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Information and Communication Technologies and Society

A Contribution to the Critique of the Political Economy of the Internet

Christian Fuchs

ABSTRACT

■ This article argues for the need of Critical Internet Theory. It outlines how such a theory operates by the example of the role of gifts and commodities in the Internet economy. It is argued that after the crisis of the 'New Economy', the emergence of what is termed 'Web 2.0' signifies the increasing importance of the Internet gift commodity strategy. This strategy commodifies the users who produce content and communications online on free access platforms so that advertisement rates are driven up, and functions as a legitimizing ideology. In this context, the notion of the Internet prosumer commodity is introduced. ■

Key Words capital accumulation, Critical Internet Theory, critique of the political economy of the Internet, social software, Web 2.0

Introduction

In summer 2007, *The Economist* asked on its cover: 'Who's afraid of Google?' and pointed out that Google is an example for an Internet-based business model that helps 'people to find information (at no charge) and [lets] advertisers promote their wares to those people in a finely targeted way' (*The*

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Economist, 1–7 September 2007: 9). Thus far this strategy has been successful, as Google has, with a five-year sales growth rate of 222 percent in 2006, been the second-fastest growing technology company worldwide.¹

This article introduces the concept of Critical Internet Theory and gives an analysis of the accumulation strategies employed by corporations like Google in the capitalist Internet economy. It discusses some theoretical aspects of the political economy of the Internet and deals with the following questions. What theoretical foundation is needed for studying the Internet and society? What is Critical Internet Theory? How relevant is the antagonism between productive forces and relations of production in the Internet age? What is the role and relationships of gifts and commodities in the Internet economy?

Critical Theory

The critique advanced by Critical Internet Theory is a Marxian one in the sense laid out in the *Introduction to the Critique of Hegel's Philosophy of Right* that it grasps 'the root of the matter' and is based on the '*categorical imperative to overthrow all relations* in which man is a debased, enslaved, abandoned, despicable essence' (Marx, 1844: 385).

Taking Marx's writings as totality, one can identify three central aspects of Marxian critique that are ordered according to three philosophical dimensions.

- *Ontology – dynamic materialism*: Critical theory is materialistic in the sense that it addresses phenomena and problems not in terms of absolute ideas and predetermined societal development, but in terms of resource distribution and social struggles. Reality is seen in terms that address ownership, private property, resource distribution, social struggles, power, resource control, exploitation and domination.

To make a materialistic analysis also means to conceive society as negativity; to identify antagonisms means to look at contradictory tendencies that relate to one and the same phenomenon, create societal problems and require a fundamental systemic change in order to be dissolved. To analyse society as contradictory also means to consider it as dynamic system because contradictions cause development and movement of matter.

In order to address the negativity of contemporary society and its potential, research also needs to be oriented on the totality. That dialectics is a philosophy about totality in this context means that society is analysed on a macro scale in order to grasp its problems

and that reasons for the necessity of positive transformations are to be given.

- *Epistemology – dialectical realism*: The material world is seen as primary and is grasped, described, analysed and partly transformed by humans in academic work. Analyses are conducted that are looking for the essence of societal existence by identifying contradictions that lie at the heart of development. Critical theory analyses social phenomena not based on instrumental reason and one-dimensional logic, i.e. it operates (1) under the assumption that phenomena do not have linear causes and effects, but are contradictory, open, dynamic, and carry certain development potentials in them and hence should be conceived in complex forms; and (2) is based on the insight that reality should be conceived so that there are neither only opportunities nor only risks inherent in social phenomena, but contradictory tendencies that pose both positive and negative potentials at the same time that they are realized or suppressed by human social practice.

Dialectic analysis in this context means complex dynamic thinking; realism an analysis of real possibilities and a dialectic of pessimism and optimism. In a dialectical analysis, phenomena are analysed in terms of the dialectics of agency and structures, discontinuity and continuity, the one and the many, potentiality and actuality, global and local, virtual and real, optimism and pessimism, essence and existence, immanence and transcendence, etc.

