluation of "the effects of communication agencies in terms of the policies by which they are organized and operated" and the analysis of "the structure and policies of these communication agencies in their social settings" (Smythe 1960, 564). He identified various communications policy areas in this article. Whereas there are foundations of a general political economy in this paper, there are no traces of Marx in it. Janet Wasko (2004, 311) argues that although "Smythe's discussion at this point did not employ radical or Marxist terminology, it was a major departure from the kind of research that dominated the study of mass communications at that time". Wasko (2004, 312) points out that it was in the "1970s that the political economy of media and communications (PE/C) was explicitly defined again but this time within a more explicitly Marxist framework". She mentions in this context the works of Nicholas Garnham, Peter Golding, Armand Mattelart, Graham Murdock, Dallas Smythe as well as the Blindspot Debate (Wasko 2004, 312-313).

Later, Smythe (1981) formulated explicitly the need for a Marxist Political Economy of Communications. He spoke of a "Marxist theory of communication" (Smythe 1994, 258) and that critical theory means "Marxist or quasi-Marxist" theory (Smythe 1994, 256). He identified eight core aspects of a Marxist political economy of communications (Smythe 1981, xvi-xviii):

- 1) materiality,
- 2) monopoly capitalism,
- 3) audience commodification and advertising,
- 4) media communication as part of the base of capitalism,
- 5) labour power,
- 6) critique of technological determinism,
- 7) the dialectic of consciousness, ideology and hegemony on the one side and material practices on the other side,
- 8) the dialectics of arts and science.

Smythe reminds us of the importance of the engagement with Marx's works for studying the media in capitalism critically.

He argued that Gramsci and the Frankfurt School advanced the concepts of ideology, consciousness, and hegemony as areas "saturated with subjectivism and positivism" (Smythe 1981, xvii). These Marxist thinkers would have advanced an "idealist theory of the communications com-

modity" (Smythe 1994, 268) that situates the media only on the superstructure of capitalism and forgets to ask what economic functions they serve in capitalism.

In a review of Hans Magnus Enzensberger's (1974) book *The Consciousness Industry*, Smythe on the one hand agreed with Enzensberger that the "mind industry" wants to "sell the existing order" (Enzensberger 1974, 10), but on the other hand disagrees with the assumption that its "main business and concern is not to sell its product" (Enzensberger 1974, 10): "Enzensberger's theory that every social system's communications policy serves the controlling class interest in perpetuating that system is of course correct", but to say that "the mass media and consciousness industry have no product" would mean to identify commodity production with "crude physical production" (Smythe 1977b, 200). Smythe (1977b) characterizes Enzensberger's views as bourgeois, idealistic and anarcho-liberal. For Smythe (1994, 266-291), the material aspect of communications is that audiences work, are exploited and sold as commodity to advertisers. He was more interested in aspects of surplus value generation of the media than their ideological effects. So Smythe called for analyzing the media more in terms of surplus value and exploitation and less in terms of manipulation. Nicholas Garnham (1990, 30) shares with Smythe the insight that the Political Economy of Communications should "shift attention away from the conception of the mass media as ideological apparatuses" and focus on the analysis of their "economic role" in surplus value generation and advertising. The analysis of media as "vehicles for ideological domination" is for Garnham (2004, 94) "a busted flush" that is not needed for explaining "the relatively smooth reproduction of capitalism".

Given the analyses of Smythe and Garnham, the impression can be created that Frankfurt School Critical Theory focuses on ideology critique and the Political Economy of Media/Communications on the analysis of capital accumulation by and with the help of the media. This is however a misunderstanding. Although wide-read works of the Frankfurt School focused on ideology (Adorno, Frenkel-Brunswik, Levinson and Sanford 1950, Horkheimer and Adorno 2002, Marcuse 1964), other books in its book series *Frankfurter Beiträge zur Soziologie* dealt with the changes of accumulation in what was termed late capitalism or monopoly capitalism (for example: Pollock 1956, Friedmann 1959). The Marxist political economist Henryk Grossmann was one of the most important members of the *Institut für Sozialforschung* in the 1920s and wrote his main work at the Institute (Grossmann 1929). Although only few will today agree with Grossmann's theory of capitalist breakdown, it remains a fact that Marxist political economy was an element of the *Institut für Sozialforschung* right from its beginning and had with Pollock and Grossmann two important representatives. After Horkheimer had become director of the Institute in 1930, he formulated an interdisciplinary research programme that aimed at bringing together philosophers and scholars from a broad range of disciplines, including economics (Horkheimer 1931). When formulating their general concepts of critical theory, both Horkheimer (2002, 244) and Marcuse (1941) had a combination of philosophy and Marx's Critique of the Political Economy in mind.

Just like Critical Political Economy was not alien to the Frankfurt School, ideology critique has also not been alien to the approach of the Critical Political Economy of the Media and Communication. For Graham Peter Murdock and Golding (1974, 4), the media are organizations that "produce and distribute commodities", are means for distributing advertisements and also have an "ideological dimension" by disseminating "ideas about economic and political structures". Murdock (1978, 469) stressed in the *Blindspot Debate* that there are non-advertising based culture industries (like popular culture) that sell "explanations of social order and structured inequality" and "work with and through ideology – selling the system" (see also: Artz 2008, 64). Murdock (1978) argued in the *Blindspot Debate* that Smythe did not enough acknowledge Western Marxism in Europe and that one needs a balance between ideology critique and political economy for analyzing the media in capitalism.

Smythe acknowledged himself the importance of ideology when talking about the "consciousness industry" (Smythe 1981, 4-9, 270-299). Although critical of Hans Magnus Enzensberger's works (Smythe 1977b), Smythe took up Enzensberger's concept of the consciousness industry and interpreted it in his own way. In contrast to the Frankfurt School, Smythe does not understand ide-

ology as false consciousness, but as “system of beliefs, attitudes, and ideas” (Smythe 1981, 171). The task of the consciousness industry is for Smythe to make people buy commodities and pay taxes (Smythe 1994, 250). Its further task is to promote values that favour capitalism and the private property system (Smythe 1994, 251-253). One role of the capitalist media would be the “pervasive reinforcement of the ideological basis of the capitalist system”, assumptions like “human nature is necessarily selfish and possessive. It has always been this way: You can’t change human nature” (Smythe 1994, 251). So while Smythe criticized the Frankfurt School, he advanced and confirmed the importance of ideology critique himself. Robert Babe argues in this context that although Smythe stressed the need for a materialist theory of culture that sees audience power “as the media’s main output” (Babe 2000, 133f), his concept of the Consciousness Industry “is ‘idealist’ in Smythe’s sense of the term” (Babe 2000, 134). The circumstance that Smythe took up Enzensberger’s terminology and gave space to discussing the attempts of the media to ideologically distort reality shows that although he used fierce words against some representatives of the Frankfurt School (idealist, bourgeois, etc), he did not altogether dismiss ideology critique, but rather wanted to open up the debate for also giving attention to the media’s capital accumulation strategies that are coupled to its role as mind manager.

A difference between the Critical Political Economy of Media and Communications and Critical Theory is that the first is strongly rooted in economic theory and the second in philosophy and social theory. Dallas Smythe acknowledged this difference: “While the cutting edge of critical theory lies in political economy, critical theory in communications has the transdisciplinary scope of the social sciences, humanities, and arts” (Smythe 1984, 211). Smythe defined critical theory broadly as “criticism of the contradictory aspects of the phenomena in their systemic context” (Smythe and Dinh 1983, 123) and therefore concluded that critical theory is not necessarily Marxist. The historical Critical Theory of the Frankfurt School has its roots in Marxist political philosophy, so the question is if one should really have a broad definition of the term “critical” that does not focus on systemic critique.

The approaches of the Frankfurt School and of the Critique of the Political Economy of Media and Communications should be understood as being complementary. There has been a stronger focus on ideology critique in the Frankfurt School approach for historical reasons. For Horkheimer and Adorno, the rise of German fascism, the Stalinist praxis and American consumer capitalism showed the defeat of the revolutionary potentials of the working class (Habermas 1984, 366f). They wanted to explain why the revolutionary German working class followed Hitler, which brought up the interest in the analysis of the authoritarian personality and media propaganda. As Communists and coming from Jewish families, Horkheimer and Adorno (as well as their colleagues) were directly threatened by the violence of National Socialism and therefore had to escape from Germany. The violent consequences of Nazi ideology may partly explain the relevance that the notion of ideology had throughout their lives in their works. The Anglo-American approach of the Political Economy of the Media and Communications was developed by people like Dallas Smythe and Herbert Schiller in countries that during the Second World War fought against fascism. Whereas North American capitalism was after 1945 based on liberal ideology, anti-communism and a strong consumer culture that certainly also had fascist potentials, German post-war capitalism was built on the legacy of National Socialism and a strong persistence of fascist thinking in everyday life and politics.

The lives of Smythe and Schiller themselves were not as in the case of Horkheimer and Adorno directly threatened by fascist regimes. But both showed a lot of concern about fascism, which shaped their thought. Vincent Mosco (2009, 83) writes in this context that contacts with anti-fascists that fought in the Spanish civil war had profound political effects on Smythe’s thinking. Serving in the US army in World War II and working for the US government in Germany after the war had “substantial formative influence” (Mosco 2009, 85) on Herbert Schiller. The works of the American economist Robert A. Brady influenced both Smythe’s and Schiller’s thinking (Schiller 1999). Brady had contacts with Franz Neumann, a representative of the Frankfurt School who was in exile in the USA and just like Brady (1937) wrote an analysis of National Socialism (Neumann 1966). Brady

was especially concerned with fascist potentials of capitalism, like in the form of media propaganda and public relations. Neumann (1966) stressed that National Socialism was a form of monopoly capitalism that was based on a leadership cult. Dan Schiller (1999, 100) argues that “Brady endowed the study of the political economy of communications with a critical intellectual legacy”. The fascist threat was both a concern for German critical theorists and North American critical political economists.

Horkheimer’s (1947) notion of instrumental reason and Marcuse’s (1964) notion of technological rationality open up connections between the two approaches. Horkheimer and Marcuse stressed that in capitalism there is a tendency that freedom of action is replaced by instrumental decision making on the part of capital and the state so that the individual is expected to only react and not to act. The two concepts are grounded in Georg Lukács (1923/1972) notion of reification that is a reformulation of Marx’s (1867) concept of fetishism. Reification means “that a relation between people takes on the character of a thing and thus acquires ‘phantom objectivity’, an autonomy that seems so strictly rational and all-embracing as to conceal every trace of its fundamental nature: the relation between people” (Lukács 1923/1972, 83).

The media in capitalism are modes of reification in a multiple sense:

- First, commercial media reduce humans to the status of consumers of advertisements.
- Second, culture is in capitalism to a large degree connected to the commodity form. There are cultural commodities that are bought by consumers and audience and user commodities that media consumers and Internet prosumers become themselves.
- Third, in order to reproduce its existence, capitalism has to present itself as the best possible (or only possible) system and makes use of the media in order to try to keep this message (in all its differentiated forms) hegemonic.

The first and the second dimension constitute the economic dimension of instrumental reason, the third dimension the ideological form of instrumental reason. Capitalist media are necessarily means of advertising and commodification and spaces of ideology. Advertisement and cultural commodification make humans an instrument for economic profit accumulation. Ideology aims at instilling the belief in the system of capital and commodities into human’s subjectivity. The goal is that human thoughts and actions do not go beyond capitalism, do not question and revolt against this system and thereby play the role of instruments for the perpetuation of capitalism. It is of course an important question to which extent ideology is always successful and to which degree it is questioned and resisted, but the crucial aspect about ideology is that it encompasses strategies and attempts to make human subjects instrumental in the reproduction of domination and exploitation.

For Marx, the analysis of capitalism starts with the analysis of the commodity: “The wealth of societies in which the capitalist mode of production prevails appears as an ‘immense collection of commodities’; the individual commodity appears as its elementary form” (Marx 1867, 125). Marx therefore begins the analysis of capitalism with the analysis of the commodity: its use value, exchange value, value, the labour embodied in it, the value forms of the commodity, including the money form (x commodity $A = y$ amount of money). After this analysis, Marx turns in chapter 1.4 (*The fetishism of the commodity and its secret*) of *Capital, Volume 1* to the analysis ideology as immanent feature of the commodity. The “mysterious character of the commodity-form” is that human social relations that create commodities are not visible in the commodity, but appear as “the socio-natural properties of these things”. “The definite social relation between men themselves [take in ideologies] [...] the fantastic form of a relation between things” (Marx 1867, 165). Ideologies legitimize various phenomena by creating the impression that the latter exist always and naturally and by ignoring the historical and social character of things. So for Marx, ideology and commodification are interconnected aspects of capitalism. A Marxist theory of communication should therefore, besides the focus on struggles and alternatives, have a double-focus on the role of media and communication in the context of ideology and commodification.

Smythe said that the “starting point for a general Marxist theory of communications is [...] the theory of commodity exchange” (Smythe 1994, 259). Adorno acknowledged that “the concept of exchange is [...] the hinge connecting the conception of a critical theory of society to the construc-

tion of the concept of society as a totality" (Adorno 2000, 32). Commodity and commodity exchange are crucial concepts for Critical Political Economy and Critical Theory. As the commodity concept is connected to both capital accumulation and ideology, both approaches should start simultaneously with the value aspects and the ideology aspects of media commodities.

Accumulation and ideology go hand in hand. An example: "social media". After the dot.com crisis in 2000, there was a need to establish new capital accumulation strategies for the capitalist Internet economy. Investors were reluctant to invest finance capital after the crisis as venture capital into digital media companies. So the discourse on "social media" became focused on new capital accumulation models for the Internet economy. Nobody knew if the users were interested in microblogs, social networking sites, etc. The rise of "social media" as a new capital accumulation model was accompanied by a social media ideology: that "social media" are new ("web 2.0"), pose new opportunities for participation, will bring about an "economic democracy", enable new forms of political struggle ("Twitter revolution"), more democracy ("participatory culture"), etc. The rise of new media was accompanied by a techno-deterministic and techno-optimistic ideology. This ideology was necessary for convincing investors and users to support the social media capital accumulation model. The political economy of surplus value generation on "social media" and ideology heavily interacted here in order to enable the economic and discursive rise of "social media".

Some scholars tends to say that Frankfurt School and the Critical Political Economy of Media and Communication are pessimistic, elitist, and neglect audiences (see for example: Hall 1986, 1988; Grossberg 1995/1998). They say that the concept of ideology as false consciousness makes "both the masses and the capitalists look like judgemental dopes" (Hall 1986, 33). Hall (1988, 44) criticizes Lukács (whose works have been one of the main influences on the Frankfurt School) by saying that the false consciousness theorem is simplistic (it assumes that "vast numbers of ordinary people, mentally equipped in much the same way as you or I, can simply be thoroughly and systematically duped into misrecognizing entirely where their real interests lie") and elitist ("Even less acceptable is the position that, whereas "they" – the masses – are the dupes of history, "we" – the privileged – [...] can see, transitively, right through into the truth, the essence, of a situation").

