

# Critique, Social Media and the Information Society

In times of global capitalist crisis we are witnessing a return of critique in the form of a surging interest in critical theories (such as the critical political economy of Karl Marx) and social rebellions as a reaction to the commodification and instrumentalization of everything. On one hand, there are overdrawn claims that social media (Twitter, Facebook, YouTube, etc.) have caused uproars in countries like Tunisia and Egypt. On the other hand, the question arises as to what actual role social media play in contemporary capitalism, crisis, rebellions, the strengthening of the commons, and the potential creation of participatory democracy. The commodification of everything has resulted also in a commodification of the communication commons, including Internet communication that is today largely commercial in character.

This book deals with the questions of what kind of society and what kind of Internet are desirable, how capitalism, power structures and social media are connected, how political struggles are connected to social media, what current developments of the Internet and society tell us about potential futures, how an alternative Internet can look like, and how a participatory, commons-based Internet and a co-operative, participatory, sustainable information society can be achieved.

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# 1 Introduction

## Critique, Social Media and the Information Society in the Age of Capitalist Crisis

*Christian Fuchs and Marisol Sandoval*

### 1.1. INFORMATION SOCIETY?

This book presents contributions that analyse the societal dimension of the media critically. Although the contributions do not necessarily share the assumption that we live in an information society, they all express an interest in analysing media and information in their societal context, i.e. in relationship to the interaction of economy, politics and culture, and the power structures and patterns of stratification and inequalities that shape contemporary capitalist societies. There are many labels that one can use to describe contemporary society and many of them, such as capitalism, describe today's society in a more critical manner than the notions of the information or knowledge society that have all too often been captured by dominant interests in order to advance neoliberal policies. Nonetheless it is true that media, knowledge work and information technologies play a certain role in many contemporary societies and that the notion of the information society should therefore not simply be rejected, but critically assessed. Information is one of several relevant dimensions of contemporary society. Just like we can say that we live in informational capitalism, we can also say that we live in finance capitalism, hyperindustrial capitalism, crisis capitalism, etc (Fuchs 2012a). Informational capitalism signifies the extent to which the contemporary global economy and society are information- and media-based. This degree varies and can be measured in various ways. To speak of this tendency as informational capitalism means to neither reject nor glorify the information society discourse and to acknowledge that the contemporary information economy is shaped by a contradiction between productive forces and relations of production: It is capitalist at the level of the relations of production and to a certain degree informational on the level of the productive forces (Fuchs 2012a).

In 1968, six years before the publication of Daniel Bell's (1974) book *The coming of post-industrial society* that was path-breaking for the information society discourse (i.e. in a time before the high rise of the information society hypothesis), Theodor W. Adorno (1968/2003) gave an introductory keynote talk on the topic of "Late capitalism or industrial society?" at the

## 2 *Christian Fuchs and Marisol Sandoval*

annual meeting of the German Sociological Association. He said that the “fundamental question of the present structure of society” is “about the alternatives: late capitalism or industrial society”. It is about

whether the capitalist system still predominates according to its model, however modified, or whether the development of industry has rendered the concept of capitalism obsolete, together with the distinction between capitalist and noncapitalist states and even the critique of capitalism. In other words, the question is whether it is true that Marx is out of date. (1968/2003, 111)

Adorno pointed out dichotomous answers to this question (either/or) “are themselves predicaments modelled on dilemmas taken from an unfree society” (1968/2003, 113).

Adorno gave an answer to the question that took into account the importance and relation of the productive forces and the relations of production in the capitalist mode of production:

In terms of critical, dialectical theory, I would like to propose as an initial, necessarily abstract answer that contemporary society undoubtedly is an industrial society according to the state of its *forces* of production. Industrial labor has everywhere become the model of society as such, regardless of the frontiers separating differing political systems. It has developed into a totality because methods modeled on those of industry are necessarily extended by the laws of economics to other realms of material production, administration, the sphere of distribution, and those that call themselves culture. In contrast, however, society is capitalist in its *relations* of production. People are still what they were in Marx’s analysis in the middle of the nineteenth century [. . .] Production takes place today, as then, for the sake of profit. (1968/2003, 117)

Paraphrasing Adorno and transferring his question and answer to a time that is shaped by information society discourse, one can hypothesize that a fundamental question of the present structure of society is about the alternatives: capitalism or information society. In terms of critical, dialectical theory, we would like to propose as an initial, necessarily abstract answer that contemporary society is an information society according to the state of its *forces* of production. In contrast, however, contemporary society is capitalist in its *relations* of production. People are still what they were in Marx’s analysis in the middle of the nineteenth century. Production takes place today, as then, for the sake of profit and for achieving this end it to a certain extent makes use of knowledge and information technology in production.