- *Axiology – negating the negative*: All critical approaches in one or the other respect take the standpoint of oppressed or exploited classes and make the judgement that structures of oppression and exploitation benefit certain classes at the expense of others and hence should be radically transformed by social struggles. This view constitutes a form of objectivity.

Critical theory does not accept existing social structures as they are, it is not interested in society as it is, but in what it society could be and could become. It deconstructs ideologies that claim that something cannot be changed and shows potential counter-tendencies and alternative modes of development. That the negative antagonisms are sublated into positive results is not an automatism, but depends on the realization of practical forces of change that have a potential to rise from the inside of the systems in question in order to produce a transcendental outside that becomes a new whole. The axiological dimension of critique is an interface between theory and political praxis.

Critical theory is interested in why there is a difference between actuality and potentiality, existence and essence, and aims at finding ways of bridging this difference. It aims at the establishment of a cooperative, participatory society and asks 'basic moral questions of justice, equity and the public good' (Murdock and Golding, 2005: 61).

The ethical dimension is not unfounded, but grounded in the essence of society as such; its transcendence is constituted by the immanence of society, cooperative human potentials.

Critical theories are dialectical and realistic and axiological. That critical thinking is still very important and influential today can, for example, be seen in the prominence that Roy Bhaskar's Dialectical Critical Realism has gained in recent years (e.g. Bhaskar, 1993).

In 20th-century Marxism, the critical analysis of media, communication and culture has emerged as a novel quality due to the transformations that capitalism has been undergoing (Sandoval, 2008). First, there have been subjective approaches that primarily stress how humans produce, reproduce, consume or transform media and culture. Early 20th-century approaches include the theory of Antonio Gramsci, on the one hand, and the theories of Bert Brecht or Walter Benjamin, on the other hand. The first line of thought has since been continued, e.g. by some cultural studies scholars like Raymond Williams, Richard Hoggart or Stuart Hall, the second by scholars like Hans Magnus Enzensberger (Marchart, 2006). Second, there have been objective, more structure-oriented, approaches that primarily stress repressive aspects of media structures (Sandoval, 2008). Many of these works are grounded either in Horkheimer's and Adorno's Frankfurt School critique or Louis Althusser's theory of ideological state apparatuses. The focus on ideology has been challenged by critical political economy scholars like Dallas Smythe or Nicholas Garnham, who stress the economic functions of the media, whereas others like Vilém Flusser, Noam Chomsky, Edward S. Herman or Herbert Schiller have continued to stress the role of media as producers and diffusion channels of ideologies. Third, there have been broader approaches that stress that media have different (interconnected) roles in capitalism. These approaches can be understood as trying to bridge some of the gaps between the other approaches, they focus on at least some of the following dimensions (and in some cases on the interconnections): media products as realms of capital accumulation; media as means of advertising and circulating products; media as ideological legitimatory systems; media as systems that reproduce human labour power, media production, products, circulation and reception as contradictory forces that

reflect domination and class struggles; alternative media. Such broader approaches include, for example, those of Oscar Gandy (1997), Robert McChesney (1998, 2000), Horst Holzer (1994), Graham Murdock and Peter Golding (1997, 2005), Douglas Kellner (1997, 2002), Manfred Knoche (2002) and Herbert Marcuse (1969, 1972) (see Sandoval, 2008). Broader critical approaches can be considered as superior to narrow ones because they allow the explanation of aspects of reality that are ignored by the latter. However, although there are differences between certain strands of Marxist media and cultural theory, they are united by the focus on critique, i.e. the negation of capitalism and domination.

My own approach addresses media like the Internet not as primary objects of interest, but as a concretization of the analysis of the development dynamics of capitalist society, for which a social theory is needed (Fuchs, 2008). The focus on media, communication and technology needs to be embedded into the broader societal context; communication is 'embedded within the wider structures and processes of a given social formation' (Garnham, 2000: 4). Hence, first of all, critical social theories are needed that allow concretizations. I use the term 'Critical Internet Theory' in order to stress that a Marxian analysis of the Internet and society is needed. Critique is an element that bridges approaches like the Critique of the Political Economy of the Media and Frankfurt School Critique. The figures and writings that have most influenced my thinking have been Hegel, Marx's philosophical works and Herbert Marcuse.² Although my own approach stresses this line of thinking, Critical Internet Theory could be used as an umbrella term that covers a broader range of Marxian-inspired approaches in studying the Internet and society. Critical Internet Theory is not an autonomous theory. It is part of the larger canon of Marxist theories of society and communication, to which it is linked.