In other works, Hall advocated a different concept of ideology that is not completely unrelated to the one of the Frankfurt School. In their work *Policing the Crisis*, Hall et al. (1978) showed how the state and the media use moral panics about crime as "the principal ideological consciousness by means of which a 'silent majority' is won over to the support of increasingly coercive measures" (Hall et al. 1978, 221) and the establishment of a law and order-society. If both the mainstream media and the police argue for increasing law and order policies in the course of a moral panic, then they both legitimate the control process, a mutual enforcement of the "control culture" and a "signification culture" emerges (Hall et al 1978, 76) so that "the mutual articulation" of the two "create an *effective ideological and control closure* around the issue" (Hall et al. 1978, 76). The media, just like the police, then act as "an apparatus of the control process itself – an 'ideological state apparatus'" (Hall et al 1978, 76).

Colin Sparks describes the relationship between Stuart Hall's version of Cultural Studies and Marxism as "move towards marxism and move away from marxism" (Sparks 1996, 71). He argues that Hall in the 1970s engaged with structural Marxism, which culminated in the *Policing the Crisis*-book, and that then there was a "slow movement away from any self-identification with marxism" (Sparks 1996, 88) in the 1980s that was influenced by the uptake of Ernesto Laclau's approach. The resulting "distance between cultural studies and marxism" is for Sparks a "retrograde move" (Sparks 1996, 98). Vincent Mosco (2009) argues that Hoggart, Williams, Thompson, Willis and Hall et al. (1976) "maintained a strong commitment to an engaged class analysis" (Mosco 2009, 233), but that later Cultural Studies became "less than clear about its commitment to political projects and purposes" (Mosco 2009, 229) and that therefore it is "hard to make the case that cultural studies has devoted much attention to labor, the activity that occupies most people's waking hours" (Mosco 2009, 214).

Hall in his criticism of Frankfurt School that can be read as self-criticism of his own earlier works misrecognizes that not all people are equally educated because in a class society basic and higher

education is to a certain extent also shaped by class differences so that left-wing intellectuals tend to have more time and resources than white and blue collar workers for engaging in studying how capitalism works. Recognizing this circumstance means that ideology critique gives organic intellectuals a role in struggles because they have the potentials of “providing a map of the structure of domination and the terrain of struggle” (Garnham 1995/1998, 607). For Hall, the assumption that ordinary people are active and critical follows from the rejection of the manipulation thesis: “Since ordinary people are not cultural dopes, they are perfectly capable of recognising the way the realities of working-class life are reorganised, reconstructed, and reshaped by the way they are represented (i.e. re-presented) in, say, Coronation Street” (Hall 1981/1998, 447). Lawrence Grossberg (1995/1998) argued that both Frankfurt School and Political Economy have a simple “model of domination in which people are seen as passively manipulated ‘cultural dupes’” (616) and that for them “culture matters only as a commodity and an ideological tool of manipulation” (618).

In contrast to such claims, Dallas Smythe had a very balanced view of the audience: capital would attempt to control audiences, but they would have potentials to resist: “People are subject to relentless pressures from Consciousness Industry; they are besieged with an avalanche of consumer goods and services; they are themselves produced as (audience) commodities; they reproduce their own lives and energies as damaged and in commodity form. But people are by no means passive or powerless. People do resist the powerful and manifold pressures of capital as best they can” (Smythe 1981, 270).

Adorno, who is vilified by many scholars as the prototypical cultural pessimist and elitist, had a positive vision for a medium like TV. For television (in German: Fernsehen = literally: to watch into the distance) “to keep the promise still resonating within the word, it must emancipate itself from everything within which it – reckless wish-fulfilment – refutes its own principle and betrays the idea of Good Fortune for the smaller fortunes of the department store” (Adorno 2005, 57). Adorno frequently acknowledges the need and potentials of emancipation. In the case of TV, he points out that enabling watching into the distance beyond capitalism is a good fortune. This is indirectly a call for the creation of alternative media that question the status quo. Adorno also did not, as falsely claimed by many, despise popular culture. He was for example a fan of Charlie Chaplin and pointed out the critical role of the clown in popular culture (Adorno 1996). Even in the *Culture Industry*-chapter of the *Dialectic of the Enlightenment*, the positive elements of popular culture are visible. For example when Adorno writes that “traces of something better persist in those features of the culture industry by which it resembles the circus” (Horkheimer and Adorno 2002, 114). Adorno (1977, 680) in his essay *Erziehung nach Auschwitz (Education after Auschwitz)* wrote about the positive role that TV could play in anti-fascist education in Germany after Auschwitz. If one goes beyond a superficial and selective reading of Adorno, then one will find his deep belief in the possibility of emancipation and in the role that culture can play in it. English translations of Horkheimer’s and Adorno’s works are imprecise because the language of the two philosophers is complex and not easily translatable. But besides the problem non-German speakers are facing when reading Horkheimer and Adorno, there seems to be a certain non-willingness to engage thoroughly with the Frankfurt School’s and Critical Political Economy’s origins in order to set up a straw man.

Karl Marx (1867) titled his opus magnum not *Capital. A Political Economy*, but rather *Capital. A Critique of Political Economy*. Political Economy is a broad field, incorporating also traditions of thinking grounded in classical liberal economic thought and thinkers like Malthus, Mill, Petty, Ricardo, Say, Smith, Ure, etc that Marx studied, sublated, and was highly critical of in his works. His main point of criticism of Political Economy is that it fetishizes capitalism. Its thinkers “confine themselves to systematizing in a pedantic way, and proclaiming for everlasting truths, the banal and complacent notions held by the bourgeois agents of production about their own world, which is to them the best possible one” (Marx 1867, 175). They postulate that categories like commodities, money, exchange value, capital, markets, or competition are anthropological features of all society, thereby ignoring the categories’ historical character and enmeshment into class struggles. Marx showed the contradictions of political economy’s thought and took classical political economy as

starting point for a critique of capitalism that considers “every historically developed form as being in a fluid state, in motion” and analyzes how “the movement of capitalist society is full of contradictions” (Marx 1867, 103), which calls for the “development of the contradictions of a given historical form” by political practice (619) and means that Marx’s approach is “in its very essence critical and revolutionary” (Marx 1867, 103).

Marx developed a Critique of the Political Economy of Capitalism, which sees critique as three-fold process:

- a) an analysis and critique of capitalism,
- b) a critique of liberal ideology, thought and academia,
- c) transformative practice.

To be precise, one should not speak of Political Economy of Media/Communications, but of the *Critique of the Political Economy of Communication, Culture, Information and the Media*. Some authors realized this circumstance and stressed that what is needed is a “Marxist theory of communication” (Smythe 1994, 258), that critical theory means “Marxist or quasi-Marxist” theory (Smythe 1994, 256) and that “Critical Political Economy of Communications” is critical in the sense of being “broadly marxisant” (Murdock and Golding 2005, 61).

Robin Mansell (1995, 51) argues that Smythe engaged in establishing a Critical Media and Communication Studies that “had at its core the need to interrogate the systemic character of capitalism as it was expressed through the means of structures of communication” and that his focus was on exposing “through critical research the articulation of political and economic power relations as they were expressed in the institutional relations embedded in technology and the content of communication in all its forms” (Mansell 1995, 47). Robin Mansell points out the importance of a critical methodology in Smythe’s approach. Smythe was interested in developing a “Marxist theory of communication” (Smythe 1994, 258) and argued that critical theory means “Marxist or quasi-Marxist” theory (Smythe 1994, 256). I therefore think that it is consequent and important to characterize Smythe’s approach not just as Critical Communication Research – which it certainly also, but not exclusively was –, but as Marxist Communication Studies, which means a unity of theoretical/philosophical, empirical and ethical studies of media and communication that is focused on the analysis of contradictions, structures and practices of domination, exploitation, struggles, ideologies and alternatives to capitalism in relation to media and communication. One should not split off the importance of Marx and Marxism from Smythe’s approach and reduce him to having established a critical empirical research methodology. Janet Wasko stresses in this context that Marx’s 11th Feuerbach thesis (“The philosophers have only interpreted the world, in various ways; the point is to change it”) applied to the work and life of Dallas Smythe: “Analyzing and understanding the role of communications in the modern world might be enough for most communication scholars. But Dallas Smythe also sought to change the world, not only by his extensive research and teaching in academia, but in his work in the public sector, and through his life as a social activist” (Wasko 1993, 1).

In the German discussions about the Critique of the Political Economy of the Media, Horst Holzer (1973, 131; 1994, 202ff) and Manfred Knoche (2005a) have distinguished four functions of the media in capitalism that are relevant for the Marxist Critique of the Political Economy of the Media and Communication:

- (1) capital accumulation in the media industry;
- (2) advertising, public relations and sales promotion for other industries;
- (3) legitimization of domination and ideological manipulation;
- (4) reproduction, regeneration, and qualification of labour power.

Holzer and Knoche have provided a good framework that is, however, too structuralistic and lacks the aspect of struggles and alternative.

So building on and at the same time going beyond Holzer and Knoche, one can say that the task of a *Critical Theory and the Critique the Political Economy of Communications, Culture, Information and the Media* is to focus on the critique and analysis of the role of communication, culture, information, and the media in capitalism in the context of:

a) processes of capital accumulation (including the analysis of capital, markets, commodity logic, competition, exchange value, the antagonisms of the mode of production, productive forces, crises, advertising, etc),

b) class relations (with a focus on work, labour, the mode of the exploitation of surplus value, etc),

c) domination in general and the relationship of forms of domination to exploitation,

d) ideology (both in academia and everyday life) as well as the analysis of and engagement in

e) struggles against the dominant order, which includes the analysis and support of

f) social movement struggles and

g) social movement media that

h) aim at the establishment of a democratic-socialist society that is based on communication commons as part of structures of commonly-owned means of production (Fuchs 2011a).

The approach thereby realizes that in capitalism all forms of domination are connected to forms of exploitation (Fuchs 2008a, 2011a).

So I am arguing for a combination of Critical Theory and Critical Political Economy. However, such an approach does not have to stay pure in terms of its theory connections, it is open for theoretical links, as my own drawing on certain concepts by authors such as Sigmund Freud, Pierre Bourdieu or Gilles Deleuze in this article shall show. My basic contention is that in establishing such links, it is important to maintain an analytical framework that stresses the importance of capitalism and class, i.e. that is guided by Marxist theory. In the next section, I will give a brief overview of one foundational debate in Critical Media and Communication Studies that has gained new relevance today: the blindspot debate, in which Dallas Smythe introduced the notion of the audience commodity.

3. The Renewal of the Audience Commodity Debate

According to Dallas Smythe (Lent 1995, 34), he first formulated the “‘blind spot’ argument about audience members’ work for advertisers” (Lent 1995, 34) in 1951 in the article “The consumer’s stake in radio and television” (Smythe 1951). In this paper, Smythe asks what “the nature of the ‘product’” (Smythe 1951, 109) of radio and television actually is. First, there would be a market for receivers. Second, “there is that product known as station time, and sometimes as audience loyalty (measured by ratings) which stations sell to advertisers. What is sold is a program for the audience (in whose continuing loyalty the station management has a vital interest), and the probability of developing audience loyalty to the advertiser. [...] In commercial radio and television, our Janus-like product is paid for twice. It is paid for once, as a producer’s good, if you please, when the sponsor pays for its production. And it is paid for again, as a consumer’s good, when the more or less predictable audience response results in the ringing of cash registers where the sponsor’s product is sold to ultimate consumers” (Smythe 1951, 119). It would therefore be a myth that “radio and television programs are ‘free’” (Smythe 1951, 110). Smythe here shows a clear concern for the role of advertising in commercial radio and television and the audience as a product. The notion of the audience commodity is already present in the 1951 article in an implicit manner, whereas Smythe formulated it more explicitly in the 1970s.

In 1977, Dallas Smythe argued that the “material reality under monopoly capitalism is that all non-sleeping time of most of the population is work time. [...] Of the off-the-job work time, the largest single block is time of the audiences, which is sold to advertisers. [...] In ‘their’ time which is sold to advertisers workers (a) perform essential marketing functions for the producers of consumers’ goods, and (b) work at the production and reproduction of labour power” (Smythe 1977a, 3). David Hesmondhalgh (2010) remarks that also sleeping time can be seen as reproductive work time that recreates labour power. Smythe stressed this circumstance (not in the *Blindspot*-article, but later) when writing: “For the great majority of the population [...] 24 hours a day is work time” (Smythe 1981, 47).

Media content would be “an inducement (gift, bribe or ‘Free lunch’) to recruit potential members of the audience and to maintain their loyal attention” (Smythe 1977a, 5). Smythe (1977a; 1981, 22-51) introduced the notion of the audience commodity for analyzing media advertisement models, in which the audience is sold 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, 26, 233). Audiences “work to market [...] things to themselves” (Smythe 1981, 4). The “main function of the mass media [...] is to produce audiences prepared to be dutiful consumers” (Smythe 1994, 250). Work would not necessarily be wage labour, but a general category – “doing something creative” (Smythe 1981, 26).

Eileen Meehan (1984) argues that commercial media not only have a commodity message and an audience commodity, but also commodity ratings. She stresses the importance of the question “how do ratings and the ratings industry fit into the production of the commodity message?” (Meehan 1984, 217) for answering the question “what commodity is produced by mass communications industries?” (Meehan 1984, 216). Meehan (1993) says that ratings serve “to set the price that networks” can demand and that advertisers have “to pay for access to the commodity audience” (Meehan 1993, 387). It would depend on the used measurement technique how strongly the audience measurement industry over- or underestimated the audience size. The ratings industry would be highly monopolized and monopoly capitalists (like A.C. Nielsen) would set the standards of measurement. The ratings industry would have a preference for measuring a particular audience that is likely to buy and consume a lot of commodities, therefore “the commodity audience and commodity ratings are entirely artificial and manufactured” (Meehan 1993, 389). Chen (2003) has coined in this context the notion of the fictitious audience commodity. Meehan (2007, 164) stresses: “all television viewers are not in television’s commodity audience and [...] some parts of the commodity audience are more valuable than others”. Göran Bolin concludes based on Meehan’s arguments that there is an “empiric fallacy of Smythe, Jhally and Livant, and Andrejevic, who see statistics as representative of reality” and says that “it is not the viewers who work, but rather the statisticians” (Bolin 2009, 357; see also: Bolin 2011, 37, 84). This claim might be too strong because it implies that the audience cannot be exploited by capital. But there is no doubt that the audience commodity is connected to the rise of the ratings industry that engages in setting prices for audiences. If the audience produces the value of the audience commodity, then the ratings industry sets the price of this commodity and thereby is central in the transformation of audience commodity values into prices. With the rise of commercial Internet platforms, audience ratings no longer need to be approximated, but permanent surveillance of user activities and user content allows the definition of precisely defined consumer groups with specific interests. It is exactly known to which group a consumer belongs and advertising is targeted to these groups.