Productive forces and relations of production are interlocking phenomena, they contain each other. The informational forces of production (knowledge labour, information technology, science, theoretical knowledge)

and the capitalist class relations should not be seen as polar opposites and the discussion about the existence or non-existence of an information society should neither be reduced to the level of the productive forces nor to the level of the relations of production. The first reduction will result in the assumption that we live in a new society, the information society, the second reduction will result in the response that nothing has changed and we still live in a capitalist society. The informational forces of production (just like the non-informational ones) are mediated by class relations, which means that the establishment of information technologies (as part of the instruments of production) and knowledge work (which is characterized by a composition of labour, where mental and communicative features dominate over manual features) as features of economic production are strategies for advancing surplus value exploitation, the reduction of variable and constant capital. Capital thereby hopes to achieve higher profit rates. The idea that the notion of society can today solely be constructed by reference to the informational forces of production is an ideological illusion. The counterclaim that nothing has changed because we still live in a society dominated by capitalist class relations is an understandable reaction and a strategy of ideology critique. A dialectical analysis cannot leave out that there are certain changes taking place that are intended to support the deepening of the class structure, but also contain what Marx termed *Keimformen* (germ forms of an alternative society). That the development of the informational productive forces is itself contradictory and comes in conflict with the capitalist relations of production can be observed by phenomena such as file sharing on the Internet, the discussions about intellectual property rights, the emergence of pirate parties in the political landscape of advanced capitalist countries, or the popularity of free software (Fuchs 2008, 2009).

Marx predicted the emergence of informational productive forces as the result of the development of fixed capital, i.e. the increasing technical and organic composition of capital that is characterized by an increase of the role of technology in production at the expense of living labour power.

The development of fixed capital indicates to what degree general social knowledge has become a direct force of production, and to what degree, hence, the conditions of the process of social life itself have come under the control of the general intellect and been transformed in accordance with it. To what degree the powers of social production have been produced, not only in the form of knowledge, but also as immediate organs of social practice, of the real life process. (Marx 1857/1858, 706)

Marx argued that by technological development “the entire production process” becomes “the technological application of science” (1857/1858, 699). The “transformation of the production process from the simple labour process into a scientific process [. . .] appears as a quality of fixed

capital in contrast to living labour” (1857/1858, 700). So for Marx, the rise of informational productive forces was immanently connected to capital’s need for finding technical ways that allow accumulating more profits. That society has to a certain degree become informational is just like the discourse about this circumstance a result of the development of capitalism.

## 1.2 SOCIAL MEDIA?

By using the term “social media” in the title of this book, we want to signify several things that are reflected in the contributions in this volume:

- All media stand in the context of society. Neglecting the analysis of the media together with society often results in deterministic, administrative research.
- Contemporary media on the one hand are, as the contributions in this book show, entangled in numerous forms with the commodity form and private property. On the other hand they also have certain potentials and germ forms of advancing the social character of production and ownership.
- Special consideration is given in this book to what are today often misleadingly called “social media”: blogs (e.g. Blogspot, Wordpress), social networking sites (e.g. Facebook), microblogs (e.g. Facebook, LinkedIn, Weibo), wikis (e.g. Wikipedia, WikiLeaks), user-generated content and file sharing sites (e.g. YouTube, the Pirate Bay). This does not mean that we share the social media hype that mainly is aimed at attracting investors and often celebrates contemporary capitalist culture as participatory, democratic and creative without giving enough consideration to realities of precarity, exploitation, inequalities and power asymmetries. But it means that we think the analysis of the mentioned kind of media is important, should be taken seriously and conducted in a critical way that goes beyond hype and ideology.

What is social about social media? The discussions about these terms started when Tim O’Reilly (2005) introduced the term “web 2.0” in 2005. Although O’Reilly surely thinks that “web 2.0” denotes actual changes and says that the crucial fact about it is that users, as a collective intelligence, co-create the value of platforms like Google, Amazon, Wikipedia, or Craigslist in a “community of connected users” (O’Reilly and Battelle 2009, 1), he later admitted that the term was mainly created for identifying the need of new economic strategies of Internet companies after the “dot.com” crisis, in which the bursting of financial bubbles caused the collapse of many Internet companies. In a paper published five years after the creation of the term “web 2.0”, O’Reilly stated that this category was “a statement about the second coming of the Web after the dotcom bust” and



that it was used at a conference that was “designed to restore confidence in an industry that had lost its way” (O’Reilly and Battelle 2009, 1). This is just another formulation for saying that “web 2.0” is a capitalist marketing ideology aimed at attracting venture capital investments for newly founded Internet companies.