Towards a critical theory of informational capitalism and the Internet

In this section, first the notion of Critical Internet Theory is introduced, then the antagonism between the public and private character of information is discussed as an expression of the antagonism between forces and relations of production.

Critical social theory of the Internet

The study of the Internet and society in particular and ICTs and society in general has during the last years been labelled under categories like

Internet research, ICTs and society, social informatics, informatics and society, new media research, information society theory, information society research/studies, Internet studies, Web research, etc. My contention is that to study the relationship of Internet and society, not just any sort of Internet research is needed, but a Critical Internet Theory. Critical Internet Theory (see also Hofkirchner, 2007) is not a separate endeavour or an independent theory. It is a concretization of a Contemporary Critical Social Theory (see Fuchs, 2008) that is anchored in Marxian critique.

Applying critical social theory and critique of the political economy of capitalism to the Internet can be characterized along the three dimensions of critical theory that were identified in the first section.

- *Ontology – dynamic materialism*: The Internet does not exist in a vacuum – it is embedded in the antagonisms of capitalist society. It reflects societal problems in complex ways and social actions carried out with the help of the Internet have complex effects on the antagonistic structure of society. Online action shapes and is shaped by the antagonisms of contemporary society. In order to find out how the lives of humans are affected and transformed by the Internet, the Internet needs to be analytically related to the broader societal context.

Critical Internet research grounds the necessity of a cooperative and participatory societal totality and the contribution that the Internet can make in this context. A critical theory of Internet and society is negative insofar as it relates the Internet to social problems and what society has failed to become and to tendencies that question and contradict the dominant and dominative mode of operation and hence have the potential to become positive forces of social change for the better. It looks for ways of how the Internet can support practical forces that aim at transcending capitalism as a whole.

Based on the insight that the basic resources are highly unequally divided in contemporary society, to construct a critical theory of Internet and society means showing how the Internet is related to questions concerning ownership, private property, resource distribution, social struggles, power, resource control, exploitation and domination. In such an endeavour, a reactualized notion of class is of central importance (see Fuchs, 2008: Ch. 7.3).

- *Epistemology – dialectical realism*: A theory of Internet and society that is dialectical and realistic identifies antagonistic tendencies of the relationship of Internet and society and their opportunities

and risks in order to help people and social groups to position themselves and find practical guidelines for action in the complexity of the contemporary world.

- *Axiology – negating the negative*: A standpoint theory of Internet and society shows how the two competing forces of competition and cooperation result in class formation and produce potentials for the dissolution of exploitation and oppression. It is based on the judgement that cooperation is more desirable than competition, which is just another way of saying that structures of exploitation and oppression need to be questioned, criticized and sublated.

Based on the notion of Marxist critique (see Horkheimer, 1937; Marcuse, 1937), Critical Internet Theory can be conceived as identifying and analysing antagonisms in the relationship of Internet and society; it shows how the Internet is shaped and shapes the colliding forces of competition and cooperation; it is oriented towards showing how domination and exploitation are structured and structuring the Internet and on how class formation and potential class struggles are technologically mediated; it identifies Internet-supported, not yet realized potentials of societal development and radically questions structures that restrain human and societal potentials for cooperation, self-determination, participation, happiness and self-management.

Why is a Critical Internet *Theory* needed, and not just Critical Internet Research? If a theory is understood as a logically interconnected set of systematic hypotheses that describe worldly phenomena and the latter's foundation, structure, causes, effects and dynamics, and empiricism as the observation and collection of data for constructing systematic and reflected knowledge, then one arrives at two levels of science. There is no theory that is not grounded in empirical observations and no empirical research that does not make some theoretical assumptions. However, there can be a different stress of the two factors, and hence one can distinguish between theoretical research (primarily theoretically informed) and empirical research (primarily empirically informed). Why is social theory so important for Internet research? The emergence of the Internet has resulted in a plurality of concepts such as Internet economy, digital democracy, cyberculture, virtual community, cyberlove, eParticipation, eGovernment, eGovernance, online journalism, social software, Web 2.0 and so forth. There is no clear meaning of these terms; some of them remain very vague or contradictory. The task of Critical Internet Theory is to discuss how the fundamental concepts that characterize modern society and its negation can be applied to the relationship of Internet and society so that they function as critical categories.

