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# The Exploitative Web: Misuses of Marx in Critical Social Media Studies

# **JAMES REVELEY\***

ABSTRACT: Scholars who argue that social media users are exploited in the classical Marxian sense are making a fundamental category error. A case in point is work by Christian Fuchs and Paul Rey, two leading proponents who press Marxian categories into service to depict social media as inherently exploitative. Hastily applying "exploitation" to social media usage, their catachrestical mistake has negative implications for value theory and for emancipatory politics. Following a neglected lead in Dallas Smythe's writings, Marxist analysis should instead begin with social media's capacity to influence the value of labor-power. When assessed from this starting point it is evident that any increase in exploitation, due to wage-earners' private use of social media, occurs only indirectly as a second-order effect. Moreover, social media's organization-enhancing potential can help labor shift the balance of class forces back in its favor, thereby limiting rises in the rate of exploitation.

### Introduction

PARKED BY INTERNET BEHEMOTHS like Google making super-profits, some scholars have invoked Marx to argue that social media users are exploited (Kostakis, 2009; Fuchs, 2010; Rey, 2012; Fisher, 2012). Despite its subsequent stumble, Facebook's IPO put this issue back in the spotlight. Others say exploitation is too strong a word, but argue from more of a moralizing than a Marxist perspective (Andrejevic, 2009; Hesmondhalgh, 2010). Indeed, uncertainty about whether Net surfing is inherently exploitative was present

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in the critical digital communications literature from the outset. Much of the source of the confusion is a provocative essay in which Terranova (2000) used the phrase "free labor" — by which she means unpaid labor — to describe Net usage outside of wage-earners' regular working times. Her early reference to "immaterial labor," together with cognate work by Dyer-Witheford (1999), released the floodgates for the autonomist social factory notion's wholesale application to Web 2.0 activities (Coté and Pybus, 2007; Cohen, 2008; Andrejevic, 2012). This contentious metaphor's corollary is that citizen-laborers are exploited not only in the firm-based labor process but throughout society, so there is an expansive *social* rate of exploitation (Hardt and Negri, 2009, 288). Yet Terranova herself clearly was uneasy with such a scattergun application of the exploitation concept, conditionally remarking that "free labor... is not necessarily exploited labor" (Terranova, 2000, 48, emphasis added). My paper's purpose is to remove the equivocation from her statement, specifically with reference to the most widely used Web 2.0-based social media: YouTube, MySpace, Facebook, Google+, Second Life, and Flickr.

I use "social media" as a cluster concept for voluntary and unpaid user activities outside of the wage-relation and where no money changes hands between the user and the firm that owns the platform. So I leave to one side, for example, the mock currency in Second Life, Facebook paving contracted workers to screen its content for obscenity, Flickr selling copies of photos, and so on. My argument is easily summarized: users of social media platforms are not exploited in the specifically Marxian sense. Indeed, arguing oppositely — that social media users are exploited — has negative implications not just for value theory's coherence but for emancipatory politics. Despite using Marx as their reference point, the authors whose work I critique — Christian Fuchs and Paul Rey — too cavalierly wield the term exploitation. Fuchs fails to delve deeply enough into Marx's value-theoretic framework to see if exploitation really fits the social media bill. Rey compounds the problem by uncritically accepting the autonomists' assertion that the quantitative law of value is invalidated by production's extension to the so-called social factory. The autonomist bandwagon is one to jump off rather than onto, as the latter contention about value theory has been cogently rebutted (Henninger, 2007; Starosta, 2012).

Following in Marx's footsteps, I maintain that exploitation is unique to labor supplied under specifically capitalist conditions of

production within the wage-relation. Exploitation under capitalism arises because wage-earners do not own the means of production and thus are *compelled* to work for capitalist firms whose goal — capital accumulation — is fulfilled by siphoning off surplus value. By contrast, no one is compelled by capitalist social relations to use social media. Still, it is nonetheless important to situate social media usage within the wider capitalist circuit. Taking a leaf from Smythe's (1977) book I do just that, by moving beyond his old media focus to look at new (social) media's effect on the value of labor-power. Although Smythe took one step too far when he described audience members as a commodity, his neglected lead about the media's interplay with the value of labor-power is worth following. My argument proceeds as follows. First, I identify the advertising-based information commodity that is the prime source of super-profits for companies that host social media platforms — most notably Google (YouTube's owner). Second, I review and critique the arguments propounded by Fuchs and Rev. Third, I explore social media's potential to alter the value of labor-power. The paper ends with a brief conclusion.