Michael Mandiberg argues that the notion of “social media” has been associated with multiple concepts: “the corporate media favorite ‘user-generated content’, Henry Jenkin’s media-industries-focused ‘convergence culture’, Jay Rosen’s ‘the people formerly known as the audience’, the politically infused ‘participatory media’, Yochai Benkler’s process-oriented ‘peer-production’, and Tim O’Reilly’s computer-programming-oriented ‘Web 2.0’” (Mandiberg 2012, 2).

The question of if and how social the web is or has become, depends on a profoundly social theoretical question: What does it mean to be social? Are human beings always social or only if they interact with others? In sociological theory, there are different concepts of the social, such as Émile Durkheim’s social facts, Max Weber’s social action, Karl Marx’s notion of collaborative work (as also employed in the concept of computer-supported collaborative work—CSCW), or Ferdinand Tönnies’s notion of community (Fuchs 2010). Depending on which concept of sociality one employs, one gets different answers to the questions regarding if the web is social or not and if sociality is a new quality of the web or not. Community aspects of the web have certainly not started with Facebook, which was founded in 2004, but was already described as characteristic of 1980s bulletin board systems like The WELL. Collaborative work (e.g. the co-operative editing of articles performed on Wikipedia) is rather new as a dominant phenomenon on the world wide web (WWW), but not new in computing. The concept of CSCW became the subject of a conference series that identifies multiple dimensions of sociality (such as cognition, communication, and co-operation), based on which the continuities and discontinuities of the development of the Internet can be empirically studied. The first ACM Conference on CSCW was held in Austin, Texas, in December 1986. Neither is the wiki-concept new itself—the WikiWikiWeb was introduced by Ward Cunningham in 1984. All computing systems, and therefore all web applications and also all forms of media, can be considered as social because they store and transmit human knowledge that originates in social relations in society. They are objectifications of society and human social relations. Whenever a human uses a computing system or a medium (also if s/he is alone in a room), then s/he cognizes based on objectified knowledge that is the outcome of social relations. But not all computing systems and web applications support direct communication between humans, in which at least two humans mutually exchange symbols that are interpreted as being meaningful. Because Amazon mainly provides information about books and other goods one can buy, it is not primarily a tool of communication, but rather a tool of information, whereas Facebook has in-built communication features that are frequently used (mail system, walls for comments, forums, etc.).

The discussion shows that it is not a simple question to decide if and how social the WWW actually is. Therefore a social theory approach of clarifying the notion of “social media” can be advanced by identifying three social information processes that constitute three forms of sociality (Hofkirchner 2013):

- \* Cognition
- \* Communication
- \* Co-operation

According to this view, individuals have certain cognitive features that they use to interact with others so that shared spaces of interaction are created. In some cases, these spaces are used not just for communication, but for the co-production of novel qualities of overall social systems and for community-building. The three notions relate to different forms of sociality (Fuchs 2010): The notion of cognition is related to Emile Durkheim’s concept of social facts, the communication concept to Max Weber’s notions of social actions and social relations, the co-operation concept to the notions of communities and collaborative work. According to this model, media and online platforms (1) that primarily support cognition (e.g. the websites of newspapers) are social media, (2) that primarily support communication (e.g. e-mail) are social media, and (3) that primarily support community-building and collaborative work (e.g. Wikipedia, Facebook) are social media. This means that social media is a complex term and that there are different types of social media. Empirical studies show that the most recent development is that there is a certain increase of the importance of social media on the Internet (Fuchs 2010), which is especially due to the rise of social networking sites such as Facebook, wikis like Wikipedia, and microblogs such as Twitter and Weibo.

If one compares lists of the most accessed websites from 1995–2000 to 2006–present for certain countries or the world, the rise of Facebook, YouTube, Twitter, Tumblr, Blogspot, Wordpress, and LinkedIn among the most accessed platforms will be evident. These platforms are especially focused on communication, collaboration, community-building and community-maintenance. There is a special focus on the critical study of such platforms in this book, i.e. the analysis of how they stand in the context of power, exploitation, domination, oppression, class, digital labour and ideology, as well as protest and struggles.

### 1.3 CRITIQUE

This book came about as a consequence of the fourth ICTs and Society Conference “Critique, Democracy and Philosophy in 21st Century Information Society. Towards Critical Theories of Social Media” (Uppsala University. May 2 to 4, 2012, see <http://www.icts-and-society.net/events/uppsala2012/>). Its task was to provide an opportunity to discuss and reflect

on the role of critique, critical theory, and philosophy in the information society and in relation to the Internet and social media. The conference focused on discussing questions such as:

- \* What are the meanings and roles of critique and critical theory today?
- \* What are the conditions of critique today?
- \* What does it mean to study media and communication critically today?
- \* What does it mean to study digital media and the Internet critically today?
- \* In what society do we live today and what is the role of information in it?
- \* What is the role of crisis, capitalism, power, struggles, and democracy in contemporary society and how are they connected to digital media?
- \* What kind of theories and what philosophies do we need for understanding all of these phenomena?
- \* How can we bring about a just society?