My book *Internet and Society: Social Theory in the Information Age* (Fuchs, 2008) addresses these questions in more depth; it is a critical neo-Marxist theory of what I have termed transnational informational capitalism. New media as such do not have clear-cut effects; they are antagonistically structured and embedded into the antagonisms of capitalist society. The antagonism between cooperation and competition that shapes modern society, limits self-determination and participation, also shapes the technosocial Internet system. Under current societal conditions, which are characterized by the colonization of society by the instrumental logic of accumulation, risks and competitive forces dominate over realized opportunities, cooperation and participation on the Internet. The rest of this article discusses one specific realm of Critical Internet Theory in order to give an example of how such an analysis operates. It deals with the antagonistic relationship of gifts and commodities in the capitalist Internet economy. This antagonism is based on what Marx termed the antagonism between forces and relations of production.

The antagonism between productive forces and relations of production in informational capitalism: information as gift and commodity

Information-based productive forces The dialectical antagonistic character of social and technical networks as the motor of competition and cooperation in informational capitalism reflects Marx's idea that the productive forces of capitalism are at the same time means of exploitation and domination and produce potentials that go beyond actuality, point towards a radically transformed society and anticipate a fully cooperative design of the means of production. The productive forces of contemporary capitalism are organized around informational networks (Fuchs, 2008). It is due to three specific characteristics of such structures that they come in contradiction with the capitalist relations of production and are a germ form (*Keimform*) of a society that is based on fully cooperative and socialized means of production:

- Information as a strategic economic resource is globally produced and diffused by networks. It is a good that is hard to control in single places or by single owners.
- Information is intangible. It can easily be copied, which results in multiple ownerships and hence undermines individual private property.
- The essence of networks is that they strive for establishing connections. Networks are in essence a negation of individual ownership and the atomism of capitalism.

Informational networks both extend and undermine capital accumulation. Informational networks aggravate the capitalist contradiction between the collective production and the individual appropriation of goods:

The contradiction between the general social power into which capital develops, on the one hand, and the private power of the individual capitalists over these social conditions of production, on the other, becomes ever more irreconcilable, and yet contains the solution of the problem, because it implies at the same time the transformation of the conditions of production into general, common, social, conditions. (Marx, 1894: 274)

Networks are a material condition of a free association, but the cooperative networking of the relations of production is not an automatic result of networked productive forces; a true network society in the sense of an association of free and equal producers (Marx, 1869: 62) is something that people must struggle for and that they can achieve under the given conditions but that could very well also never emerge if the dominant regime is successful in continuing its reign. Networks are forms of development as well as fetters of capitalism; paraphrasing Marx one can say that informational capitalism is a point where the means of production have become 'incompatible with their capitalist integument' (Marx, 1867: 791).

The antagonistic economic character of network capitalism has two opposing sides, the cooperative one of the informational gift economy and the competitive one of the informational commodity economy.

Knowledge is in global network capitalism a strategic economic resource; property struggles in the information society take on the form of conflicts over the public or proprietary character of knowledge. Its production is inherently social, cooperative and historical. Knowledge is in many cases produced by individuals in a joint effort. New knowledge incorporates earlier forms of knowledge; it is coined by the whole history of knowledge. Hence, it is in essence a public good and it is difficult to argue that there is an individual authorship that grounds individual property rights and copyrights. Global economic networks and cyberspace today function as channels of production and diffusion of knowledge commodities; the accumulation of profit by selling knowledge is legally guaranteed by intellectual property rights.