Eileen Meehan (2002) points out that the audience commodity is gendered:

- a) Employees who sell ads tend to be female and low-paid.
- b) Advertisers and the advertising industry tend to base assumptions about the audience commodity on sexist values and so “discriminate against anyone outside the commodity audience of white, 18 to-34-year-old, heterosexual, English-speaking, upscale men” (Meehan 2002, 220). Focusing on the connection of gender and class, patriarchy and capitalism, sex and money in the media is an important task that has faced both neglect and mutual interest on the side of feminists and political economists (Meehan and Riordan 2002). Valerie Steeves and Janet Wasko (2002) point out that socialist/Marxist feminism and Marxist political economy are natural allies, but that there has been a turn away from socialism and the interest in the connection of patriarchy and capitalism in feminism. They stress that it is an important task both for feminism and political economy to not just focus on words, symbols and discourses of gender and the media, but to realize that “words, symbols, and discourses are important in shaping structures of inequality” (Steeves and Wasko 2002, 26).

Sut Jhally (1987, chapter 2) argues that Dallas Smythe’s notion of the audience commodity is too imprecise. Jhally says that advertisers buy the watching time of the audience as a commodity. His

central assumption is that one should see “watching time as the media commodity” (Jhally 1987, 73). “When the audience watches commercial television it is working for the media, producing both value and surplus value” (Jhally 1987, 83). He says that the networks buy the watching-power of the audience (Jhally 1987, 75). Jhally argues that the audience watching time is the programme time and that advertising watching time is surplus time (Jhally 1987, 76). The audience’s wage would be the programming (Jhally 1987, 85). “The programming, the value of watching-power, is the wage of the audience, the variable capital of the communications industry” (Jhally and Livant 1986/2006, 36). The question that arises is if watching time can be considered to be a wage equivalent in a society whose main structuring structures are money and capital.

So I disagree with Jhally’s argument that the wage that TV viewers receive is the TV programme, that the necessary labour time is the watching of non-advertising programmes and that the surplus labour time is the watching of advertisements. You cannot live by watching TV, so watching TV is not an equivalent to a wage. Göran Bolin argues in this context: “It might be argued that what audiences get is television programmes, but if audiences are working, and if their salary is entertainment shows, how can they further convert this salary? The average viewer cannot buy food for the experience earned in watching an entertainment or any other television show” (Bolin 2005, 297; Bolin 2011, 37). Rather all watching time of commercial TV is surplus labour time. In the “digital labour”-debate, some people employ an argument that is related to the one by Jhally. They argue that Facebook does not exploit users because they receive free access to the platform as a “wage”. There is a difference to Jhally because he maintains the notion of exploitation and surplus value, but both arguments ignore that money is the most important structure in capitalism that is privileged over all other structures and relations in terms of the power that it gives to its owners. Therefore Marx argues that in capitalism, money has a “social monopoly [...] to play the part of universal equivalent within the world of commodities” (Marx 1867, 162).

The human is, as Marx (1844) knew, a natural and a social being that needs to eat and to communicate in order to survive. In capitalism, the access to many means of human survival is organized through the commodity and money form: you can only get access to many of the necessary means of survival if you are able to buy commodities. And to do so, you need to get hold of money. And for largest share of people, this circumstance compels them to sell their labour power as a commodity in order to earn a wage that they can use in order to buy means of survival. The means of communication are part of the means of survival. If they are organised as public or common goods, then they can escape the money form and people do not have to pay in order to get access to them. Some means of communication, as e.g. most movies and popular culture, are organised as commodities that are sold. One can only get access by paying for them or by trying to undercut the commodity form (e.g. by downloading them without payment on the Internet). Internet platforms like Facebook and Twitter provide access to means of communication without selling access or content as commodity, yet they do not stand outside the commodity form, but rather commodify users’ data. In return for the commodification of data, Facebook and Twitter provide a means of communication to its users. These means could be considered as being in-kind goods provided as return for the users granting the companies the possibility to access and commodify personal data. If the relationship between users and platform were organised in the form of a modern wage relationship, then the users would receive money in return for the commodification of their digital labour power. They could use this money for buying various means of survival. The difference to such monetary payments is that users on Facebook and Twitter do not receive a universal medium of exchange, but rather one specific means of communication. By giving users access to their platforms, Facebook and Twitter do not provide general means of survival, but rather access to particular means of communication whose use serves their own profit interests. This is not to say that I argue for payments to users of corporate Internet platforms that are advertising-financed. I rather argue for the creation of non-commercial non-profit alternatives that altogether escape, sublate and struggle against the commodity form.

The point I want to make is that the means of communication that Facebook and Twitter provide to its users are not simple means of survival and should not be analytically treated as such, but are

rather also means of production for the creation of value and profit. This circumstance arises from the simultaneous character of social media users as consumers of technological services and producers of data, commodities, value and profit. The circumstance that the means of consumption/communication provided by Facebook are not simple means of survival, but that in this consumption all users during the full consumption time produce value for Facebook and Twitter, makes the argument that service access is a form of wage inappropriate. If one buys a can of Coke from parts of the wage one earns and drinks it, one does not produce value (and as a consequence profit for Coca Cola) during the drinking/consumption process, one rather for being able to drink the Coke has to pay money so that Coca Cola realizes monetary profit. The consumption does not directly create value for the company. On Facebook and Twitter, the consumption process of the service entails all online communication and usage time. All of this time is not only reproduction time, i.e. time for the reproduction of labour power, but at the same time labour time that produces data commodities that are offered by Facebook and Twitter for sale to advertising clients. In the consumption process, the users not just reproduce their labour power, but produce commodities. So on Facebook, YouTube, Twitter, etc, all consumption time is commodity production time.

The analytical problem that Smythe and Jhally in relation to TV radio, and newspapers had to cope with was that consuming these media is a rather passive activity. Therefore they had to find a way to argue that this behaviour also produces surplus value. Jhally's analysis that in the case of television watching time is sold as a commodity, equals saying that the more watchers there are, the higher advertising profits are generated. In the case of television, this part of the analysis is feasible, but in the world of the Internet, the situation is different. Here users are not passive watchers, but to a certain degree active creators of content. Advertisers are not only interested in the time that users spend online, but also in the products that are created during this time – user-generated digital content and online behaviour. The users' data – information about their uploaded data, social networks, their interests, demographic data, their browsing and interaction behaviour – is sold to the advertisers as a commodity. Contrary to the world of television that Jhally analyzes, on the Internet the users' subjective creations are commodified. Therefore, Smythe's original formulation holds here that the audience itself – its subjectivity and the results of its subjective creative activity – is sold as a commodity. The Internet is an active medium, where consumers of information are as a tendency also producers of information. Therefore it is better to speak in the case of Facebook and other corporate social media of Internet prosumer commodification (Fuchs 2010). However, also television has today become digital and more interactive so that audience commodification can take place in real-time and make use of consumer profiles and new forms of commerce (T-commerce, U-commerce, etc) that further advance commodification (Andrejevic 2007, McGuigan 2012).

Brett Caraway (2011) claims that the audience is no commodity because “the activities of the audience are not under the direct control of the capitalist. Nor is it clear that the product of the labor of the audience (whatever that may be) is alienated from the audience” (Caraway 2011, 697). Capitalism uses the force of markets to coerce workers to sell their labour power: if you do not work for a wage, you are unlikely to survive. Whereas wage labour is coerced by the threat of physical violence (the threat is death because of the lack of being able to purchase and consume goods), audience labour is coerced by ideological violence (the threat is to have less social contacts because of missing information from the media and missing communication capacities that are needed for sustaining social relations). Audiences are under the ideological control of capitalists that possess control over the means of communication. If for example people stop using Facebook and social networking sites, they may miss certain social contact opportunities. They can refuse to become a Facebook worker, just like an employee can refuse to work for a wage, but they may as a consequence suffer social disadvantages in society. Commercial media coerce individuals to use them. The more monopoly power they possess, the easier it gets to exert this coercion over media consumers and users.

The product of the working audience is the attention given to programmes that feature advertising breaks. Access to audience attention is exchanged with money paid by advertisers to commer-

cial media operators. The audience cannot control its attention itself because it does not own, create and control the commercial media, rather their labour and attention is alienated – others, namely the corporate media and their advertising clients, define and control the programme time. The same is true for Facebook and other commercial user-generated content Internet sites, on which user labour generates content and transaction data are surveilled and sold to advertising clients that get access to the attention of specifically targeted groups. Users of commercial social media platforms do not control and own their data, they are alienated from it. The labour that generates audience commodity is exploited because it generates value and products that are owned by others, which constitutes at the same time an alienation process. Digital labour is ideologically coerced. Being coerced, exploited, and alienated makes audience labour a class-in-itself.

David Hesmondhalgh (2010, 280) claims that “Smythe’s account is crude, reductionist and functionalist, totally underestimating contradiction and struggle in capitalism” and that it “has totally lost its connection to pragmatic political struggle”. Similarly, in a contemporary critique of Smythe’s audience commodity theory and its application to digital media, Caraway (2011) argues that “Smythe’s theory represents a one-sided class analysis which devalues working-class subjectivity” (696), gives “no discussion of wage struggles, product boycotts, or consumer safety” (700), and thereby conducts “audience commodity fetishism”, in which “we are all now merely cogs in the capitalist machine” (700). Caraway’s criticism of Critical Political Economy coincides with his celebration of the “creative energy residing in the new media environment” (706), which sets his analysis on par with social media determinists like Henry Jenkins, who argue that “the Web has become a site of consumer participation” (Jenkins 2008, 137) and that media are today a locus of “participatory culture” (Jenkins 2008). These criticisms are based on uninformed or deliberately selective readings of Smythe that ignore his focus on alternative media as counterpart to audience commodification. Smythe does not celebrate audiences as always rebelling and does not argue for social-democratic reformism that tolerates exploitation and misery. His analysis rather implies the need for the overthrow of capitalism in order to humanize society and the overthrow of the capitalist media system in order to humanize the media.

Dallas Smythe did not ignore the ability of humans to create alternative futures, which is shown by the fact that he engaged with the idea of an alternative communication system. For Smythe, political subjectivity is revolutionary subjectivity that aims at fundamentally transforming society and establishing an alternative media system. Critics like Hesmondhalgh and Caraway overlook this aspect of Smythe’s approach. Mao wrote in 1957 about big-character posters (Dazibao, Tatsepao): “We should put up big-character posters and hold forums”¹. In 1958, he said²: “The Tatsepao, or big-character poster, is [a] powerful new weapon, a means of criticism and self-criticism which was created by the masses during the rectification movement; at the same time it is used to expose and attack the enemy. It is also a powerful weapon for conducting debate and education in accordance with the broadest mass democracy. People write down their views, suggestions or exposures and criticisms of others in big characters on large sheets of paper and put them up in conspicuous places for people to read”.

When Dallas Smythe wrote in the early 1970s about communication in China in his article “After bicycles, what?” (Smythe 1994, 230-244), he took up Mao’s idea of the big-character posters for thinking about how to democratically organize the broadcasting system. He spoke of a “two-way system in which each receiver would have the capability to provide either a voice or voice-and-picture response. [...] a two-way TV system would be like an electronic tatzupao system” (Smythe 1994, 231f). These thoughts paralleled the ideas of Hans Magnus Enzensberger’s (1970) concept of emancipatory media use, Walter Benjamin’s (1934, 1936/1939) idea of the reader/writer and Bertolt Brecht’s (1932/2000) notion of an alternative radio in his radio theory.

Mao had the idea of a media system that is controlled by the people in grassroots processes and Smythe applied this idea to electronic media for formulating a concept of alternative electronic media. Yuezhi Zhao (2011) points out the relevance of Smythe’s article and his ideas of an alterna-

¹ http://www.marxists.org/reference/archive/mao/selected-works/volume-5/mswv5_65.htm

² http://www.marxists.org/reference/archive/mao/selected-works/volume-8/mswv8_09.htm

tive non-capitalist communication system for China. Given a world dominated by the logic of neo-liberal capitalism (both in the West and China), she stresses inspired by Smythe the importance of establishing communications and societies that are based on non-capitalist logic. Zhao (2007, 92) argues that Smythe raised the question 'After bicycles, what?' "in the context of China's search for a socialist alternative to capitalist modernity, with the hope that China would avoid the capitalist path of development". She says that although Smythe misjudged the political situation in China in the 1970s in a number of points, his intervention would continue to "offer a useful point of departure in analyzing not only the deployment and development of ICTs in China during the reform era, but also the broad path of China's post-Mao development strategy and its sustainability" (Zhao 2007, 96). The question one would have today to ask about Chinese media in Dallas Smythe's manner, would be: After mobile phones, what? (Zhao 2007). Whereas Smythe answered to the question 'After bicycles, what?', that China should create a media structure that favours "public goods and services [...] against goods and services for individual, private use" (Smythe 1994, 243), ICTs would not only serve capitalist purposes, but would "by their very nature" be social and allow "alternative uses", including collective political action (Zhao 2007, 96). The reality of ICTs in China would show the antagonistic character of these technologies as both means of domination and protest.

Dallas Smythe was fundamentally concerned with processes of commodification, which is reflected in his creation of the audience commodity category. Although he was critical of some other Marxist theories of culture, important elements of ideology critique and alternative media accompany his focus on the audience commodity. He was furthermore deeply concerned about social struggles for a better world and democratic communications. Smythe's work was connected to politics, e.g. he worked with unions for improving the working conditions of communications workers, gave testimonies and conducted studies in favour of public ownership of satellites, public service broadcasting and affordable universal access to telecommunications and spoke out against corporate media control and monopolization (Yao 2010). He also was involved in debates about the establishment of a New World Information and Communication Order and acted as public intellectual (*ibid.*). The claim that Smythe had no connection to political struggles, pragmatic or not, is therefore not feasible.

Janet Wasko (2005, 29) argues that "with the increasing spread of privatized, advertiser-supported media, the audience commodity concept has been accepted by many political economists, as well as other communication theorists". In recent years, this tendency has grown and there has been a revival of the interest in Dallas Smythe's works, especially in relation to the question if the users of commercial "social media" are workers and are exploited. Tiziana Terranova made an early contribution to the digital labour debate by introducing the notion of free Internet labour: "Simultaneously voluntarily given and unwaged, enjoyed and exploited, free labor on the Net includes the activity of building Web sites, modifying software packages, reading and participating in mailing lists, and building virtual spaces on MUDs and MOOs" (Terranova 2000, 33). Terranova connected the concept of free labour to the Autonomist Marxist concept of immaterial labour, but did not think of the connectedness to Dallas Smythe's notion of the audience commodity. Conferences like "Digital Labour: Workers, Authors, Citizens" (University of Western Ontario, 2009), "The Internet as Playground and Factory" (New School, 2009) and "Critique, Democracy and Philosophy in 21st Century Information Society. Towards Critical Theories of Social Media" (Uppsala University, 2012) have helped to advance the discourse on digital labour.

I have stressed in my works that Smythe's concept of the audience commodity is very suited for describing the exploitation of user activities by corporate platforms on the contemporary Internet and have in this context coined the notion of the Internet prosumer commodity (Fuchs 2012a, 2011a, b, 2010, 2009). Vince Manzerolle (2010) builds on this analysis and on Smythe's works for analyzing prosumer commodification on the mobile Internet, for which he uses the concept of the mobile audience commodity. Marisol Sandoval (2012) empirically analyzed the reality of Internet prosumer commodification and found that more than 90% of all analyzed web platforms used targeted advertising and the surveillance and commodification of users' data. A qualitative analysis of the terms and policies that legally guarantee Internet prosumer commodification show that they are

“confusing, misleading, ideological, or even manipulative. [...] They try to create the impression that the only aim of these platforms is to provide to its users an attractive high-quality service and experience that allows them to produce their own media content and to connect with friends. The fact that these platforms are owned by commercial companies that aim at increasing their profits by selling user information and space for advertisements remains hidden” (Sandoval 2012, 164f).