## Digital Footprints and the Information Commodity

Like the Internet in general (Fenton, 2012), social media potentially empower people to engage in a range of socially desirable and progressive activities. These range from practically assisting with disaster recovery (White, et al., 2009), through to articulating social movement demands and promoting political organizing (Faris, 2008; Langlois, et al., 2009). Facebook was an important rallying forum for activists during the 2011 Egyptian uprising (Ghonim, 2012). Regarding Facebook specifically, Proulx et al. (2011, 19, original emphasis) say there are "moments of collective awareness brought to the fore by the collective intelligence of Internet users who reach their full potential through cultural or political acts." Yet while users thus "are active participants" in Web 2.0-based social media, Proulx, et al. also talk of them constituting an "invisible labor force" undergirding these platforms (ibid., 9). This is the typical point at which things start to go astray analytically. Contrasting conscious and participatory involvement in social media with their in-built, attention-directing and even addictive psychological properties is one thing (Blascovich and Bailenson, 2011). But invoking the category of labor (as a class bloc) to conjure

the image of a hidden digital citizen workforce is quite another. As I demonstrate later, it is but a short step from there to asserting that users are the primary creators of the social media industry's prime information commodity, or even that users themselves *are* the commodity; and that they are therefore exploited. They do not, and they are not (cf. Fuchs, 2012).

To assist with debunking claims about Web-based exploitation, it is helpful to distinguish between the "role of users as both content providers and data providers" (van Dijck, 2009, 47, original emphasis). Uploading content to social media sites certainly is an agency-oriented participatory activity, but it is limited in scale. Insightfully, van Dijck (2009, 44) maintains — correctly in my view — that it is wrong "to presume that the availability of digitally networked technologies turns everyone into active participants." Based on OECD data, she argues that "participation is . . . a relative term when over 80 percent of all users are in fact passive recipients of content" (*ibid.*). Participation aside, whenever people use the Web they leave big and muddy "digital footprints" (Blascovich and Bailenson, 2011, 5). More specifically,

all users of UGC [user-generated content] sites unwittingly provide information because IP addresses — the majority of which can be connected to a user's name and address — can be mined and used without limit by platform owners . . . for various purposes, from targeted advertising to interface optimization. (van Dijck, 2009, 47.)

The implication is as follows: voluntary, creative and playful provision of user-generated *content* (UGC) is distinct from passively and unwittingly surrendered, surreptitiously corporately captured, reworked and disseminated user-generated *data* (UGD).

Derived from Internet users' digital footprints, UGD forms the basis for the prime information commodity whose sale underpins Google's super-profits and Facebook's staggering IPO. Sophisticated data analytics are used to capture and transform information about users (metadata) into a sellable commodity. This is the much-vaunted field of internet marketing. Its lifeblood is the sale and purchase of users' "online identity markers, movements, and actions, for the purposes of sentiment analysis" (Chia, 2012, 5). Users' consumer goods preferences are mined in order to construct a Web user profile, in order to personalize advertising. In this sense, the information

commodity functions "as a capital or producer's good" (Schiller, 1997, 112); it is used to produce advertising materials tailored to individual users' subjective wants, tastes and needs. The premier corporate practitioner of this dark art is Google. Debunking the notion that Google's customers are its users, Vaidhyanathan describes this firm's business model in a way that clearly distinguishes the advertising-based information commodity's seller (Google) and buyers (advertisers):

Google's real customers are the advertisers who pay Google to compete in an auction to rise to the top of a list of "sponsored results" that frame the "organic results" of each search. Content creators have passively allowed Google access to their sites for the privilege of being indexed, linked, and ranked. The data on who cares about which of these sites is accumulated, and access to those potential customers is sold to advertisers at a profit. (Vaidhyanathan, 2011, 26.)

Though its interface and architecture are different from Google's, Facebook too derives the lion's share of its revenues from advertising, precisely by connecting up "a user's expressed interest in subjects to potential vendors of goods and services that reflect those tastes" (*ibid.*, 16).<sup>1</sup>

From the social media user's standpoint, however, the commodification of their personal information is arcane. This opacity makes it tempting to draw parallels with the surplus value creation and transfer process Marx describes in *Capital*. Yet while the production of UGD occurs behind the backs of users, it is not "behind the backs of the producers" in the manner of new value being created in the labor process (Marx, 1982, 135). There is a simple reason: Internet users are not the UGD-based information commodity's primary producers. This is not just because, in their role as users, they sit outside the wage-relation — but rather because they are not involved in any kind of market relation (beyond paying an Internet Service Provider, that is). Citing the case of paperback writers, Schiller (1997, 111) argues that commodities can be produced for sale on the market based on the initial productive activity of producers other than wage-earners,

1 The information commodity also differs slightly in Facebook's case. At the time of this writing, "advertisers do not have direct access to the [user generated] data but rather they give Facebook a wish list of who they want to target, based on basic information such as age, gender and interests, and then Facebook places the ads on their behalf" (Lee, 2012, 6).

who create items (such as novels) which are then commodified by an industry organized along capitalist lines. The point of contrast with novel-writing, however, is that the UGD-based information commodity is not produced or sold on a market by social media users themselves, even though it may subsequently return to confront them in the form of personally targeted advertisements. While of course some social media sites facilitate selling personal items, social media users do not ordinarily sell anything —let alone UGD — simply for access to these Web-based platforms. Rather UGD becomes commodified because internet companies hive off that data and then sell it to other capitalist firms for advertising purposes. I turn now to examine claims that this process is tantamount to, or based upon, the exploitation of users.