In society, information can only be produced jointly in cooperative processes, not individually. Hence, Marx argued that knowledge 'depends partly on the cooperation of the living, and partly on the utilisation of the labours of those who have gone before' (Marx, 1894: 114). Whenever new information emerges, it incorporates the whole societal history of information: that is, information has a historical character. Hence, information

in essence is a public good, freely available to all. But in global informational capitalism, information has become an important productive force that favours new forms of capital accumulation. Information is today not treated as a public good, rather as a commodity. There is an antagonism between information as a public good and as a commodity.

If the grounding feature of information is that it is a social, historical, dynamic good, then its essence is its public character. According to Hegel, truth means the correspondence of essence and existence of a thing. So based on Hegel's logic of essence, one can argue that an information society, in which information is a commodity (informational capitalism) is a false information society because it restricts access and transforms information artificially into a private good. A true information society in contrast then is an information society in which knowledge is available to all for free and is coproduced in cooperation processes.

The antagonistic character of information That informational capitalism is dominated by corporate interests can be visualized by figures like the following: the total GDP of all 53 African states was US\$1,000,913 billion in 2007.³ The total assets of the top six knowledge corporations (AT&T, Vodafone, Verizon, Deutsche Telekom, Nippon, Telefonica)⁴ were US\$1,132,41 billion in 2007 and hence larger than the total African GDP. This shows the huge economic power of knowledge corporations. Knowledge that is produced, transmitted and communicated with the help of technologies influences human thinking and decisions. Hence, the existing agglomeration of economic capital by knowledge corporations gives them a tremendous power for influencing human thinking and decisions. They control definitions of reality and are able to create one-dimensional views of reality that neglect negation and critique of dominant views that represent dominant interests. Corporate power allows the control of worldviews, labour and quality standards, markets, political power, prices, technological standards and consumer behaviour. Proprietary models that aim at accumulating capital with the help of media like the Internet form the dominant reality of informational capitalism.

However, an alternative production model has been developed that to a certain extent challenges capitalism and sees economic goods not as property that should be individually possessed but as common goods to which all people should have access and from which all should benefit. This model stresses open knowledge, open access and cooperative production forms; it can, for example, be found in virtual communities like the open-source community that produces the Linux operating system, which is freely accessible and to which, due to the free access to the source code

of its software applications, people can easily contribute. The open access principle has resulted in global open-source production models where people cooperatively and voluntarily produce digital knowledge that undermines the proprietary character of knowledge (if knowledge is free and of good quality, why should one choose other knowledge that is expensive?) The open-source principle has also been applied to other areas, such as online encyclopaedias (Wikipedia) and online journalism (Indymedia).

Eric Raymond (1998) has characterized the free software community as challenging the 'cathedral-like' software development methods of corporations by cooperation and self-organization. Rishab Ayer Ghosh (1998) sees the open-source Internet economy as a 'digital cooking-pot' that takes in whatever is produced, clones its whole contents, and gives them to whoever wants it. Open-source principles are not automatically anti-capitalist. One can distinguish various approaches: first, a neoliberal position of representatives who want to subsume and commodify open access and open content (e.g. Tapscott and Williams, 2006). Second, a social democratic view aiming at a dual economy that besides informational commodities also guarantees the existence of information commons (e.g. Benkler, 2006; Lessig, 2006; Vaidhyanathan, 2004).⁵ Third, a critical position that views information as essentially common good and argues for a cooperative information society that transcends capitalism and the commodity form of information, and in which information is a commons (e.g. Atton, 2004; Barbrook, 1998, 1999, 2007; Söderberg, 2002).

Open-source software has been realized mainly within projects such as the Linux operating system. Special licences (termed *copy-left*) such as the GNU public licence have been developed for ensuring that free software has an open access to its source code. Free software hardly yields economic profit; it is freely available on the Internet and constitutes an alternative model of production that questions proprietary production models.

Digitization allows the easy copying of knowledge such as texts, music, images, software and videos. The Internet enables the fast and free global distribution of knowledge with the help of technologies such as peer-to-peer networks (Napster, Audiogalaxy, KaZaA, KaZaA Lite, LimeWire, Morpheus, Edonkey, WinMX, iMesh, Bearshare, Blubster, SoulSeek, BitTorrent, Overnet, Toadnode, Grokster, etc.). The informational content can be stored on different physical carriers; the possession of digital information by one person does not imply the non-possession of it by others. The Recording Industry Association of America (RIAA) has sued operators of such network applications, but whenever one operator has been forced to quit its services, others have emerged. This shows that information and informational networks like the Internet are hard

to control and are embedded in social struggles over the public or private character of information.