Vincent Mosco (2009) argues in a discussion of Smythe’s audience commodity concept that digital “systems which measure and monitor precisely each information transaction are now used to refine the process of delivering audiences of viewers, listeners, readers, movie fans, telephone and computer users, to advertisers. [...] This is a major refinement in the commodification of viewers over the earlier system of delivering mass audiences and it has been applied to practically every communication medium today, including the Internet, where social networking sites like Facebook provide detailed information on users” (Mosco 2009, 137). Graham Murdock (2011) points out that Internet gifting organized by commercial platforms like Google “points to a more general incorporation of gift relations into the economy of commodities” that signifies “the intensification of exploitation” (Murdock 2011, 30f). One “of the major tasks now facing a critical political economy of culture and communication” would be to argue the case “for a public cultural commons for the digital age” (Murdock 2011, 37).

Nick Dyer-Witheford argues that Smythe’s analysis has today gained credibility because the “level of surveillance in the home tends toward that already experienced in the workplace, and the activity of the waged ‘watchman’ in the automatic factory, described by Marx, becomes integrally with the unpaid ‘watching time’” (Dyer-Witheford 1999, 119). Interactive systems would enable “the compilation of comprehensive profiles of consumer behavior” that allows the “ever more precise targeting of consumers differentiated by taste and income” (Dyer-Witheford 1999, 118). He criticizes that Smythe would too “often assume that capital’s intended exploitation of audience power is fully successful” (119) and says that activities like online piracy and alternative media are attempts to break capital’s dominance.

Mark Andrejevic (2002, 2004, 2007) has applied Sut Jhally’s (1987) analysis to reality TV, the Internet, social networking sites and interactive media in general. He says that there the accumulation strategy is not based on exploiting the work of watching, but the work of being watched. Andrejevic (2012) argues that the Marxian concept of exploitation needs to be updated for the online world (“exploitation 2.0”) by realizing that on platforms like Google or Facebook “monitoring becomes an integral component of the online value chain both for sites that rely upon direct payment and for user-generated content sites that rely upon indirect payment (advertising)” so that “user activity is redoubled on commercial platforms in the form of productive information about user activity” (Andrejevic 2012, 84). “It is important to understand that the capture and sale of TGI [=transaction generated information] generates harm by supporting discrimination in markets in ways that capture consumer surplus” (Gandy 2011, 451). Lauer (2008) offers an analysis that is related to the one by Andrejevic.

Cohen (2008) argues based on Smythe that the “labour involved in the production of Web 2.0 content” is the production of “information, social networks, relationships, and affect”. Coté and Pybus (2010) stress that one cannot speak of audience labour on the Internet, therefore they use the term “immaterial labour 2.0”. Bermejo (2009), Couvering (2004, 2011), Kang and McAllister (2011) and Lee (2011) apply the notion of audience commodification to Google and search engines. McStay (2011) uses the audience commodity concept for the analysis of online advertising. Napoli (2010) stresses that audience commodification is being taken one step further online so that users even engage in taking over the work of advertisers by spreading advertising messages online to their contacts or by co-creating advertising content.

The more than 500 pages long *tripleC*-special issue *Marx is Back – The Importance of Marxist Theory and Research for Critical Communication Studies Today* that was edited by Christian Fuchs and Vincent Mosco (2012) shows the importance of Marx’s works for critically understanding the media and communication today. It also shows a sustained interest in and relevance of Dallas Smythe’s work, especially in the context of the digital labour debate. Several contributors stress

that Smythe's audience commodity theory is very well applicable to digital labour on platforms like Facebook or YouTube (Ekman 2012, Fisher 2012, Hebblewhite 2012, Nixon 2012, Prey 2012, Prodnik 2012).

The discussion shows that Smythe's Marxist political economy of the media and communications has had a crucial influence on the digital labour debate. What the discussed approaches share is the analysis that digital labour is exploited by capital. The exploitation of digital labour involves three elements:

- Coercion: Users are ideologically coerced to use commercial platforms in order to be able to engage in communication, sharing and the creation and maintenance of social relations, without which their lives would be less meaningful.
- Alienation: companies, not the users, own the platforms and the created profit.
- Appropriation: Users spend time on corporate Internet platforms that are funded by targeted advertising capital accumulation models. The time spent on corporate platforms is the value created by their unpaid digital labour. Their digital labour creates social relations, profile data, user-generated content and transaction data (browsing behaviour) – a data commodity that is offered for sale by Internet corporations to advertising clients that can select certain user groups they want to target. The act of exploitation is already created by the circumstance that users create a data commodity, in which their online work time is objectified, that they do not own this data themselves, but that rather corporate Internet platforms with the help of terms of use and privacy policies acquire ownership of this data. Corporate Internet platforms offer the data commodity that is the result of Internet prosumption activity for sale to advertisers. The value realization process, the transformation of value into profit, takes place when targeted users view the advertisement (pay per view) or click on it (pay per click). Not all data commodities are sold all of the time, specific groups of data commodities are more popular than others, but exploitation always takes place at the point of the production and appropriation of the commodity and prior to a commodity's sale.

In section 4, I will provide an analysis of how commodification works on corporate social media platforms. Section 5 will then analyse ideological structures that are associated with digital media. Analysing digital media thereby makes both use of the unity of the critical analysis of commodification and ideology critique that I argued for in section 2.

4. Digital Labour: Capital Accumulation and Commodification on Social Media

For a deeper analysis of how the notion of the audience commodity can be applied for analyzing digital labour on "social media", we need to engage with Marx's analysis of capitalism. In the three volumes of *Capital*, Marx analyses the accumulation process of capital. This process, as described by Marx, is visualized in figure 2.

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 M_p . The process $M-C$ is based on the two purchases $M-L$ and $M-M_p$. 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 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).

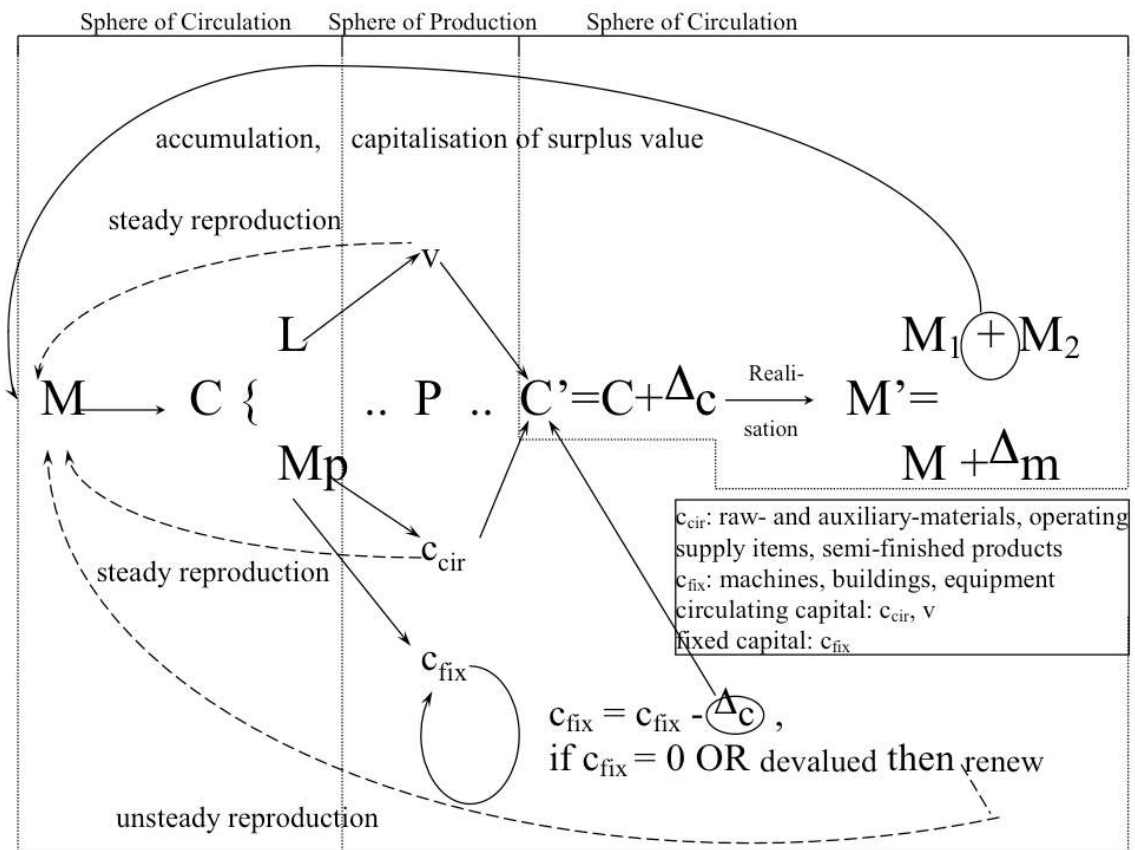


Figure 2: The accumulation/expanded reproduction of capital

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 workday (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, in which 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 $M' = M + \Delta m$, it has been increased by an increment Δm that is called profit. 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 the exploitation of labour 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 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 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, but 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).

Many corporate social media platforms (Facebook, YouTube, etc) 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 either have to prolong the working day (absolute surplus value production) or to increase the productivity of labour (relative surplus value production) (on relative surplus value, see: Marx 1867, chapter 12). 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 they show 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. This process transforms surplus value 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.

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- 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 prosumption" (14), and that prosumption is an inherent feature of McDonaldization. The two authors' analysis ignores that prosumption is only one of many tendencies of capitalism, but neither its only nor 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 2011a, chapter 5).

We have seen that Dallas Smythe's (1977a, 1981) analysis of the audience commodity has gained new relevance today in the digital labour debate. 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. 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 that 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 2010). 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 audience has been resolved in relation to the Internet today: 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.

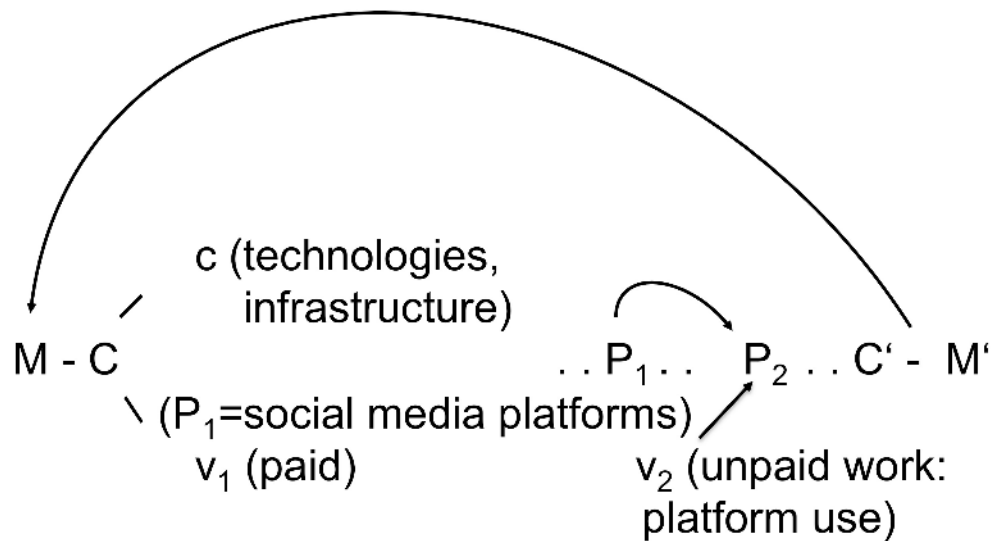
Economic surveillance on corporate social media is surveillance of prosumers, who dynamically and permanently create and share user-generated content, browse profiles and data, interact with others, join, create, and build communities and co-create information. The corporate web platform operators and their third party advertising clients continuously monitor and record personal data and online activities. They store, merge and analyse collected data. This allows them to create detailed user profiles and to know a lot about the users' personal interests and online behaviours. Surveillance is an inherent feature of corporate social media's capital accumulation model (Fuchs 2012a, Sandoval 2012). 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 per-

sonal 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. 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.

In grounding the approach of a critical political economy of personal information, Oscar Gandy has introduced the notion of the panoptic sort: "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 users 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.

Figure 3 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 P1 is not a commodity that is directly sold, but rather a social media service (the specific platforms) that is 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. Chris Anderson (2009) has identified 50 models of how an Internet service is given for free in order to boost the selling of other services or where an Internet service is given for free for one type of customers and sold to others. 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 environment is the prerequisite for their activities in the production process P2. Their products are user-generated data, personal data, social networks 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.



C' = Internet prosumer commodity (user-generated content, transaction data, virtual advertising space and time)
 most social media services are free to use, they are no commodities.

User data and the users are the social media commodity.

Figure 3: Capital accumulation on corporate social media platforms that are based on targeted advertising

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 – in monetary terms – 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) by it.

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

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

If Internet users become productive 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 2010). Therefore not merely those who are employed by Internet corporations for programming, updating and maintaining the soft- and hardware, performing marketing activities, etc are exploited surplus value producers are, but 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. Not a 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, v1: wages paid to fixed employees, v2: wages paid to users

The typical situation is that $v_2 \Rightarrow 0$ and that v_2 substitutes v_1 ($v_1 \Rightarrow v_2=0$). 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 Internet 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 maximizing the rate of exploitation:

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

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. Infinite exploitation means that all or nearly all online activity and time becomes part of commodities and no share of this time is paid. Smythe (1994, 297) spoke of the commercial audience as “mind slaves”, so we may speak of commercial social media users as online slaves. 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), therefore 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.

So one line of argument is that on the monetary level, users are infinitely exploited because they do not receive a wage, although platforms like Facebook make monetary profits. There is also a second line of argument: The Facebook platform is a means of communicative survival for users and a means of the capitalist production of value, commodities and profit. It is at the same time means of consumption and means of production. If the platform is considered as in-kind good provided to the users as means of communicative survival, then all costs that Facebook has for providing the platform can be considered as de-facto value of an in-kind good “paid” as means of consumption to its value producers. According to Marx, the value of a good is the sum of constant capital, variable capital and profit: $V = c + v + p$. In the case of the Facebook platform as good, there is no profit because it is not sold as a commodity. Rather, user data is sold as a commodity. Therefore the value of the Facebook platform is the sum of the invested constant and variable capital. This implies that one can consider Facebook's investment costs as constituting the “wages” of its users. In 2011, Facebook's total costs and expenses were 1.955 billion US\$ and its revenue was 3.711 billion US\$ (Facebook SEC Filings: Form S-1 Registration Statement). So Facebook made a profit of 1.756 billion US\$ in 2011. If one accepts the argument that the Facebook platform is an in-kind good provided to the users and that therefore Facebook's investment costs form a

wage-equivalent for means of consumption, then the rate of exploitation of the total Facebook work force consisting of paid employees and users is $e = \text{profits} / \text{investment costs} = 1.955 / 1.756 = 1.113 = 111.3\%$. This means that the profits that Facebook makes are 111% times the monetary value of the investments it makes for services that are consumed by users as “wage-equivalent”.