# Critique of Fuchs

Fuchs leads the charge to characterize social media use as exploitative in explicitly Marxian terms. Repeatedly and at considerable length he asserts that Web users in general and social media users in particular are not merely exploited; the rate of exploitation to which they are exposed is potentially *infinite* (Fuchs, 2010; 2011a; 2011b; 2012). He argues that "the victims of exploitation of surplus value in cases like Google, YouTube, MySpace, or Facebook are not merely those employed by these corporations... but also the users" themselves; moreover they "work completely for free and are therefore infinitely exploited" (Fuchs, 2010, 191). Here Fuchs simply accepts at face value, and takes to its logical conclusion, Hardt and Negri's (2000) controversial claim that production and exploitation have moved from the workplace to society at large. What this implies is that value is *created* rather than merely *realized* in the sphere of circulation. This is something he readily accepts (Fuchs, 2011a, 279–84). Yet he also tries to keep intact the key Marxian value ratios, including the rate of exploitation, and to retain some semblance of Marx's law of value (Fuchs, 2009). It is a tall order; the inevitable result is that Fuchs' argument breaks down logically.

For Fuchs, productive activity of the surplus-value—generating kind is supposedly carried out by citizen—laborers who are not paid wages for the spare time they spend on the Web. Importantly, he is referring to social media usage outside of the employment relationship, and conducted in the user's leisure time. From there it is but a short

step for him to say that because wages paid are zero, and using wages as a surrogate for variable capital in the classical Marxian ratio (surplus value/variable capital), social media users' rate of exploitation is boundless (Fuchs, 2010, 191). Fuchs appeals to lawyer-like logic in an effort to clinch this argument. He reasons as follows: internet users produce and upload internet content. They are therefore "productive" and, after Bruns (2008), he terms them "produsers." What follows, Fuchs says, is this: "If the users become productive then in terms of Marxian class theory this means that they become productive laborers who produce surplus value and are exploited by capital" (Fuchs, 2011a, 287). The mechanism for this is Smythe's own: "users are sold as a commodity to advertisers" (*ibid.*). Fuchs attempts a quasi-logical proof, which I will cite at length so as then to unpick it.

If the production of content and the time spent online were carried out by paid employees, the variable costs would rise and profits would therefore decrease. This shows that produsage in a capitalist society can be interpreted as the outsourcing of productive labour to users who work completely for free and help maximize the rate of exploitation . . . so that profits can be raised and new media capital may be accumulated. . . . Production and accumulation will break down if this labour is withdrawn. . . . If they [users] would stop using platforms such as YouTube, MySpace and Facebook: the number of users would drop, advertisers would stop investing in online advertising . . . the profits of the new media corporations would drop, and they would go bankrupt. (Fuchs, 2011a, 287–8.)

These firms may well go bankrupt if users stopped using social media, but this counterfactual reasoning does not *prove* that social media users are *exploited*. In the above statement Fuchs is guilty of the fallacy of affirming the consequent (if *p* then *q*; *q* therefore *p*). It does not follow, simply because users "produce" on-line content and thus are describable by the "produser" neologism, that they are therefore productive in the *specifically Marxian sense*. Nor does it follow that, simply because social media-owning companies realize profits, these profits must necessarily stem from surplus value created by unpaid social media users, or even from the new media industry's own paid employees.

Fuchs' argument is fallacious because there is a different reason for the outcome (super-profits), and the outcome itself does not prove that the initial conditions (unbridled exploitation of social media users) are true. Fuchs wrongly assumes that all profits realized within an industry derive from surplus value produced there. Apparently he believes that the sheer labor intensity of social media usage — based on his image of a multitude of unpaid citizen–laborers — automatically results in a higher profit rate due to realizing the surplus value these laborers supposedly create. By this logic, low-cost labor-intensive firms would *ceteris paribus* always achieve a higher rate of profit than capital-intensive ones. Marx (1981, 252) was clear that such an interindustry "variation in the average rate of profit . . . could not exist without abolishing the entire system of capitalist production."

One source of Fuchs' error, undoubtedly due to his unfamiliarity with *Capital*, Volume III, is his trenchant insistence on a point-for-point matchup between value and price:

The more value a good has, the longer its production takes. At the level of prices, this can be observed by the fact that labour-intensive goods are frequently more expensive than goods with low labour intensity. (Fuchs, 2011a, 137.)

Clearly this conflicts with all economic experience of how markets function to allocate capital, and with Marx's own analysis (Marx, 1981, ch. 9). Marx understood markets; hence his pathbreaking discovery that the rate of profit equalizes by commodities selling at market prices influenced by prices of production rather than their value (the socially necessary labor-time embodied within them). This is the equilibrating mechanism by which surplus value is distributed among firms of differing organic compositions (Marx, 1981, ch. 10). Even if were true that social media firms are exceedingly labor intensive and simultaneously low-cost (based on users' putative unpaid "labor"), that somehow — as Fuchs implies — they are more low-tech than high-tech, the average rate of profit is a function of total capital advanced (c + v) relative to surplus value, not the advanced capital's organic composition (c/v). This is not to deny the long-run tendency of the rate of profit to decline, due to increasing investment in fixed constant capital.<sup>2</sup> Rather my point is that sheer labor intensity does not, in value-theoretic terms, guarantee or explain excess profits — as Fuchs evidently thinks it does.