The two poles of a dialectic are not only separated and different, they are also entangled and meshed. In the case of gifts and commodities, this means that the gift form is subsumed under the commodity form and can even be used directly for achieving profit.

The gift commodity Internet economy: social networking platforms

There is a commodified Internet economy and a non-commodified Internet economy. Only those aspects of the Internet economy that are non-profit gifts, that just have use value and no exchange value and are hence provided without costs for the users and without selling advertisement space, can be considered as decommodified or non-commodified. Examples are file-sharing platforms, Wikipedia, Linux and Indymedia. Commodified Internet spaces are always profit oriented, but the goods they provide are not necessarily exchange values and market oriented; in some cases (such as Google, Yahoo, MySpace, YouTube, Netscape), free goods or platforms are provided as gifts in order to drive up the number of users so that high advertisement rates can be charged in order to achieve profit. In other cases, digital or non-digital goods are sold with the help of the Internet (e.g. Amazon), or exchange of goods is mediated and charged for (online marketplaces such as eBay or the Amazon Marketplace). In any of these cases, the primary orientation of such spaces is instrumental reason: that is, the material interest of achieving money profit, a surplus to the invested capital.

In the early phase of the World Wide Web, platforms that provided content were important business models. Many new stock companies in the areas of Internet content and Internet services had emerged up to the mid-1990s. By the years 2005 and 2006, accumulation strategies related to the Internet had shifted from a primary focus on information to a focus on communication and cooperation (Fuchs, 2008). Some scholars like to designate this transformation as the emergence of 'Internet 2.0' and 'Web 2.0', although the main purpose behind using these terms seem to be a marketing strategy for boosting investment. The most characteristic example of Web 2.0 are the social networking platforms like MySpace or Facebook, which allow the online maintenance and establishment of social relationships by an integrated use of technologies like email, websites, guest books, forums, digital videos, or digital images. So, for example, MySpace is a Web platform that allows users to generate personal profiles, on which they can upload pictures, text, videos, music, and keep their

personal blogs. It networks users with a friendship system (users can add others to their friend list and post comments to their friends' guest books), discussion forums, interest groups, chat rooms and a mail function. Such platforms have both a commodity form and ideological character.

The commodity form of social networking platforms

Commercial Web 2.0 applications are typically free to users; they generate profit by achieving as many users as possible by offering free services and selling advertisement space to third parties and additional services to users. The more users, the more profit, that is, the more services are offered for free, the more profit can be generated. Although the principle of the gift points towards a postcapitalist society, gifts are today subsumed under capitalism and used for generating profit in the Internet economy. The Internet gift economy has a double character: it supports and at the same time undermines informational capitalism. Applications such as file-sharing software question the logic of commodities, whereas platforms such as Google and MySpace are characteristic of the capitalist gift economy. Internet 2.0 is characterized by this antagonism between information commodities and information gifts.

The Internet gift commodity economy can be read as a specific form of what Dallas Smythe has termed the audience commodity (Smythe, 2006). He suggests that in the case of media advertisement models the audience is sold as a commodity. '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, 2006: 233, 238). Audiences would work, although unpaid; the consumption of the mass media would be work because it would result in a commodity, hence it would produce that commodity. Also the audience's work would include 'learning to buy goods and to spend their income accordingly', the demand for the consumption of goods and the reproduction of their own labour power (Smythe, 2006: 243ff.).