There are however some limitations of this second line of argument. In capitalism, money forms a monopolized generalized means of exchange. With the term wages, Marx means the price of wage labour expressed in monetary terms/the general equivalent of exchange. Marx considers the emergence of wage labour as a specific feature of capitalism. Wage labour is “double free”:

1) Workers are not physically owned by capitalists like slaves, they are rather compelled to sell their labour power in exchange for a wage in order to survive.

2) This compulsion is based on the circumstance that they are “free” from/not in control of the ownership of the means of production and capital.

So the notion of the wage in a capitalist society presupposes access to a general equivalent of exchange that can be spent for purchasing various commodities that have different use-values. Therefore Marx (1849) says that “wages are the amount of money which the capitalist pays for a certain period of work or for a certain amount of work. [...] The exchange value of a commodity estimated in money is called its price. Wages therefore are only a special name for the price of labour-power, and are usually called the price of labour; it is the special name for the price of this peculiar commodity, which has no other repository than human flesh and blood.”. Money is in capitalism the monopolized general equivalent of exchange. It has special relevance because it can be used for getting hold of most use-values. It is therefore not a straight forward argument to treat in-kind goods as wage-equivalents. The specific structures of capitalism privilege money as specific and general equivalent of exchange. The money logic therefore has special relevance. I nonetheless want to offer both interpretations of the “wage” of Facebook users for interpretation and discussion. No matter which interpretation one chooses, both versions imply that Facebook users are workers that are exploited.

Users spent 10.5 billion minutes on Facebook per day in January 2011 (Facebook, SEC Filings, Amendment No. 3 to Form S-1 Registration Statement). We can therefore make the following estimates about the value generated on Facebook:

Value generated on Facebook in 2011: $10.5 \text{ billion} * 365 = 3832.5 \text{ billion minutes} = 63.875 \text{ billion working hours per year}$.

Average working hours per year of a full-time worker: 1800

Value generated on Facebook in 2011: 35 486 111 full-time equivalents of work

The rate of exploitation is calculated as the ratio $e = \text{surplus labour time} / \text{necessary labour time} = \text{unpaid labour time} / \text{paid labour time}$. In the case of Facebook, all 64.99 billion working hours were unpaid, so the surplus labour time amounts to the full amount of labour time. Given that Facebook exploits more than 35 billion full-time equivalents of free labour or more than 60 billion hours of unpaid work time, it becomes clear that Facebook’s business model is based on the outsourcing/crowdsourcing of paid work time to unpaid work time. Given that Facebook’s profits were 1 billion US\$ in 2011 (Facebook, SEC Filings, Amendment No. 3 to Form S-1 Registration Statement), it becomes clear that free user labour is at the heart of Facebook’s business model. That the rate of exploitation is infinite means that no wages are paid, that all user labour is unremunerated and creates value. Free user labour is what Marx (1867) termed abstract labour, labour that creates value:

By abstract human labour, Marx means that aspect of labour in a commodity-producing society that makes commodities comparable and exchangeable: “Whether 20 yards of linen 1 coat or = 20 coats or = x coats, i.e. whether a given quantity of linen is worth few or many coats, it is always implied, whatever the proportion, that the linen and the coat, as magnitudes of value, are expressions of the same unit, things of the same nature. Linen = coat is the basis of the equation. [...] By equating, for example, the coat as a thing of value to the linen, we equate the labour embedded in the coat with the labour embedded in the linen. Now it is true that the tailoring which makes the coat is concrete labour of a different sort from the weaving which makes the linen. But the act of

equating tailoring with weaving reduces the former in fact to what is really equal in the two kinds of labour, to the characteristic they have in common of being human labour. This is a roundabout way of saying that weaving too, in so far as it weaves value, has nothing to distinguish it from tailoring, and, consequently, is abstract human labour. It is only the expression of equivalence between different sorts of commodities which brings to view the specific character of value-creating labour, by actually reducing the different kinds of labour embedded in the different kinds of commodity to their common quality of being human labour in general“ (Marx 1867, 141f).

Abstract labour is “abstract“ because it is a dimension of labour, at which we have to abstract from the qualitative differences of commodities (their use-values) and see what they have in common, i.e. that they are all products of human labour and objectifications of a certain amount of labour, which makes them comparable and exchangeable in certain relations (x commodity A = y commodity B = ...): “If then we disregard the use-value of commodities, only one property remains, that of being products of labour. But even the product of labour has already been transformed in our hands. If we make abstraction from its use-value, we abstract also from the material constituents and forms which make it a use-value“ (Marx 1867, 128). “A use-value, or useful article, therefore, has value only because abstract human labour is objectified or materialized in it. How, then, is the magnitude of this value to be measured? By means of the quantity of the ‘value-forming substance’, the labour, contained in the article. This quantity is measured by its duration, and the labour-time is itself measured on the particular scale of hours, days etc“ (Marx 1867, 129).

At the level of values, we can say that the collective Facebook worker works almost 64 billion hours per year. The surplus hours and surplus work amount to 64 billion hours per year. Personal and social data is the product that is created in this work time. The more hours users work on Facebook, the more data they generate. The more hours users spend on Facebook, the more ads are generated and presented to them. So productive time is also advertising time (although not all advertising time, but only a portion of it, is turned into money profit).

From Facebook’s balance sheet that was published at its stock market registration, we know that Facebook’s profit rate 2011 = total profit/total costs and expenses = 1 billion / 1.955 billion = 51.2% (data source: Facebook Inc., SEC Filings Facebook, Form S-1 Registration Statement). This is a very high profit rate, especially in times of global economic crisis. Such a rate can mainly be achieved by the circumstance that Facebook has a low number of employees, 3976 at the end of June 2012³, but can without costs valorize the entire work time of its users for generating its commodity – data commodities. Infinite exploitation of the users (= no wage) allowed Facebook a profit rate of > 50% in 2011. The secret of Facebook’s profits is that it mobilizes billion hours of users’ work time (at the level of values) that is unpaid (at the level of prices).

Unpaid labour extends to different realms, such as Google, Twitter, YouTube, Baidu, LinkedIn, knowledge creation and reproduction, “reproductive labour” such as housework, care work, educational work, affective work, sexual work, etc so that the human being in contemporary capitalism spends a lot of working hours every day in creating value for capital by abstract labour that is unpaid. We can therefore say that life has become a factory, factory life. The factory is not limited to the space of wage labour, but extends into everyday life. The secret of corporate social media’s capital accumulation is that it mobilizes a huge number of unpaid workers, who engage in a tremendous amount of fully unpaid working hours that generate data commodities that are sold as targeted advertisements. There is a need to mobilize value production and to make it free labour at the same time in order for this capital accumulation to function.

Marx described a contradiction between value and labour time: the development of technological productivity reduces the labour time needed for producing a commodity due to technological productivity, but at the same time labour time is the only measure and source of wealth in capitalism: “Capital itself is the moving contradiction, [in] that it presses to reduce labour time to a minimum, while it posits labour time, on the other side, as sole measure and source of wealth. Hence it diminishes labour time in the necessary form so as to increase it in the superfluous form;

³ Data source: <http://newsroom.fb.com/content/default.aspx?NewsAreaId=22> (accessed on September 17th, 2012).

hence posits the superfluous in growing measure as a condition – question of life or death – for the necessary“ (Marx 1857/58, 706). The result of this contradiction is, as contemporary capitalism shows, unemployment and precarious labour. In contemporary capitalism, this contradiction takes on a second meaning and reality that is at the heart of corporate social media’s capital accumulation model: Corporate social media capital tries to push down the costs of necessary labour (wages) to a minimum, but at the same time increases superfluous labour that is unpaid as productive labour that creates surplus value. The contradiction between necessary and superfluous labour takes on its specific form on corporate social media: paid labour is reduced, unpaid labour is increased, value generation is outsourced from paid to unpaid labour. The contradiction between superfluous and necessary labour is sublated so that a new quality emerges: value-creation is transferred to unpaid labour. At the same time, the contradiction is set at a new level and intensified because the propertylessness, poverty, and precariousness of labour on the one hand and the wealth of capital are intensified.

Michael A. Lebowitz (1986, 165) argues that Smythe’s approach is only a “Marxist-sounding communications theory”. Marxism would assume that “surplus value in capitalism is generated in the direct process of production, the process where workers (having surrendered the property rights over the disposition of their labour-power) are *compelled* to work longer than is necessary to produce the equivalent of their wage. Perhaps it is for this reason that there is hesitation in accepting the conception that audiences work, are exploited, and produce surplus value – in that it is a paradigm quite different to the Marxist paradigm” (Lebowitz 1986, 167). Media capitalists would compete “for the expenditures of competing industrial capitalists”, help to “increase the commodity sales of industrial capitalists” and their profits would be “a share of the surplus value of industrial capital” (Lebowitz 1986, 169). Smythe’s audience commodity approach would advance an “entirely un-Marxian argument with un-Marxian conclusions” (Lebowitz 1986, 170).

Lebowitz bases his argument on three specific assumptions that he claims to be inherent to Marx’s works:

1) That industrial capital is the central form of capital.

2) That only work performed under the command of industrial capital is productive labour and creates surplus value.

3) That only wage labour can be exploited.

The immediate theoretical and political consequences of this logic of argumentation are the following ones:

1) Commercial media are subsumed to industrial capital.

2) Slaves, house workers and other unpaid workers are not exploited.

3) The wage and non-wage work performed under the command of media capital is unproductive work. Media companies cannot exploit workers because they create products and services that are part of the circulation sphere of capitalism.

The political question that Lebowitz’s argument poses is if one wants to share the implications of a wage-centric theory of exploitation that unpaid workers cannot be exploited. Productive labour, i.e. labour that generates surplus value, is a complex, contradictory and non-consistent topic within Marx’s works. In *Capital Volume 1*, Marx distinguishes different concepts of productive labour. In the narrower sense, the “only worker who is productive is one who produces surplus-value for the capitalist, or in other words contributes towards the self-valorization of capital” (Marx 1867, 644). This formulation does not imply that only a waged worker can be a producer of surplus value because there can be workers that produce for capital, but are unpaid, i.e. surplus labour time makes up 100% of their work time. In a second definition, Marx argues that for being considered a productive worker, “it is no longer necessary for the individual himself to put his hand to the object; it is sufficient for him to be an organ of the collective labourer, and to perform any one of its subordinate functions” (Marx 1867, 643f). This means that productive labour understood this way implies that a worker, who contributes to a “social product” that is controlled by a capitalist and is the “joint product of a collective labourer” (Marx 1867, 643), is an exploited worker, no matter if s/he receives a wage for it or not. S/he is part of a collective or social worker. In a third approach, Marx abstracts

from the capitalist production process and argues in chapter 5 in the German edition and chapter 7 of the English edition of *Capital Volume 1* that all work is productive because it creates products that conditions and results of work.

Given the first two understandings, there is no necessity to assume that Marx saw non-wage workers that contribute to capitalist production processes as “unproductive” and non-exploited. Leibowitz gives one interpretation of Marx’s works and claims that this is the only possible interpretation and that one is not a Marxist if one does not share this interpretation. The common name for this logical procedure is dogmatism. Representatives of wage-labour dogmatism can certainly counter my argument by citing passages from the *Theories of Surplus Value* or *Capital, Volume 3*, where Marx argues that circulation workers, commercial workers in trade or servants are unproductive workers. But it remains a fact that in his most thought-out book, namely *Capital Volume 1*, that in contrast to *Volume 2* and *Volume 3* (that were edited by Engels after Marx’s death) and the *Theories of Surplus Value* (that were unpublished notes) he authorized for publication and subsequently revised several times, Marx wrote passages that allow a non-wage labour-fetishistic interpretation of the concept of productive labour.

In contrast to wage fetishism, Marx argued that surplus labour – and therefore the concept of exploitation – is not specific for capitalism: “Capital did not invent surplus labour. Wherever a part of society possesses the monopoly of the means of production, the worker, free or unfree, must add to the labour-time necessary for his own maintenance an extra quantity of labour-time in order to produce the means of subsistence for the owner of the means of production, whether this proprietor be an Athenian kalos kagathon [aristocrat], an Etruscan theocrat, a *civis romanus*, a Norman baron, an American slave-owner, a Wallachian boyar, a modern landlord or a capitalist” (Marx 1867, 344f). Marx argued that the slave performs 100% of his work as unpaid work: “With the *slave*, on the contrary, even that part of his labour which is paid appears to be unpaid. Of course, in order to work the slave must live, and one part of his working day goes to replace the value of his own maintenance. But since no bargain is struck between him and his master, and no acts of selling and buying are going on between the two parties, all his labour seems to be given away for nothing” (Marx 1865).

Although having different origins, contexts and theoretical implications, the works of Dallas Smythe and Autonomist Marxism share the criticism of wage-labour fetishism as well as the concept of a collective work force that contributes to the production of surplus value, is exploited by capital and is constituted in various spaces of capitalism, including the factory, the household, colonies of primitive accumulation and leisure.

In the context of a digital labour theory of value, it is not so easy to fix advertising in the realm of capital circulation and to reduce it to a relationship that is determined by industrial capital. Within the overall capitalist economy, the commercial media and advertising industries certainly take the role that they help other capitalists realize their profits, i.e. they spread messages about why specific commodities should be bought. But they form a capitalist industry in itself that accumulates capital based on the exploitation of work. For Marx, the notion of productive labour is primarily oriented on criticizing the exploitation process. And given that the media and advertising industry is oriented on profit making and makes use of the work of paid employees and unpaid users/media consumers, it follows that this industry makes use of unpaid labour time for creating profit, i.e. the involved work “produces surplus-value for the capitalist” and “contributes towards the self-valorization of capital” (Marx 1867, 644) – which is Marx’s definition of productive labour. In addition, in the digital labour context it is not so easy to say that media audiences are just media consumers and therefore located in the consumption and circulation realm because the consumption of digital media to a certain extent produces content, behavioural data, social network data and personal data that is commodified and sold to advertising clients.

Figure 4 shows the connection of the capital accumulation process of commercial digital media that are based on targeted advertising and the capital accumulation process of advertising clients. They both have their relatively autonomous capital accumulation processes that are based on the

exploitation of abstract labour and are interdependent in the form of an exchange process $M - C$, in which advertising clients exchange their money for the access to user data commodities.