<sup>2</sup> Dividing by v, the profit rate, s/(c+v), becomes (s/v)/[(c/v)+1]. This algebraic expression demonstrates that if s/v remains constant and c/v increases, the rate of profit will decline.

Through the price of production mechanism surplus value created in one industry can be realized as profit in another, so there is no guarantee. Likewise excess profits can stem from time, energy and knowledge that accrue to capitalist firms as "society's gift" emanating from outside the wage-relation's confines (Carchedi, 2011, 233). This gift is not explicable as surplus value.

For argument's sake, let us nonetheless assume that new media firms have monopoly power sufficient to deter competitors, as Vaidhyanathan (2011) suggests of Google, and thus to impede profit-rate equalization. In this circumstance, however, even if Fuchs is correct that social media users' unpaid time on-line is the key to new media firms' excess profits, this profit is not necessarily founded on users creating surplus value in their leisure time. This follows neither from Marxist economic theory, nor logically from the premises of Fuchs' own argument. Marxists distinguish between "profit on alienation" and "profit on surplus value" (Shaikh and Tonak, 1994, 36). The former can "increase aggregate profit (but not aggregate value), to the extent that it is able to effect a transfer into the circuit of capital from a noncapital circuit" (ibid., 216). Fuchs (2011a, 282) clearly believes that Western capitalism contains "inner colonies" of "unpaid labor" as "a form of ongoing primitive accumulation." Consequently, for consistency, he should regard the resulting new media corporation profits as profit on alienation from a non-capitalistically organized sphere (an inner colony of social media users characterized by primitive accumulation), rather than as profit on surplus value. Social media users are not then construable as exploited in the specific sense of wage-laborers creating new (surplus) value, over and above the value of their labor-power, within the wage-relation.

Fuchs' value-theoretic missteps are in line with his failure to situate properly the media, both old and new, within the capitalist circuit (Fuchs, 2011a, 137–52). Crucially, he regards the media as having absolutely no effect whatsoever on the value of labor-power; this is graphically shown by his tabular depiction of the media's role within the capitalist circuit (*ibid.*, 156). Here Fuchs misses the one valuable insight in Smythe's work, namely his attempt to tease out advertising's effects on the value of labor-power (Smythe, 1977, 3–14). Instead, Fuchs latches onto Smythe's weaker — albeit more widely known — proposition that "the audience is sold as a commodity to advertisers" (Fuchs, 2012, 55). He cashes it out thus:

Based on Smythe's notion of the audience commodity, one can argue that on the commercial, profit-oriented web 2.0 (for example on Facebook), capital accumulation is based on the exploitation of user labour. (Fuchs, 2011a, 159.)

In short, Fuchs takes the wrong idea from Smythe. I do not accept Smythe was correct to say that the audience itself is commodified. As Artz (2008, 69) points out, given there is no wage-relation. Smythe's audience commodity argument results in the patently absurd proposition that "workers . . . sell the labor [power] expended in transforming themselves from citizen-viewers into consumer-audience . . . [and] that TV is a form of 'wage' provided to audiences that produce themselves as commodities." It makes no more sense theoretically or practically to argue, as Fuchs does, that social media users are a labor-based commodity. In practice, as I pointed out above, it is user data (UGD) and not users themselves, which is the most valuable informational commodity social media firms sell to advertisers. Theoretically, to say that social media users are commodified implies that, as they get no monetary wage for their time on-line, free access to social media platforms is in fact a form of compensation firms like Google give them for transforming themselves into "produsers" and advertising recipients. Taken to the extreme, one could conclude that Internet users even exploit themselves — as the author John Lanchester (2012) avers in a recent London Review of Books op-ed piece. Alternatively, the result is Rey's more conditional argument that social media's inherent usefulness to users defrays their exploitation. I take issue with this whole idea in the next section.

#### Critique of Rey and Comparison With Fuchs

Rey (2012) styles his paper as a rebuttal to Fuchs' voluminous claims about infinite social media user exploitation. He accepts, however, the latter's explanation of how social media users are exploited in the first place, including the building blocks derived from the work of Hardt and Negri as well as Smythe. Accordingly, much of my critique of Fuchs also applies to Rey. Here I will concentrate just on the novel twist Rey gives user exploitation. *Contra* Fuchs, Rey says, social media users are not limitlessly exploited "because users are compensated for their labor in a manner other than wages" (Rey, 2012, 402). In fact this is the audience commodity concept's inevitable consequence,

which Fuchs and for that matter Smythe himself failed to recognize. What is the nature of this compensation? Rey's answer (*ibid.*, 414) is "compensation in the form of use value." So, as is implied by the idea of the audience commodity, we are led to believe Internet firms are benevolent entities that do actually compensate users. This compensation takes the form of "the use value that social media provides the user" (*ibid.*, 415, emphasis omitted). Rey pushes this peculiar notion to an extreme; in so doing he renders the rate of exploitation not merely indeterminate — it becomes totally *indeterminable*, as it is no longer *quantifiable*.