With the rise of user-generated content and free access social networking platforms like MySpace or Facebook and other free access platforms that yield profit by online advertisement, the Web seems to come close to the accumulation strategies employed by capital on traditional mass media like television or radio. The users who 'google' data, upload or watch videos on YouTube, upload or browse personal images on Flickr, or accumulate friends with whom they exchange content or communicate online on social networking platforms like MySpace or 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 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 television 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, I would in the case of the Internet argue that the audience commodity is a prosumer commodity or producer commodity. The category of the prosumer commodity/producer commodity does not signify a democratization of the media towards participatory systems, but the total commodification of human creativity. Much of the time spent online produces profit for large corporations like Google, NewsCorp (which owns MySpace) or Yahoo (which owns Flickr). Advertisements on the Internet are frequently personalized. This is possible by surveilling, storing and assessing user activities with the help of computers and databases. This is another difference to television and radio, which due to their centralized structure provide less individualized content and advertisements. But in the area of the traditional mass media also, one can observe a certain shift as, for instance, in the case of pay-per-view, televoting, talkshows and call-in TV and radio shows. In the case of the Internet, the commodification of audience participation is easier to achieve than on other mass media. The rise of the Internet prosumer commodity also shows that the visions of critical theorists like Benjamin, Brecht or Enzensberger of an emancipatory media structure has today been subsumed under capital. New media do carry a certain potential for advancing grassroots socialism, but this potential is antagonistically entangled in the dominant structures and it is unclear if the capitalist integument can be stripped away. Personalized advertisement on the Internet is an expression of the tendency towards what Deleuze has termed the 'society of control' as an aspect of contemporary marketing and capitalism, in the sense that individuals are activated to continuously participate in and integrate themselves into the structures of exploitation (see Fuchs 2008: 149ff.), during as well as outside work labour time.

The more users make use of advertisement-based free online platforms and the more time they spend online producing, consuming and exchanging content, communicating with others, the higher the value of the prosumer commodity they produce will become, the higher the advertisement prices will rise and the higher the profits of the specific Internet corporations will be. 'The price that corporations pay for advertising spots on particular programmes is determined by the size and social composition of the audience it attracts' (Murdock and Golding, 2005: 65).

In Web 2.0, social relationships are commodified. An alternative are non-commercial, non-profit open-source platforms that focus on social and political networking. Social networking poses possibilities for group formation and cooperation, but the dominant forms are shaped by individualized communication and corporate interests. However, the social potential that emerges from these sites could be channelled into collective political projects.

The ideological character of social networking platforms

Contemporary new media discourse frequently argues that Web 2.0 – the domination of the World Wide Web by applications that support community building, communication and user-generated content and that is characterized by technologies such as blogs, social networking platforms and wikis – means a democratization of society because information consumers could become prosumers and participate in knowledge production and discourse. So, for example, Tapscott and Williams (2006: 145) argue that Web 2.0 democratizes the media: ‘If mainstream outlets were to engage and cocreate with their audiences in a more profound way, surely this could only accentuate positive attributes such as balance, fairness, and accuracy, while making the media experience more dynamic.’ This renewed deterministic techno-optimism argues that the availability of more tools with which more people can now publish and communicate information in easier ways on the Internet implies a democratization of the media. But the degree of participation in the media not only concerns the availability of production and circulation technologies, but also how visible information is, how much attention it gains, how much difference it makes, how much control of actual decision processes is enabled and the degree to which the structures of ownership, power and discourse are shaped in participatory and cooperative ways.

If democracy is understood as the production of information by all that has no significant political effects and leaves dominant power structures untouched, then an ideological way of legitimating existing modes of domination is present. Everybody can then voice her or his opinion on the Web, but nobody will care about it because the real decisions are still taken by the elite groups. The information produced then constitutes an endless flood of data, but not significant political voices. Web 2.0 can be and is appropriated by politicians, parties, corporations and the representative political system to give voice to the people without listening and to give people a say in political decisions. Citizens can communicate political ideas, but in their everyday life they hardly have transformative institutionalized power. Web 2.0 can result in the illusionary impression that citizens today can make a difference,

whereas in reality they cannot influence policies and live in a world that is dominated by corporate interests and corporate control. Web 2.0 under such conditions is an ideology and an expression of repressive tolerance (Marcuse, 1969). The repressive tolerance of Web 2.0 is a contemporary expression of what Marcuse almost 40 years ago termed 'totalitarian democracy'.