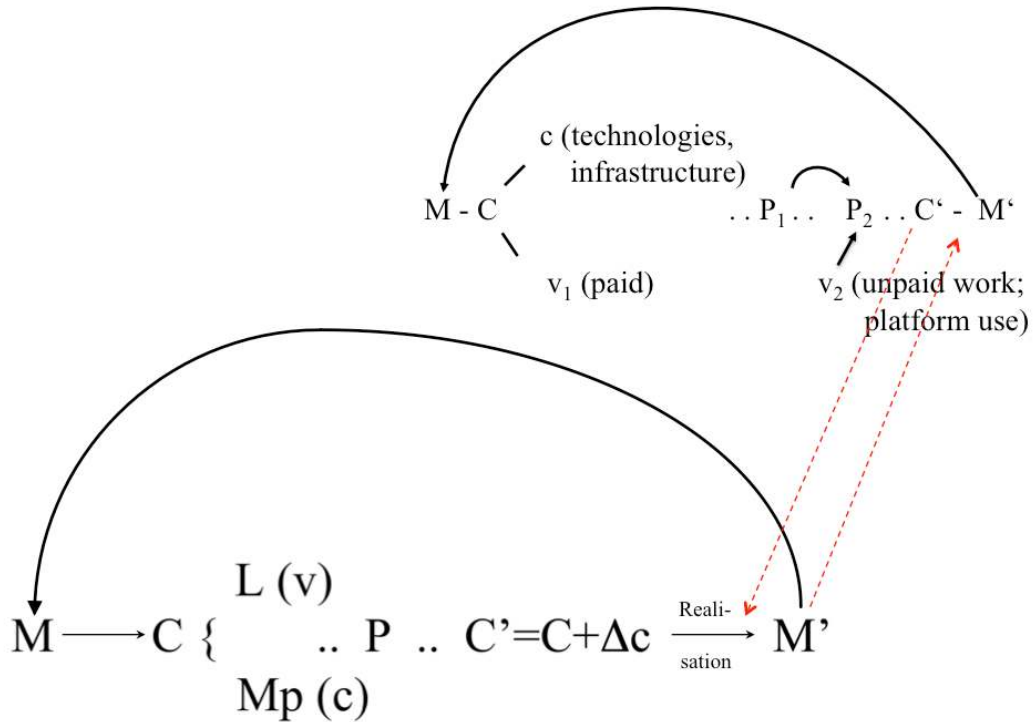


Figure 4: The dialectic of social media capital accumulation and advertising clients' capital accumulation

Jhally (1987, 83) argues that “watching is an extension of factory labour” and that the living room is one of the factories today. The factory is the space of wage labour, but is also in the living room. Outside of wage labour spaces, the factory is not only in the home – it is everywhere. The Internet is the all-ubiquitous factory and realm of the production of audience commodities. Social media and the mobile Internet make the audience commodity ubiquitous and the factory not limited to your living room and your wage work place – the factory is also in all in-between spaces, the entire planet is today a capitalist factory.

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. Reflecting this development, Mario Tronti has coined the concept of the social factory: “At the highest level of capitalist development social relations become moments of the relations of production, and the whole society becomes an articulation of production. In short, all of society lives as a function of the factory and the factory extends its exclusive domination over all of society” (Mario Tronti, quotation translated by and taken from Cleaver 1992, 137) “Now we have the factory planet – or the planet factory, a regime that subsumes not just production, consumption, and social reproduction (as in Fordism), but life’s genetic and ecological dimensions” (Dyer-Witthford 2010, 485).

The social worker and the social factory are concepts that allow to go beyond a wage-centric concept of value, labour and exploitation. In fact, especially women, migrant workers, illegal workers, precarious workers, house workers, home workers and the working class in developing countries have long been facing the struggle of surviving in modes of production that feature non-, low- and underpaid work. Especially neoliberalism has generalized the precarious mode of work so that housewifized work that is insecure, low paid, temporary, precarious, individualized, lacks social

security, unionization, access to health care and other welfare benefits, etc, has become the normality of work for many. The concept of the exploitation of the social labourer who works in a global social factory allows connecting Marxist political economy to feminism and studies of race and post-colonialism. There is a global division of labour in the organisation of knowledge work. And this division is class-structured, gendered and racist. There is an inherent connection of class, gender and race in the capitalist mode of production. Dallas Smythe, Marxist Feminism and Autonomist Marxism have stressed that exploitation takes place beyond the confines of the traditional wage-labour factory, which opens up connections between these approaches.

Vincent Mosco and Catherine McKercher (2008, 62) stress that Dallas Smythe has “established a groundwork for” the research of voluntary, low paid and unpaid labour “by describing the extent of audience labor on the home through the sale of people’s attention to advertisers. The connection of capitalism, patriarchy and racism has become ever more obvious in recent years, needs to be more analysed and can be a foundation for solidarity between the different exploited groups that we find in capitalism today”. Harry Cleaver (2000, 123) argues that capital “tries to shape all ‘leisure’, or free-time, activities [...] in its own interests. Thus, rather than viewing unwaged ‘non-labour time’ automatically as free time or as time completely antithetical to capital, we are forced to recognize that capital has tried to integrate this time, too, within its process of accumulation. [...] Put another way, capital has tried to convert ‘individual consumption’ into ‘productive consumption’ by creating the social factory”. Capitalist media and culture are shaped by a global mode of production, in which houseworkers and consumers shop for commodities, actively reproduce labour power and work as audience for the media, users generate a data commodity on the Internet, slave workers in poor countries extract minerals that are used for the production of hardware, low-paid children, women and other workers in Chinese and other manufacturing companies assemble the hardware of computers, phones and printers under extremely hard and dangerous working conditions, highly paid and overworked software engineers work for companies like Google, Microsoft etc, relatively low-paid knowledge workers in developing countries create, transform, process or edit cultural content and software for firms that are subcontractors to Western media and communications companies, a feminized low-paid workforce takes care of communications services in call-centers and other service factories, etc. The contradictory relations between communications workers in a global value chain pose the question: “Will knowledge workers of the world unite?” (Mosco and McKercher 2008, 13).

“The urban” is “one of the critical sites for contemporary struggle” (David Harvey, in: Harvey, Hardt and Negri 2009). “The metropolis is a factory for the production of the common. [...] With the passage to the hegemony of biopolitical production, the space of economic production and the space of the city tend to overlap. There is no longer a factory wall that divides the one from the other, and “externalities” are no longer external to the site of production that valorizes them. Workers produce throughout the metropolis, in its every crack and crevice. In fact, production of the common is becoming nothing but the life of the city itself” (Hardt and Negri 2009, 250f). Commercial social media show that the Internet is simultaneously a playground and a factory (Scholz 2011). They lock “networked publics in a ‘walled garden’ where they can be expropriated, where their relationships are put to work, and where their fascinations and desires are monetized” (Scholz 2011, 246). 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. “Commodification presumes the existence of property rights over processes, things, and social relations, that a price can be put on them, and that they can be traded subject to legal contract. [...] In practice, of course, every society sets some bounds on where commodification begins and ends” (Harvey 2007, 165). Neoliberal capitalism has largely widened the boundaries of what is treated as a commodity. “The commodification of sexuality, culture, history, heritage; of nature as spectacle or as rest cure; [...] – these all amount to putting a price on things that were never actually produced as commodities” (Harvey 2007, 166).

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 crowds⁴. 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 as for example RedBull, BMW or 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.

Value is a complex concept. Göran 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 Adam Smith and David 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 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 as Jean-Baptiste Say and Frederic Bastiat or representatives of the neoclassical Austrian school, assume that the worth of a good is determined by humans cognitive evaluations and moral judgements, they 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 meaning are often mixed up. As the moral value of capitalism is economic value, one needs a precise concept of value. 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. For socialists, an important political 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 how values are transformed into prices. Chapter nine of *Capital Vol. 3* (Marx 1894, 254-272) is devoted to this question.

Information is a peculiar commodity:

- 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 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 for consumers to be “outdated”.

⁴ <http://www.msnbc.msn.com/id/24205912> (accessed on August 20, 2011).

- 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 as 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.

An 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. It 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 (2005) of a temporal fix to overaccumulation that results in the deference of "the re-entry of capital values into circulation into the future" (Harvey 2005, 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.

Bolin (2011) argues that in broadcasting, not audiences, but statisticians work. The advertisers would 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), 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. Statistical workers are crucial in setting prices and transforming labour values of the media into prices.

On corporate social media, users create content, browse content, establish and maintain relations with others by communication, and update their profiles. All time they spend on these platforms is work time. The Internet prosumer commodity that an advertiser buys on e.g. 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 value (work time) of a specific Internet prosumer commodity. This work time contains time for social relationship management and cultural activities that generate reputation. 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, b) 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 for 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 Bourdieuan social, cultural and symbolic capital into Marxian value and economic capital.

Marx (1894) stressed the difference between a commodity's value and price. The price of production of a commodity may lie above or below its value and in some cases coincides with its value. The value level measures the labour needed for the production of commodities in work hours, the price level measures for which amount of money a commodity is sold. The ratings industry transforms the value of the audience commodity into prices. Advertisements are linked to

certain programmes because one expects specific kinds of audiences to watch certain programmes (or to read certain parts of a newspaper). The value of one specific programme that is interrupted by advertisements is the sum of the time all viewers spend viewing the programme (including the advertisements). It is impossible to measure this value exactly. Rather, as Marx (1894) knew, only approximations of the average value of a commodity are possible. If more viewers watch a certain programme because it is popular, then its value increases. This makes it likely that also the audience price will be higher because more advertisements will be watched. However, there is no automatic correspondence between value and price of the audience commodity: if one million young, urban middle class youngsters who can be expected to buy a lot of commodities watch one programme and two million elderly rural people watch another programme that has the same length, then the second audience commodity's value is higher. However, due to the expectation that young urban people are more consumption-oriented than elderly rural people, the first commodity audience's price (measured as amount of money that an advertiser needs to pay at a certain point of time in the programme slot for a specific advertisement length in order to reach a defined audience of a particular size) may be higher.

Once value has been created on Facebook by online labour, the resulting data commodities are offered to ad clients with the help of either the pay per click (CPC) or the pay per 1000 impressions (CPM) methods of payment. At his point of analysis, we leave the value-level and the commodity production-sphere and enter the price-level and the sphere of commodity sales. How is the social media prosumer commodities' 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 advertisements that fit their interests. Access to this group and data about their interests (information about who is member of a specific consumer group that shares certain interests) are 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 (1 impression = a presentation of an ad on a profile). The exact price for one click or for 1000 impressions is determined in a 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 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. 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, as well as 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. Online labour creates a lot of commodities that are offered for sale, but only a certain share of it is sold and results in profits. This share is still large enough so that companies like Google and Facebook can 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.

According to Facebook, the price of an ad in a bid is determined by the number of people competing for a specific ad space/target audience, by ad quality and ad performance (source: Facebook Help Center, Campaign Cost and Budgeting=>Ads and Sponsored Stories). On Google AdWords, the price of an ad depends on the maximum bid that one sets/can afford and ad quality. Ad quality is based on an assessment of how relevant and well-targeted the text of an ad is (source: Google, video "AdWords: Control Your Costs"): the more targeted an ad, the lower the CPC cost.

Google's quality score of an ad is based on the number of past clicks for the targeted keyword, the display URL's number of past clicks, the targetedness of the ad text and the number of past clicks for the ad (source: Google AdWords Help: Quality Score). Google offers like Facebook both CPC and CPM as payment methods. How exactly Google's and Facebook's pricing algorithms work is not known because they are not open source.

According to statistics, the most expensive keywords on Google are insurance, loans, mortgage, attorney and credit (<http://techcrunch.com/2011/07/18/most-expensive-google-adwords-keywords/>). The most viewed adds on Facebook are those from the retail sector (23% of all viewed ads), the food & drinking industry (19%), the finance industry (14%), the entertainment industry (11%) and the games industry (11%) (http://allfacebook.com/facebook-advertising-rates-2_b86020).

A study of Facebook advertising conducted by Comscore (2012) argues that:

- Users spend 40% of their Facebook time in the news feed, therefore exposure to adds is larger there than on brand pages.
- According to DoubleClick, click-through-rates are on average 0.1%.
- Many companies would today mistakenly see the number of fans on brand pages as main success indicator for online advertising.
- People exposed to Facebook ads are more likely to purchase products online or in stores than those who are no. The purchase ratio grows with the length of the advertising campaign. The study therefore suggests the importance of "view-through display ad effectiveness in a medium where click-through rates are known to be lower than average for many campaigns" (Comscore 2012, 3).

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, also 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 on 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% (Comscore 2012). 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 adds, 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 click on ads that are presented to them. In both cases, online time is crucial for a) the production of data commodities, 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 the 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 one of the top trending search keyword on Google on June 27th, 2012. Using the Google AdWords traffic estimator (on June 27th, 2012) showed that by creating a campaign with a maximum CPC of 10 € and a budget of 1000 Euros per day, one can expect to attract 2867-3504 impressions and 112-137 clicks for total costs of 900-1100 Euros per day if one targets Google users who search for "Michael Jackson". In comparison, I used the same settings for the keyword "Cat Power" (an outstanding American indie rock singer, much less popular and less sought-after on Google 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 Euros per day. The profit that Google makes with the data

commodity associated with the keyword “Michael Jackson” is much larger than the one it makes with the keyword “Cat Power” because the first is a more sought-after keyword. And that a keyword is popular means that users spend more collective usage time per day for entering the keyword and reading 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.

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). The law of value 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 her/him. Users spending a lot of time online, create more data and more value (work time) that is potentially transformed into profit. That the law of value applies on commercial social media can also be observed by the circumstance that there are high prices for advertisements presented in the context of frequently searched keywords on Google. A lot of users spend their work time on searching for these keywords, i.e. the value (work time) underlying specific keywords is high. This makes the corresponding user commodity more precious (it is likely to be a large group), therefore its price can be set at a high rate.

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 would stop using Facebook or Google: The number of users would drop, advertisers would stop investments because no objects for their advertising messages and therefore no potential customers for their products could be found, 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.

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, Altnet, Democracy Now!, openDemocracy, WikiLeaks, or the use of social media by NGOs) is work in the sense that it helps creating 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. Non-commercial non-profit online projects are 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 frequently 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).

Corporate social media have an immanent connection to finance capital. Google’s profits were 9.7 billion US\$ in 2011 (SEC Filings Form 10-K 2011), whereas its financial market valuation (stock market capitalization) was 182 billion US\$ on June 26th, 2012⁵. Facebook’s profits were 1 billion US\$ in 2011 (SEC Filings Form S-1 Registration statement), whereas its stock market capitalization was 70 billion US\$ on June 26th, 2012⁶. This shows that the financial market values achieved on the stock market and the profits achieved by Internet prosumer commodification do not coincide. Companies like Facebook and Google are overvalued on the stock market, their profits do not match the high market values. This divergence phenomenon does not lie outside of the logic of

⁵ http://money.cnn.com/data/us_markets/

⁶ http://money.cnn.com/data/us_markets/

Marxist theory, but was rather described by Marx (1894) in the analysis of fictitious capital in *Capital Volume III*.