According to Rey social media fulfils people's social needs and goals. Whether or not these are capitalistically contrived is immaterial. His point is that facilitating user goal fulfilment, in turn, offsets or counterbalances the expropriation of personal UGD by Internet firms. Labeling social media users "prosumers," in the now standard bourgeois sociological parlance, he advances the following theorem:

The rate of exploitation on social media is inversely related to the utility of the content to the prosumer. The more useful content is to the prosumer, the less exploitative prosumption is. (Rey, 2012, 415.)

Because social media content is useful, he concludes, "the rate of exploitation winds up being relatively minimal" (ibid.). He is able to draw this conclusion because he rewrites the rate of exploitation as: "surplus value/use value" (ibid., 414). Use value in turn is a result of how social media are "assisting us to accomplish very real goals" (ibid., 412). With regard to a social media site such as Facebook, this use value derives from "the user's ability to enjoy the use value of that site" (ibid. 413). The reason then that "social media users are not economically deterred" from Facebooking is because social media platforms are "so useful that the rate of exploitation winds up being relatively minimal" (*ibid.*, 415). In other words, users are compensated by their use of social media for their own personal life-projects — whether finding friends or sexual partners, getting a better job, fashion-following, garnering gossip, or whatever. And this, of course, implies that exploitation automatically rises into our practical consciousness, that we are aware of it. This is a lynchpin in Rey's argument, because how else could he contemplate that users might be "economically deterred" from Facebooking and so forth, were they not to find it so darned

useful. Yet the whole point of Marx's analysis of exploitation is that its essence is obscured by the form capitalist social relations assume; that the exchange of labor-power for wages seems natural and inevitable, a fair and just *quid pro quo*. This mystification is the very rationale for the social scientific study of capitalism, and Rey upends it.

All of this has serious implications for Marxist analysis. Marx argued that commodities have both use-value and exchange-value. that the former is a qualitative dimension, the latter quantitative. A few quotes will suffice to show that value is established quantitatively quite apart from the commodity's utility: "While . . . with reference to use-value, the labor contained in a commodity counts only qualitatively, with reference to value it counts only quantitatively" (Marx, 1982, 136). The rates at which commodities exchange is determined in "abstraction from their use-values" (*ibid.*, 127). Exchange value is the singular "form of appearance" of value (Marx's "third thing"). created by labor alone and measured by labor-time (*ibid.*, 127), and so on. This is why exploitation can be empirically quantified as the ratio of surplus value to variable capital — the latter being the value of the commodity labor-power sold by productive workers on the labor market. Rev does not just ignore social media's effect on the value of labor-power, in the same way Fuchs himself ignores it; Rey completely erases labor-power from the equation altogether. To recapitulate: he transforms the rate of exploitation (s/v) into s/use value (s/u). Because there is no variable capital (wage-earners with the capacity to create value greater than the value of their own labor-power), new value has no originary source. Thus the law of value no longer operates and value seemingly is conjured out of thin air.

Utility is a subjective matter. The implication of Rey's s/u formulation is clear: how people *feel* about the usefulness of social media itself influences whether or not they are exploited by social media-owning firms. Or, what amounts to the same thing, that we can simply "think away" exploitation. Rey ignores the most basic Marxist axiom: value accreted in commodities is not created from use value; it is the result of labor and takes the form of exchange value measured in labortime (Marx, 1982, 136). Consciously or unconsciously, Rey subscribes to the "dubious abstraction of individual psychological satisfaction from the historical and cultural determinants of the properties of goods in relation to social consumption processes" (Laibman, 1992, 8). By substituting utility into the rate of exploitation in place of the

denominator variable capital, and writing the rate as s/u, he turns it into a purely subjective heuristic. The rate then becomes akin to the medical practitioner's ten-point scale of pain; instead of asking "how much pain do you feel?", one would ask "how exploited do you feel?" By admixing subjective (qualitative) and objective (quantitative) factors, Rey transmutes the rate of exploitation into a reified experiential reflex. Given its incongruity Rey's rewritten rate of exploitation (s/u) is like the "yellow logarithm" about which Marx (1981, 957) jested: it is as vulgarly and irrationally bourgeois as the "price of labor."

Given that Rey responds to Fuchs, I will now round out this section by comparing their arguments and teasing out their respective political implications. Fuchs seeks to retain some semblance of the law of value but concludes that the rate of exploitation tends to infinity. In fact, this is the inevitable consequence of trying to reconcile the autonomist productive citizen–laborer notion with value created by labor and measured by labor-time. Rey on the other hand imposes conceptual limits on user exploitation but reduces value theory to rubble. As well as the incoherence problem each creates for Marxist economic theory, these arguments have unfortunate consequences for emancipatory politics.