Web 2.0 not only functions as repressive tolerance, but also as marketing ideology for advancing capital accumulation by selling audiences as commodities. Web 2.0 applications like social networking platforms keep individuals busy generating personal information that they display online in social networking profiles, blogs, etc. Most of these applications are built in such a way that each participant has his or her own space that he or she creates and maintains. Others are welcome as friends who are accumulated in friends lists and who comment in guest books or on blog entries, but inherently social platforms where users co-create are largely missing. Social networking platforms in their current form further advance individualization. (1) They are ideological expressions of individual creativity that create the illusion that individual expressions count in capitalism because they can be publicly displayed on the Internet (the problem is that this individualized information hardly influences political decisions and power structures). (2) They are based on instrumental reason because on platforms like MySpace networking becomes a performance-driven and competitive effort oriented around accumulating as many friends as possible (Fuchs, 2008). Another problematic aspect of social networking platforms is that they are huge collections of personal information that if accessed by corporations or state apparatuses give a new dimension to surveillance.

Social networking has an ideological character: its networking advances capitalist individualization, accumulation and legitimization. An alternative would be platforms that allow group profiles, joint profile creation, group blogging, and that are explicitly oriented towards collective political and social goals. I suggest that what are needed primarily today are fundamental transformations of the political and economic system towards participatory systems that are supported by new media. This today is not the case; what happens right now is the commodification and colonization of society and with it, of the media and Web 2.0 by dominant interests.

Social networking platforms are an example of the simultaneity of the ideological and commodity character of media. The ideology of individualization drives user demand, which allows the commodification of audiences that yields profit. The commodification of audiences allows the further extension and sophistication of social networking platforms, which in turn attracts more users and so further advances individualization. There is a dialectic of commodification and individualization.

Conclusion

The approach advanced in this article is one that argues for the need of a critical social theory that is applied to contemporary media like the Internet. The notion of critique has been understood as a Marxian form of critique and it has been argued that such an understanding is needed in order to address the societal problems of transnational information capitalism. Critical theory should have as one of its tasks today the analysis of the antagonisms of contemporary capitalism and how they are related to the Internet (and other media and technologies); it is dialectical, realistic, materialistic and a standpoint theory that opposes all forms of domination and exploitation and argues for the advancement of a cooperative society. It aims at showing how the relationship of Internet and society is shaped by and shapes societal antagonisms, and which suppressed development potentials of society have not yet been realized.

Notes

1. *Source:* Forbes online lists, forbes.com
2. My focus on Marcuse is based on the insight that he is the most dialectical critical theorist (see Fuchs, 2005a, 2005b) because he conceived media and culture simultaneously as ideological and as potentially liberating. Like Adorno, he stressed the critical role of art, but in contrast to Adorno, he also saw the possibility for a critique of capitalism by alternative media. Marcuse's analysis of Hegel is a reading that stresses a subject–object dialectic that transcends deterministic interpretations of Hegel and Marx. He was one of the first authors who (in his book 'Reason & Revolution') stressed the importance of the Hegelian logic of essence and the role of the Marxian philosophical writings for grounding a humanist Marxism. Such an approach seems to be especially important today in a situation where a post-Soviet Marxism is needed and Marxism is struggling to throw off its Stalinist dogmatization. One aspect of the media that Marcuse (just like Horkheimer and Adorno) did not see is their direct economic role in the form of media products that are sold as commodities. In this respect, Marcuse's theory needs to be enhanced by Critical Political Economy approaches.
3. *Source:* World Economic Outlook Online Database, April 2007 (accessed 25 June 2007).
4. Calculation based on capital assets, Forbes 2000, 2007 Listing of Largest Corporations, 29 March 2007).
5. The social democratic position can, for example, be found in the works of Siva Vaidhyanathan (2004). He argues that there is a conflict between anarchy and oligarchy that has been amplified by the rise of digital network technologies. Characteristics would be free access values and freedom on the one hand and property values and control on the other. As a solution, he suggests a middle-ground,

a civic republicanism that transcends 'thick communicationism' and 'individualistic liberalism' (Vaidhyathan, 2004: 191) and that offers easy and cheap access to culture via public institutions as well as incentives for cultural production.

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