For Marx, financial capital is based on the formula M (money) – M' (more money). “Here we have M-M', money that produces money, self-valorizing value, without the process that mediates the two extremes” (Marx 1894, 515, see also 471). Consumer credits, mortgages, stock, bonds, and derivatives are all based on this financial type of accumulation. Finance capital does not itself produce profit, it is only an entitlement to payments that are made in the future and derive from profits or wages (the latter for example in the case of consumer credits). Marx therefore characterizes finance capital as fictitious capital (Marx 1894, 596). The “share is nothing but an ownership title, *pro rata*, to the surplus-value which this capital is to realize. A may sell this title to B, and B to C. These transactions have no essential effect on the matter. A or B has then transformed his title into capital, but C has transformed his capital into a mere ownership title to the surplus-value expected from this share capital” (Marx 1894, 597f). Financial investments in stocks and financial derivatives are transformed into operative capital, but they are not capital themselves, only ownership titles to a part of surplus value that is expected to be produced in the future. “All these securities actually represent nothing but accumulated claims, legal titles, to future production” (Marx 1894, 599). The value of shares is therefore speculative and not connected to the actual profits of the company, but only to expectations about future profits that determine buying and selling decisions of stock investors: “The market value of these securities is partly speculative, since it is determined not just by the actual revenue but rather by the anticipated revenue as reckoned in advance” (Marx 1894, 598, see also 608, 641). The result is a high-risk system of speculation that resembles gambling (Marx 1894, 609) and is crisis-prone (Marx 1894, 621). “Monetary crises, independent of real crises or as an intensification of them, are unavoidable” in capitalism (Marx 1894, 649).

Financialization is a crucial aspect of corporate social media platforms like Facebook and Google. Financialization is a mechanism that Marx described as important element of capitalism. User labour is the source of profit on these platforms. Finance capital invests in platforms like Facebook and Google because it has the expectation of high future profits. The new economy crisis in 2000 has shown that the difference between stock market values and actual profits can result, as Marx knew, in bursting financial bubbles that result in economic crises. Crises can have multiple sources (e.g. lack of sales = overproduction, underconsumption; class struggle that increases investments and negatively impacts profits (profit-squeeze); overaccumulation; crisis events that trigger large-scale sales of stocks and disappointed investment situations; combinations, etc). The stock market values of companies like Google and Facebook are based on expectations how well these corporations will in the future be able to exploit users' and employees' labour and turn it into profit. The actual profit rates influence, but do not determine stock market investors' buying and selling decisions. The latter are determined by multiple factors and expectations, especially expectations about potential futures, which is the reason why Marx speaks of fictitious capital.

Capital has the inherent interest to maximize profit. For doing this, it will take all means necessary because the single capitalist risks his/her own bankruptcy if s/he cannot accumulate capital as a result of high investment costs, heavy competition, lack of productivity, etc. The wage relation is, as we have argued earlier, a crucial element of class struggle. Capital tries to reduce the wage sum as much as possible in order to maximize profits. If possible, capital will therefore remunerate labour power below its own value, i.e. below the socially necessary costs that are required for survival. The transformation of the value into the price of labour power and the difference between the two is, as Cleaver (2000) and Bidet (2009) stress, the result of class struggle. Labour legislation and an organized labour movement can struggle for wages that are higher than the value of labour power. If labour is, however, weak, e.g. because of fascist repression, capital is likely to use any opportunity to reduce wages as much as possible in order to increase profits. Neoliberalism is a form of governmentality that increases profits by decreasing the wage sum with the help of cutting state expenditures for welfare, care and education, privatizing such services, creating precarious wage-relations that are temporary, insecure and underpaid, weakening the power of labour organi-

sations, decreasing or not increasing wages relatively or absolutely, outsourcing labour to low-paid or unpaid forms of production, coercing the unemployed to work without payment or for extremely low wages, etc. It is a form of politics that aims at helping capital to reduce the price of labour power as much as possible, if possible even below the minimum value that is needed for human existence. The creation of multiple forms of precarious and unpaid forms of work is an expression of the class struggle of capital to reduce the costs of labour power. The result is a disjuncture of the value and price of labour power. Digital labour should be situated in the context of capital's actual struggle to reduce the price of labour power and potential resistance by the working class. The disjuncture between value and price of labour power is accompanied by a disjuncture of the value and price of commodities: The financialization of the economy has established stocks and derivatives that have fictitious prices on stock markets that are based on the hope for high future profits and dividends, but are disjointed from the actual labour values and commodity prices. Contemporary capitalism is a disjuncture economy, in which values, profits and prices tend to be out of joint so that there is a high crisis-proneness.

After analyzing the commodity and capital side of corporate social media, I will in the next section discuss changes in the relationship between play and labour relate them to the digital labour debate.

5. Ideology, Play and Digital Labour

Ideology takes on two distinct forms in relationship to contemporary digital media:

- 1) The presentation of social media as form of participatory culture and new democracy.
- 2) The hidden appearance of exploitation as play.

Ideological claims are not specific for what some term "web 2.0", rather also earlier claims about the Internet in the 1990s constituted a "Californian ideology" (Barbrook and Cameron 2001) that stresses individualism, personal responsibility, competition, private property and consumerism, lacks consciousness of inequality and exploitation and is in line with the basic ideas of neoliberalism (Fisher 2010). Neubauer (2011) stresses in this context the existence of a specific ideology of informational neoliberalism that combines the belief in the power of ICTs and neoliberal values.

The turn of the millennium saw a crisis of heavily financialized Internet companies. The "dot-com" crisis destroyed the hopes that the "Internet age" would result in a new age of prosperity and unhampered economic growth. In the years following the crisis, companies such as Facebook (2004), Flickr (2004) LinkedIn (2003), Sina Weibo (2009), Tumblr (2007), Twitter (2006), VK (VKontakte, 2006), Wordpress (2003) and YouTube (2005, sold to Google in 2006) were founded. They provide Internet services that are today among the most accessed web platforms in the world. They represent capitalists' new aspiring hopes to found a new capital accumulation model that is based on targeted advertising.

The rise of these platforms was accompanied by an ideology that celebrated these services as radically new and the rise of an economic democracy and participatory culture. Henry Jenkins (2008, 275) argues that "the Web has become a site of consumer participation" and has supported the rise of a participatory culture. Axel Bruns argues that Flickr, YouTube, MySpace and Facebook are environments of "public participation" (Bruns 2008, 227f) and give rise to "a produsage-based democratic model" (Bruns 2008, 372). John Hartley (2012) describes the emergence of a "dialogical model of communication" (Hartley 2012, 2), in which "everyone is a producer" (Hartley 2012, 3). His general argument is that with the rise of online platforms that support social networking and user-generated content production and diffusion, journalism, the public sphere, universities, the mass media, citizenship, the archive and other institutions have become more democratic because "people have more say in producing as well as consuming" (Hartley 2012, 14). Clay Shirky (2008, 297) says that "web 2.0" means the "democratization of production". Tapscott and Williams see the rise of a new economy they call *wikinomics* that results in the emergence of "a new economic democracy" (Tapscott and Williams 2006, 267).

Especially management gurus and cultural theorists have made the claim that user-generated content platforms have advanced a participatory economy and culture. They have helped to sell “web 2.0” as the “next big thing” that venture capitalists need to invest in. The hype turned out to be more about capital accumulation than democracy. The discussions about terms such as “social media” and “web 2.0” have started when Tim O’Reilly (2005) introduced the term “web 2.0” in 2005. Although Tim O’Reilly surely thinks that “web 2.0” denotes actual changes and says that the crucial fact about it is that users as a collective intelligence co-create the value of platforms like Google, Amazon, Wikipedia, or craigslist in a “community of connected users” (O’Reilly and Battelle 2009, 1), he admits that the term was mainly created for identifying the need of new economic strategies of Internet companies after the “dot-com” crisis, in which the bursting of financial bubbles caused the collapse of many Internet companies. So he says in a paper published five years after the creation of the invention of the term “web 2.0”, that this category was “a statement about the second coming of the Web after the dotcom bust” at a conference that was “designed to restore confidence in an industry that had lost its way after the dotcom bust” (O’Reilly and Battelle 2009, 1). This means that the person, who coined the notion of “web 2.0” admits that it is an ideology aimed at attracting investors.

Web 2.0 enthusiasts tend to use the notion of participation in a shallow way, forgetting that its main use stems from participatory democracy theory, in which it signifies the control of ownership, decision making and value-definition by all (Fuchs 2011a, chapter 7). Statistics such as the ownership structures of web 2.0 companies, the most viewed videos on YouTube, the most popular Facebook groups, the most popular topics on Google and Twitter, the Twitter users with the highest number of followers show that the corporate web 2.0 is not a democratic space of equal participants, but a space, in which large companies, celebrities and entertainment dominate. They achieve a much higher number of followers, readers, viewers, listeners, re-tweets, likes, etc than the everyday users (Fuchs 2011a, chapter 7). If a claim about reality is disjointed from actual reality, then one commonly characterizes such a claim as an ideology. “Web 2.0” and “social media”, conceived as participatory culture and participatory economy, are ideological categories that serve the interests of the dominant class. They ignore power structures that shape the Internet.

Claims about the power of “social media” are not only trying to attract business investments, but also have a hegemonic side in the life and thought of everyday users. Jodi Dean (2005) speaks in this context of Internet fetishism and argues that it is an ideology to assume that the Internet is inherently political and that “web 2.0” is a form of politics in itself: “Busy people can think they are active – the technology will act for them, alleviating their guilt while assuring them that nothing will change too much. [...] By sending an e-mail, signing a petition, responding to an article on a blog, people can feel political. And that feeling feeds communicative capitalism insofar as it leaves behind the time-consuming, incremental and risky efforts of politics. [...] It is a refusal to take a stand, to venture into the dangerous terrain of politicization” (Dean 2005, 70).

But ideology not only takes on the form of overdrawn claims about the democratic implications of “social media”. It is also present in the media production process itself, in which exploitation as social relation tends to be hidden in structures of play. The labour side of the capital accumulation strategy of social media corporations is digital playbour. Kücklich (2005) first introduced the term playbour (play+labour). The exploitation of digital playbour is based on the collapse of the distinction between work time and playtime. In the Fordist mode of capitalist production, work time was the time of pain and the time of repression and surplus repression of the human drive for pleasure; whereas leisure time was the time of Eros (Marcuse 1955). In contemporary capitalism, play and labour, Eros and Thanatos, the pleasure principle and the death drive, partially converge: workers are expected to have fun during work time and play time becomes productive and work-like. Playtime and work time intersect and all human time of existence tends to be exploited for the sake capital accumulation.

Capitalism connects labour and play in a destructive dialectic. Traditionally, play in the form of enjoyment, sex and entertainment was in capitalism only part of spare time, which was rather unproductive (in the sense of producing commodities for sale) and separate from labour time. Freud (1961) argued that the structure of drives is characterized by a dialectic of Eros (the drive for

(1961) argued that the structure of drives is characterized by a dialectic of Eros (the drive for life, sexuality, lust) and Thanatos (the drive for death, destruction, aggression). Humans according to Freud strive for the permanent realization of Eros (pleasure principle), but culture would only become possible by a temporal negation and suspension of Eros and the transformation of erotic energy into culture and labour. Labour would be a productive form of desexualisation – the repression of sexual drives. Freud speaks in this context of the reality principle or sublimation. The reality principle sublates the pleasure principle. Human culture thereby sublates human nature and becomes man's second nature.

Marcuse (1955) connected Freud's theory of drives to Marx's theory of capitalism. He argued that alienated labour, domination, and capital accumulation have turned the reality principle into a repressive reality principle – the performance principle: alienated labour constitutes a surplus-repression of Eros. The repression of the pleasure principle takes on a quantity that exceeds the culturally necessary suppression. Marcuse connected Marx's notions of necessary labour and surplus labour/value to the Freudian drive structure of humans and argued that necessary labour on the level of drives corresponds to necessary suppression and surplus labour to surplus-repression. This means that in order to exist, a society needs a certain amount of necessary labour (measured in hours of work) and hence a certain corresponding amount of suppression of the pleasure principle (also measured in hours). The exploitation of surplus value (labour that is performed for free and generates profit) results not only in the circumstance that workers are forced to work for free for capital to a certain extent, but also in the circumstance that the pleasure principle must be additionally suppressed.

“Behind the reality principle lies the fundamental fact of Ananke or scarcity (*Lebensnot*), which means that the struggle for existence takes place in a world too poor for the satisfaction of human needs without constant restraint, renunciation, delay. In other words, whatever satisfaction is possible necessitates work, more or less painful arrangements and undertakings for the procurement of the means for satisfying needs. For the duration of work, which occupies practically the entire existence of the mature individual, pleasure is ‘suspended’ and pain prevails” (Marcuse 1955, 35). In societies that are based on the principle of domination, the reality principle takes on the form of the performance principle: Domination “is exercised by a particular group or individual in order to sustain and enhance itself in a privileged situation” (Marcuse 1955, 36). The performance principle is connected to surplus-repression, a term that describes “the restrictions necessitated by social domination” (Marcuse 1955, 35). Domination introduces “additional controls over and above those indispensable for civilized human association” (Marcuse 1955, 37).

Marcuse (1955) argues that the performance principle means that Thanatos governs humans and society and that alienation unleashes aggressive drives within humans (repressive desublimation) that result in an overall violent and aggressive society. Due to the high productivity reached in late-modern society, a historical alternative would be possible: the elimination of the repressive reality principle, the reduction of necessary working time to a minimum and the maximization of free time, an eroticization of society and the body, the shaping of society and humans by Eros, the emergence of libidinous social relations. Such a development would be a historical possibility – but one incompatible with capitalism and patriarchy.

Gilles Deleuze (1995) has pointed out that in contemporary capitalism, disciplinary power is transformed in such a way that humans increasingly discipline themselves without direct external violence. He terms this situation the society of (self-)control. It can for example be observed in the strategies of participatory management. This method promotes the use of incentives and the integration of play into labour. It argues that work should be fun, workers should permanently develop new ideas, realize their creativity, enjoy free time within the factory, etc. The boundaries between work time and spare time, labour and play, become fuzzy. Work tends to acquire qualities of play, whereas entertainment in spare time tends to become labour-like. Work time and spare time become inseparable. At the same time work-related stress intensifies and property relations remain unchanged (Boltanski and Chiapello 2007). Corporate social media's exploitation of Internet users is an aspect of this transformation. It signifies that private Internet usage, which is motivated by

play, entertainment, fun and joy – aspects of Eros – has become subsumed under capital and has become a sphere of the exploitation of labour. Internet corporations accumulate profit by exploiting the play labour of users.

Luc Boltanski and Éve Chiapello (2007) argue that the rise of participatory management means the emergence of a new spirit of capitalism that subsumes the anti-authoritarian values of the political revolt of 1968 and the subsequently emerging New Left such as autonomy, spontaneity, mobility, creativity, networking, visions, openness, plurality, informality, authenticity, emancipation, and so on, under capital. The topics of the movement would now be put into the service of those forces that it wanted to destroy. The outcome would have been “the construction of the new, so-called ‘network’ capitalism” (Boltanski and Chiapello 2007, 429) so that artistic critique – that calls for authenticity, creativity, freedom and autonomy in contrast to social critique that calls for equality and overcoming class (37f) – today “indirectly serves capitalism and is one of the instruments of its ability to endure” (490).