Developed and underdeveloped capitalist societies are separated by a widening "digital divide" (James, 2011). Fuchs' assertion that social media users suffer unbridled exploitation necessarily results in overestimating the rate of exploitation in the developed world relative to the underdeveloped world. Carchedi's remarks on the "information-society thesis" are eminently applicable to Fuchs: his position "reduces both the value produced by the dominated countries and inflates the value produced by the dominant ones. It is thus a rationalization of capitalism and imperialism" (Carchedi, 2011, 189, original emphasis). In the sweatshops exploitation has an undeniable "physicality" (Bates, 2009), and thus finitude. Oppositional political activities should prioritize the most exploitative sites of labor; so saying that social media users are infinitely exploited makes developed societies the locations where resistance to capitalism is most urgently needed. If anything, globalization has heightened imperialism, so this results in a retrogressive, core country–centric style of radical politics. It is as distastefully imperialistic as the world system itself.

Conversely, extending beyond social media Rey's point about usefulness defraying exploitation would result in grossly *underestimating*  the rate of exploitation in all developed capitalist societies that provide things, beyond the necessities of life, which people find useful. Clearly he believes his argument has this wider applicability, because he says his s/u formalization "helps us to understand the basic operating logic of exploitation in the digital age" (Rey, 2012, 415). Instead, Rey does exactly the opposite; he re-mystifies exploitation and thereby perpetuates it.

By following on Hardt and Negri's coattails, Fuchs and Rey mix up the background "social conditions for production" of surplus value with the creation of surplus value itself within the organizationally housed production process (Carchedi, 2011, 234, original emphasis). Moreover, just like Hardt and Negri, they conflate "exploitation in the Marxian sense with different forms of domination in different spheres of society" (ibid.). There are plenty of supplementary terms in the Marxist lexicon scholars can draw upon without saying social media users are exploited. Carchedi for one (*ibid.*, 222) argues that people can be "economically oppressed" without being exploited — in the sense of creating surplus value. Similarly, with regard to the underclass Wright (1994, 46) talks of "non-exploitative economic oppression." I am not suggesting that social media users constitute a virtual underclass; merely that terminology is available for conceptualizing social media in a Marxist manner that avoids catachresis, specifically with regard to how the word "exploitation" is used.

Even if some scholars insist on understanding social media users' on-line activities as a form of labor, perhaps as "social labor" conducted outside the "capital/wage labor relation," it is more value-theoretically appropriate to see these activities as "free gifts" users unwittingly cede to capitalist firms (Smith, 2010, 209), rather than as surplus value. Many things operate to hold a capitalist society together, from reproductive work, to forms of social control, the state and mechanisms that legitimate the ruling class. Not all of them directly create surplus value, even though they form the backdrop social conditions under which surplus value is extracted and distributed in order to sustain capital accumulation (Laibman, 2007, 81-2). To retain Marx's key insights about the very specific, unique value transfer that occurs within the wage-relation, the term exploitation should be reserved for labor supplied under specifically capitalist relations of production — namely, the sale of labor-power, the wage labor/capital nexus, and the anchoring of value creation within the capitalist labor process. This is all the more important given the negative political ramifications of theorizing social media use as involving a transfer of new (surplus) value.

Smythe Redux: Social Media's Effects on the Value of Labor-Power

Fuchs and Rey have sent the Marxist analysis of social media off course. I will now try to get it back on track by mining Smythe's insight about the media's effects on the value of labor-power. Smythe's Marxist analysis of advertising intuitively appeals to contemporary Marx-sympathetic social media theorists given that, as Fuchs (2012, 52) himself notes, social media firms rely heavily on advertising for their revenue. But because the whole idea of the audience commodity is inherently problematic, it is wrong merely to ape Smythe — as Fuchs and Rev do — by transposing his audience commodification construct to the digital arena and saying that social media users are themselves literally an exploited commodity. Instead, I offer a more nuanced account of how social media enter into the capitalist circuit. Due to space limitations this is a preliminary statement. I take my lead from the one key point that remains standing in Smythe's work once his audience commodity notion is demolished. It is that advertising fulfils two functions within the capitalist circuit: 1) underpropping worker demand for consumer goods, and 2) influencing the composition of workers' consumer goods basket. Each of these, he suggests, influences the value of labor-power (Smythe, 1977).

Smythe argues as follows. First he says that the audience commodity, namely the audience member's time which supposedly "is bought and used in the marketing of the advertiser's product," has just one purpose: "to create the demand for advertised goods which is the purpose of monopoly capitalist advertisers" (Smythe, 1977, 6). But at the same time he helpfully notes that "while doing this audience members are simultaneously reproducing their own labor power" (*ibid.*). This latter insight is derailed when he identifies the *audience itself* as a commodity and categorizes it as a "producer's good used in the production of consumer goods"; this inevitably leads to his idea of "surplus value created by people working in audiences" (Smythe, 1977, 19). The upshot is that the audience is exploited, and this is fuel to Fuchs's and Rey's social media analytic fire.

From the standpoint of Marxian value theory Smythe's audience exploitation notion is wrong; wage-earners' purchases of consumer

goods realize surplus value but do not create it. Smythe was initially on the right path, however, when he addressed advertising's demand management function and its influence on the value of labor-power. He simply took a wrong turn when he said audience members are exploited within the circulation process. I will now show that, though advertising can influence the value of labor-power, any potential it has to raise the rate of exploitation is at most an indirect one many times mediated by the class struggle. That is, it is a *second-order* or *subsidiary effect* stemming from perpetuating an exploitative (capitalist) system, rather than advertising constituting a form of labor exploitation in its own right. This means wage-earners are exploited neither in their role as audience members nor as social media users through targeted advertising; just as they are not exploited as consumers when they do their grocery shopping.

Influenced by Baran and Sweezy's (1968, ch. 5) classic account of advertising's surplus absorption role, Smythe wrote in the Marxist tradition of underconsumptionist crisis theory. Or at least he tried to, before he somehow concluded this tradition could accommodate his view that "expenses of circulation" such as advertising, far from being "unproductive of surplus" as Baran and Sweezy contend, contribute directly to surplus value creation rather than merely to its realization (Smythe, 1977, 14, 15–20). Underconsumptionism has long had its detractors (Weeks, 1977), but this need not detain us here. I simply want to show that underconsumptionist theory, on any reasonable reading of contemporary Marxist advocates such as Desai (2010) and Harvey (2010), does not support Smythe's proposition that advertising generates surplus value created by workers qua audience members. By extension, there is no reason to think that social media users buffeted by on-line advertising are being exploited. Any increase in the rate of exploitation is purely a *by-product* of attempts to avert capitalist crisis by underpropping working-class-based demand for consumer goods. This working-class consumption demand management is a process in which advertising — whether through old or new media — does indeed play its part; but advertising has no role in direct exploitation of wage-earners themselves, which occurs only at the level Laibman (2007, 106) helpfully brackets off from the realm of consumption as "the workplace site."

Consider first a boom period, as in the post-World War II "golden age of capitalism" (Marglin and Schor, 1991). The balance of class

forces favors labor, real wages rise, and consumer goods demand emanating from the working class increases. Certainly, advertising can influence the value of labor-power's "historical and moral element" (Marx, 1982, 275). Smythe (1977, 9) is right to say that advertising has a "material" effect in these circumstances "by guiding the making of the shopping list." When labor holds the upper hand, advertising can influence not just the composition of the basket of wage goods (buying x product instead of y product), but also the quantum of the moral–historical element, increasing the value of labor-power itself by boosting working-class–members' living standard expectations. Indeed, leaving aside Department II productivity increases that cheapen wage goods, if advertising plays a role in raising the value of labor-power, and if real wages are increasing, then advertising can actively forestall increases in the rate of exploitation by inhibiting the production of relative surplus value.

What happens in a period of capitalist downturn — that is, when real wages are either constant or falling, and problems of insufficient aggregate demand arise? This is a classic capitalist crisis tendency: what is good for the production of surplus value (lower wages) poses problems for the realization of surplus value (due to insufficient demand). This scenario coincides roughly with the period when Smythe was writing, as repression of wages began to bite in the United States (Harvey, 2010, 12). When this occurs, advertising can function to increase working-class demand and thus to stave off an underconsumption crisis (Harvey, 2010, 106–7). But it is at the expense of increasing working-class debt. As Harvey explains:

Moves made to alleviate a crisis of labor power and to curb the political power of organized labor in the 1970s diminished the effective demand for product, which created difficulties for realisation of the surplus in the market in the 1990s. Moves to alleviate this last problem by extensions of the credit system among the working classes ultimately led to working-class over-indebtedness relative to income. (*Ibid.*, 117.)

If social media-based advertising — or indeed any form of advertising — increases aggregate demand, it can help stave off an underconsumption crisis and thus perpetuate an exploitative system. (As long, of course, as it does not elicit too great a financial crisis.) But this does not mean that advertising recipients are themselves exploited; they

merely help reproduce the background social conditions of capitalist production. By the same token, if rising working-class demand is funded by increasing working-class debt, this draws workers into a financial circuit. And if the resulting financialization of the class relation increases the obscurity (fetishism) of that relation, it may thereby contribute to raising further the rate of exploitation. This is one of many possible second-order effects of social media advertising, but it is just that — a feedback-loop type of effect. Conceivably, social mediabased advertising can cause the rate of exploitation to rise, but only indirectly. It is a catachrestical mistake to say workers qua consumers are directly exploited in the process of capitalism's ongoing reproduction by demand management techniques — irrespective of whether the attendant advertising is through new or old media.

There is yet another way that social media potentially influences the value of labor-power, quite apart from advertising, which Smythe could not have foreseen. Once again, however, the impact on the rate of exploitation is an indirect one; it does not inevitably produce a rise in that rate. The effect in question is the skills that workers acquire incidentally while using social media, through self-education. These range from embedded human capital-like information technology (IT) skills of hardware and software manipulation, through to softer skills associated with social networking (sociability, emotional intelligence and the like). Even if one accepts recent claims that the IT-enhanced capacity for social interaction is increasingly useful for capitalism (Gorz, 2010), as sociality is prized in team-based job designs for example, there is no reason to think that these skills immediately add to surplus value. There is an established Marxist tradition which argues that, simply by engaging in skills formation, workers do not automatically increase their level of exploitation (in effect, that they do not exploit themselves by undergoing training). Mandel (1982, 73) refers to the classic Marxist Hans Deutsch's position "that the 'labor' of the apprentice (student) creates supplementary value and enters the process of value production of the skilled worker" and "increases the value of his [or her] own labor-power."