Essence of human desires:	Reality principle in societies with scarcity	Repressive reality principle in classical capitalism	Repressive reality principle in capitalism in the age of corporate social media
immediate satisfaction	delayed satisfaction	delayed satisfaction	Immediate online satisfaction
Pleasure	restraint of pleasure	leisure time: pleasure, work time: restraint of pleasure, surplus repression of pleasure	Collapse of leisure time and work time, leisure time becomes work time and work time leisure time, all time becomes exploited, online leisure time becomes surplus value-generating, wage labour time = surplus repression time of pleasure, play labour time = surplus value generating pleasure time
joy (play)	toil (work)	leisure time: joy (play), work time: toil (work)	play labour: joy and play as toil and work, toil and work as joy and play
Receptiveness	productiveness	leisure time: receptiveness, work time: productiveness	Collapse of the distinction between leisure time/work time and receptiveness/productiveness, total commodification of human time
absence of repression of pleasure	repression of pleasure	leisure time: absence of repression of pleasure, work time: repression of pleasure	play labour time: surplus value generation appears to be pleasure-like, but serves the logic of repression (the lack of ownership of capital)

Table 1: Pleasures in four modes of society (human essence, society with scarcity, classical capitalism, capitalism in the age of corporate social media), based on a table from: Marcuse 1955, 12.

Also paid creative industry work is becoming more like play today. Hesmondhalgh and Baker (2011) show the ambivalence of much creative industry work that is precarious, but cherished, because of the fun, contacts, reputation, creativity, and self-determination that it may involve. The difficulty is that labour feels like play and that exploitation and fun thereby become inseparable. Play and labour are today in certain cases indistinguishable. Eros has become fully subsumed under the repressive reality principle. Play is largely commodified, spaces and free time that are not exploited by capital hardly exist today. They are difficult to create and to defend. Play is today productive, surplus value generating labour that is exploited by capital. All human activities, and therefore also all play, tends under the contemporary conditions to become subsumed under and exploited by capital. Play as an expression of Eros is thereby destroyed, human freedom and human capacities are crippled. On corporate social media, play and labour converge into play labour that

is exploited for capital accumulation. The corporate Internet therefore stands for the total commodification and exploitation of time – all human time tends to become surplus-value generating time that is exploited by capital. Table 1 summarizes the application of Marcuse's theory of play, labour and pleasure to corporate social media.

Some authors have criticized the main arguments advanced in the digital labour debate. In the next section, I present and discuss some of the points of criticism.

6. A Critique of the Critique of Digital Labour

David Hesmondhalgh (2010) argues that Internet labour is not exploited because there is much cultural work in society that is unpaid. "Most cultural production in history has been unpaid, and that continues to be the case today. Consider the millions of people across the world, especially young people, who will, on the day you are reading this, be practising musical instruments, or, to use an example from an industry that I would call a leisure industry rather than a cultural industry, imagine how many young people are practising football or basketball. Now it could be argued that all this represents labour (defined here as the expenditure of effort, under some kind of compulsion; it will usually seem preferable to undertake some other more restful activity) which is vital to the realisation of surplus value in the music industry or the football industry. For this work helps to create a reservoir of workers, from whom these industries can draw" (Hesmondhalgh 2010, 277). Hesmondhalgh says that the claim "that contacting friends and uploading photographs on to Facebook represents some kind of exploited labour is, to my mind, more along the lines of arguing that we should demand that all amateur football coaches be paid for their donation of free time: not impossible to argue for, but hardly a priority – and accompanied by the danger that it may commodify forms of activity that we would ultimately prefer to leave outside the market" (278).

Hesmondhalgh mixes up two different types of activity:

- 1) hobby or private activities, in which labour power is reproduced, but no commodities are produced (like playing football or sleeping);
- 2) hobby activities, in which value is generated that is directly appropriated by capitalist companies (using commercial Internet platforms, watching commercial television, etc).

Hesmondhalgh conflates different activities – reproductive activity that recreates labour power, but produces no commodity that is sold, and reproductive activities that recreate labour power and at the same time create an audience or Internet prosumer commodity. If a wage for either or both of these activities should be demanded (there are pro- and counter-arguments from a left-wing political perspective) is another (political) question, but Hesmondhalgh ignores the direct role of class, commodification and profit in the second type of activity.

The audience and digital labour are definitely exploited on corporate social media because three conditions of exploitation (Wright 1997, 10) are given:

- a) the profit accumulated deprives the audience and users of material benefits (inverse interdependent welfare),
- b) audience and users are excluded from the ownership of media organizations and the accumulated profit (exclusion),
- c) capital appropriates the created profit (appropriation).

Pasquinelli (2009, 2010) argues that Google creates and accumulates value by its page rank algorithm. He says that Google's profit is a form of cognitive rent. Caraway (2011, 701) shares this analysis on a more general level and argues: "The economic transaction described by Smythe is *rent*. The media owner rents the use of the medium to the industrial capitalist who is interested in gaining access to an audience. The rental may be either for time (broadcasting) or space (print). It is the job of the media owner to create an environment which is conducive to the formation of a particular audience". Rent theories of the Internet substitute categories like class, surplus value, and exploitation by the notion of rent.

Marx (1867) showed that technology never creates value, but is only a tool that is used by living human labour for creating commodities. Therefore it is a technological-deterministic assumption

that the page rank algorithm creates value. Marx (1894) argued that rent is exchanged for land and formulated the trinity formula that expresses the three aspects of the value of a commodity (Marx 1894, chapter 48): profit (including interest), rent, wages. Profit is attached to capital, rent to land, and wages to wage labour. The three kinds of revenue are connected to the selling of commodities, land and labour power. Rent is obtained by lending land or real estates. Rent is not the direct result of surplus value production and human labour. No new product is created in the renting process. Rent indirectly stems from surplus value because capitalists take part of the surplus in order to rent houses, but it is created in a secondary process, in which surplus value is used for buying real estates. "First we have the use-value land, which has no value, and the exchange-value rent" (Marx 1894, 956). "Value is labour. So surplus-value cannot be earth" (Marx 1894, 954). Therefore using the category of rent for describing commercial media and Internet practices and their outcomes means to assume that activities on the corporate media and Internet, such as surfing on Google or creating content on YouTube or Facebook, are not exploited and are no form of labour. The category of cognitive rent is not useful for a critical political economy of the media and the Internet. The notion of the Internet prosumer commodity that is created by exploited knowledge labour is more feasible.

Adam Arvidsson formulates a critique of the digital labour hypothesis and of Smythe's audience commodity approach. "As a consequence, the labor theory of value only holds if labor has a price, if it has been transformed into a commodity that can in some way be bought and sold on a market. It is clear already at this point that it is difficult to apply the labor theory of value to productive practices that do not have a given price, that unfold outside of the wage relation" (Arvidsson 2011, 265). "The circumstance that digital labour has no price and that it becomes impossible to distinguish productive time from unproductive time" would make "it difficult to sustain, as Arvidsson (2006), Fuchs (2009a), and Cote and Phybus (2007) have done, that the Marxist concept of 'exploitation' would apply to processes of customer co-production" (Arvidsson 2011, 266f). "But since 'free labor' is free, it has no price, and cannot, consequently, be a source of value" (Arvidsson 2011, 266f). Arvidsson's conclusion is that digital labour is not exploited because it has no price (i.e. it is unpaid).

Digital labour is not the only work that has historically been unpaid, one can think also e.g. of housework or slave work. Marxist feminists have argued that houseworkers are an exploited colony of capitalist patriarchy that is locus of "ongoing primitive accumulation" (Mies, Bennholdt-Thomsen and Werlhof 1988, 6): they are unpaid, unfree and fulfil a function for capitalism. They are therefore locus of extreme exploitation. The argument of Marxist feminism is that "subsistence production – mainly performed through the non-wage labour of women and other non-wage labourers labourers as slaves, contracted workers and peasants in the colonies – constitutes the perennial basis upon which 'capitalist productive forces' can be built up and exploited" (Mies 1986, 48).

There is a crucial difference between classical slaves, houseworkers, and corporate Internet users because the first are repressed by physical violence (they are likely to be killed if they stop working), the second are partly coerced by physical violence and feelings of love and affection, whereas the third are ideologically coerced (they are compelled to use the dominant corporate Internet platforms in order to maintain social relations and reputation, if they stop using the platforms, they do not die, but are likely to be more isolated). But all three forms of labour produce value that is appropriated by others (the slave master, capitalists and waged workers, corporations). They are unpaid. Others exploit all of their work time. Arvidsson's false assumption that exploitation is only present if a wage is paid downplays the horrors of exploitation and implies also that classical slaves and houseworkers are not exploited. His assumption has therefore problematic implications in the context of racist modes of production and patriarchy. It is furthermore interesting that Arvidsson criticizes himself for having shared the thesis of the exploitation of free labour in an article published in 2006.

iPhones, iPads, iMacs, Nokia phones etc are "blood phones", "blood pads" and "blood Macs": 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 under slave-like condi-

tions from mines in the Democratic Republic of Congo and other countries. 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 and slave work in developing countries producing hardware and extracting “conflict minerals”. Arvidsson’s approach implies that unpaid Congolese slave workers that extract the material foundations of ICTs are not exploited, which has problematic implications.

Arvidsson’s alternative to the labour theory of value is an idealistic and subjectivist concept of value – ethical value understood as “the ability to create the kinds of affectively significant relations” (Arvidsson 2005, 270) – that ignores the reality of material inequality, precarious labour, and gaps between the rich and the poor and assumes that everything in the contemporary economy has become affective.

Arvidsson (2011, 273) argues that I have come to the “absurd suggestion that Facebook users are subject to ‘infinite levels of exploitation’ since the exchange value of their labor is zero”. In a comment on one of my digital labour articles (Fuchs 2010), Arvidsson and Colleoni argue: “If Facebook made a profit of \$ 355 million in 2010 [...], this means that each Facebook user was a ‘victim of exploitation of surplus value’ to the extent of \$0.7 a year, [...] hardly [...] ‘a rate of exploitation that converges towards infinity’ as Fuchs claims” (Arvidsson and Colleoni 2012, 138). Fuchs (2012b) provides a more detailed critique of Arvidsson’s work. Arvidsson and his colleague mix up value and price. If 500 million people use a corporate platform that is funded by targeted advertising for an average of 90 hours a year (which is on average 15 minutes a day), then the value created is 45 billion hours of digital labour. All of this online time is monitored and creates a traffic commodity that is offered for sale to advertisers, none of the time is paid. 45 billion hours of work are therefore exploited. Exploitation is constituted by the unpaid work time that is objectified in a commodity and appropriated by capital. To which extent the data commodity can be sold is a question of the transformation of value into profit. If not enough data commodities are sold, then the profit will be low. Workers are however also exploited if the commodities they create are not sold because value and surplus value of a commodity is created before it is sold. Arvidsson’s criticism implies that exploitation is based in the sphere of commodity circulation and not in the sphere of commodity production. This assumption is absurd because it implies that workers, who create a commodity that is not sold (e.g. because there is a lack of demand), are not exploited. Arvidsson’s criticism is based on a lack of knowledge of Marx.

Marx stressed the difference between a commodity’s value and price: The measure of the substance of value of a commodity is the amount of hours needed for its production: “How then is the magnitude of this value [of a commodity] to be measured? By means of the quantity of the ‘value-forming substance’, the labour, contained in the article. This quantity is measured by its duration, and the labour-time is itself measured on the particular scale of hours, days etc.” (Marx 1867, 129). “Every commodity (product or instrument of production) is = the objectification of a given amount of labour time (Marx 1857/58, 140)”. Marx formulated the law of value as saying that “the greater the labour-time necessary to produce an article, [...] the greater its value. The value of a commodity, therefore, varies directly as the quantity, an inversely as the productivity, of the labour which finds its realization within the commodity. (Now we know the *substance* of value. It is *labour*. We know the *measure of its magnitude*. It is labour-time” (Marx 1867, 131).

Price is not the same as value: “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). “Price is the money-name of the labour objectified in a commodity” (Marx 1867, 195f). This means that values are determined at the level of working hours and prices at the level of money. Both are quantitative measures, but use different units of measurement. Value is a measure of the production process, price a measure of the circulation process (selling) of commodities. Labour is extended in time (and space) in the production process, in which commodities are created, and is transformed into profit (measured as a price in money) in the sphere of circulation, i.e. commodity markets, on which commodities are sold for certain prices. This means that *exploitation of labour takes place before*

the selling of commodities. Even if a commodity is not sold, once it is produced, labour has been exploited.

When introducing the concept of brand value in an article that also mentions Smythe, Adam Arvidsson (2005, 238) immediately gives figures of brand values in US\$, which shows that he thinks of value in terms of money (that signifies only the price of a commodity) and not in working hours (that signify the value of a commodity). The definition of brand value as “the present value of predictable future earnings generated by the brand” (Arvidsson 2005, 238) is not only circular and therefore absurd (definition of value by value), but also makes clear that Arvidsson defines value only at the price level (“earnings”).

7. Conclusion

The global capitalist crisis has resulted in cracks, fissures and holes of neoliberalism and the logic of the commodification of everything. It has however not brought an end to neoliberalism, but a phase of uncertainty. There is a renewed interest in Marx’s works, Critical Theory, Critical Political Economy class, and the critique of capitalism. Media and Communication Studies should see the sign of the times and build a strong focus on Marxism, class and capitalism. The engagement with Dallas Smythe’s works today is a contribution to the renewal of Marxist Media and Communication Studies.

Smythe spoke of the audience commodity and Jhally/Livant of watching as working for analyzing media commodification. Internet and media watching/reading/listening/using is value-generating labour, the audience commodity and the Internet prosumer commodity are commodities created by the work of watching/reading/listening/using. The audience produces itself as commodity, its work creates the audience and users as commodity.

We can summarize the main points of this chapter:

- Dallas Smythe reminds us of the importance of engagement with Marx’s works for studying the media in capitalism critically.
- Both Critical Theory and Critical Political Economy of the Media and Communication have been criticized for being one-sided. Such interpretations are mainly based on selective readings. They ignore that in both approaches there has been with different weightings a focus on aspects of media commodification, audiences, ideology and alternatives. Critical Theory and Critical Political Economy are complementary and should be combined in Critical Media and Communication Studies today.
- Dallas Smythe’s notion of the audience commodity has gained new relevance in the debate about the exploitation of digital labour by corporate Internet providers. The exploitation of digital labour involves processes of coercion, alienation, and appropriation.
- 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.
- Corporate “social media” and “web 2.0” do not imply a democratization of the economy and culture, but are rather ideologies that celebrate new capital accumulation models and thereby help to attract investors.
- The exploitation of the Internet prosumer commodity is a manifestation of 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.
- Critics of the digital labour debate conflate different work activities, tend to trivialize exploitation and to a certain degree misunderstand concepts like surplus value, value, price and rent.

Capitalism is highly contradictory today. The crisis is a manifestation of capitalism's objective immanent contradictions that it is unable to overcome. The reactions to the crisis are contradictory: they range from hyperneoliberalism (politics that want to intensify neoliberalism by implementing "socialism for the rich and banks" and privatizing and cutting public funding for welfare, education, health, etc) to uproars, riots, protests, demonstrations and occupations (like the Occupy movement or the protests in Greece, Spain, and Portugal), and revolutions (like in Tunisia, Egypt, and Libya). These struggles and forms of politics reflect the subjective contradictions of capitalism in crisis times. It is the task of critical intellectuals today to engage in the academic and political struggle for a just world that is based on common goods and services, including the communication commons.

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