This is not the place to become immersed in the historic Marxist debate on skilled labor. My point is simply that social media skills formation can increase the value of labor-power if workers use the skills they privately acquire on home computers to get better, well-paying jobs; but the effect on the rate of exploitation is not automatic

or unambiguous. Arguably the "supplementary value" to which Mandel refers above does not add directly and immanently to surplus value. Rather, as more skilled labor-power is generally more productive, workers who incidentally acquire skills while casually using social media may be exposed to higher rates of exploitation subsequently — following the application of those skills at work. One obvious possibility is if the resulting productivity gains are made in the wage goods sector (Department II), thereby cheapening wage goods, and if real wage increases are less than the increase in the productivity of these workers' labor-power. then the production of relative surplus value can increase their rate of exploitation. Here is the countervailing effect. As the studies cited in this paper's second section suggest, the skills gained through social media can bolster worker organizing efforts. Many trade unions now have Facebook pages. By assisting with this organizing, workers' social media skills can help to turn the balance of class forces back in labor's favor, thus constraining the rate of exploitation.

Ultimately which of these scenarios holds is a matter for empirical investigation, but it helps to know the possibilities in advance. Despite much ink being spilt by critical communication theorists who have clamored to apply Marx to the Internet, as recently evidenced by the *tripleC* journal's voluminous special issue edited by Fuchs and Mosco (2012),<sup>3</sup> they seem not to comprehend even the most basic possible *material* effects of wage-earners' engagement with social media. The irony is that this was what Fuchs and Rey's muse Smythe was so concerned with, namely fostering a "materialist analysis of the functions of the complex of institutions" comprising the media (Smythe, 1977, 1). His audience commodity concept's incongruousness does not nullify or negate his pinpointing of the value of labor-power as a key variable influenced by the media, something that critical social media theorists have either forgotten or simply ignored.

#### Conclusion

With respect to social media's implications for class politics, there is an intricate matrix of possible outcomes, all dependent on the

3 The special issue is tellingly titled "Marx is Back — The Importance of Marxist Theory and Research for Critical Communication Studies Today." My rejoinder is that Marx was never away; as the contributions to this journal over several decades show, his ideas have not lain fallow.

strength of class struggle. To state point blank that social media users are exploited is a category error. Making this mistake results in ignoring the complex array of determinations that value theory reveals for social media's potential to affect the rate of exploitation. The error also risks obscuring the unique facets of worker exploitation within the wage relation's confines — the very sine qua non of capitalism and, just as worryingly, overestimating exploitation in the core relative to the periphery. Indeed with exploitation supposedly occurring everywhere there is a personal computer connected to the Internet. and experienced infinitely by everyone who ever tapped into a social media site, Fuchs' (2010) so-called "informational capitalism" is one strange beast. Thinking capitalism has changed so fundamentally due to technical progress that surplus value is infinitely and immeasurably available, simply because social media is a lucrative business and companies like Google are profit-laden, is to allow the tail to wag the dog. In actuality, such reasoning is counterproductive both for Marxist theory and politics, because it inverts form and essence. The visible manifestations of capitalism (particular firms, technologies, and institutions) are mistaken for its underlying value-governed reality. Capital is a transcendent social relation, albeit historically and locally instantiated in particular contexts, manifest in the drive for capital accumulation. The value realized as profit and accumulated in the cycle M—C—M' is surplus value; it derives uniquely, exclusively, singularly, from the labor process and the wage relationship. Arguing that the Internet changes this social fact is tantamount to saying technology has the capacity to rewire the capitalist circuit. These days, not even bourgeois economists suggest technology exerts such an allpowerful exogenous influence (Warsh, 2006).

Far from being theoretically generative or providing novel understandings, Fuchs and Rey direct Marxist social media analysis into a conceptual *cul-de-sac*. Like the quintessential autonomist Negri, they are Protean Marxists who morph their theory in line with new sociotechnical trends. To correct their errors scholars could do worse than return to Smythe's work. But they need to read it with a critically selective eye. I have tried to separate out Smythe's misguided audience commodity notion from his more fruitful idea about advertising's effects on the value of labor-power. Despite Smythe's analysis going awry when he starts to talk about audience exploitation, he at least tried to employ Marx's categories faithfully. Where's the harm

in getting it wrong? As Alex Callinicos (2001) once remarked: "Marx isn't God. There is nothing sacred about his theories, and therefore there is no crime in revising them." By the same token, however, there is no reason for scholars to become so entranced by the Web that they throw out the baby with the bathwater, either junking value theory outright as Rey does, or — like Fuchs — making mush of it. The risk is that they then "become trapped within the ideological forms taken by contemporary modalities of exploitation," as Starosta (2012, 387) puts it so well. Critical communication theorists should reread *Capital* in order to situate social media within the capitalist circuit, and then follow Smythe's lead by focusing on its interplay with the value of labor-power. My paper is intended as a stepping stone along that path.

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