The ICTs and Society Network (<http://www.icts-and-society.net>) was founded in 2008. It is an international group of scholars that focuses on fostering discussions and networking between scholars who conduct research about the role of ICTs and the Internet in the information society. The first conference took place in June 2008 at the University of Salzburg (Austria), the second in June 2009 at the University of Trento (Italy), the third in July 2010 at the Internet Interdisciplinary Institute of the Open University of Catalonia in Barcelona (Spain). In 2012, the ICTs and Society Conference was held in Sweden at Uppsala University. It was thus far the largest of the four conferences: There were approximately 170 attendees, 100 talks in parallel sessions, and 15 keynote talks in 7 plenary sessions. A generous funding of the event by Vetenskapsrådet (The Swedish Research Council) enabled the invitation of the keynote speakers. Besides Uppsala University and the ICTs and Society Network, scholars from the following institutions were also involved in the organisation of the conference: the European Sociological Association's Research Network 18: Sociology of Communications and Media Research; *tripleC: Communication, Capitalism, and Critique. Journal for a Global Sustainable Information Society*; the Unified Theory of Information Research Group (Austria); Aarhus University's Department of Information and Media Studies (Denmark); the Vienna University of Technology's Institute for Design & Assessment of Technology (Austria); and Jönköping University's School of Education and Communication (Sweden).

Overall, the conference presentations showed a strong interest in critical media and communication studies; a profound engagement with philosophy, critical theory, and social theory; and an interest in the critical study of media, communication and digital media in the context of society, capitalism, and domination. Many conference participants pointed out the large presence of PhD students and younger scholars coming from various countries, who were conducting critical studies of media and communication

and were inspired by and engaging with critical social theory and critical political economy. There was a diverse range of critical theories and critical philosophies that were employed in the presentations. A significant observation is that there was a large presence of political economy and Karl Marx's works in the presentations. The conference showed that there is a significant interest in critical media and communication studies as well as critical theory and critical political economy of media, communication, ICTs, culture and the information society.

The following news clippings indicate that with the new global crisis of capitalism, we seem to have entered new Marxian times:

- “Marx makes a comeback” (*Svenska Dagbladet*, October 17, 2008)
- “Crunch resurrects Marx” (*The Independent*, October 17, 2008)
- “Crisis allows us to reconsider left-wing ideas” (*The Irish Times*, October 18, 2008)
- “Marx exhumed, capitalism buried” (*Sydney Morning Herald*, October 23, 2008)
- “Marx Renaissance” (*Korea Times*, January 1, 2009)
- “Was Marx Right All Along?” (*The Evening Standard*, March 30, 2009).
- “‘Marx is fashionable again,’ declares Jorn Schutrumpf, head of the Berlin publishing house Dietz, which brings out the works of Marx and his collaborator Friedrich Engels. Sales have trebled—albeit from a pretty low level—since 2005 and have soared since the summer. [...] The Archbishop of Canterbury, Rowan Williams, gave him a decent review last month: ‘Marx long ago observed the way in which unbridled capitalism became a kind of mythology, ascribing reality, power and agency to things that had no life in themselves.’ Even the Pope has put in a good word for the old atheist—praising his ‘great analytical skill’” (*The Times*, “Financial crisis gives added capital to Marx’ writings”, October 20, 2008).
- “No one claims that we’re all Marxists now but I do think the old boy deserves some credit for noticing that ‘it’s the economy, stupid’ and that many of the apparently omniscient titans who ascend the commanding heights of the economy are not so much stupid as downright imbecilic, driven by a mad exploitative greed that threatens us all. Marx’ work is not holy writ, despite the strivings of some disciples to present it as such” (*The Evening Standard*, “Was Marx Right All Along?” March 30, 2009).
- “Karl Marx is back. That, at least, is the verdict of publishers and bookshops in Germany who say that his works are flying off the shelves” (*The Guardian*, “Booklovers Turn to Karl Marx as Financial Crisis Bites in Germany”, October 15, 2008).
- “Policy makers struggling to understand the barrage of financial panics, protests and other ills afflicting the world would do well to study the works of a long-dead economist: Karl Marx. The sooner they

recognize we're facing a once-in-a-lifetime crisis of capitalism, the better equipped they will be to manage a way out of it" (*Bloomberg Business Week*, "Give Karl Marx a Chance to Save the World Economy", August 28, 2011).

- *Time* magazine showed Marx on its cover on February 2, 2009, and asked in respect to the crisis: "What would Marx think?" In the cover story, Marx was presented as the saviour of capitalism and was thereby mutilated beyond recognition: "Rethinking Marx. As we work out how to save capitalism, it's worth studying the system's greatest critic" (*Time Magazine Europe*, February 2, 2009).

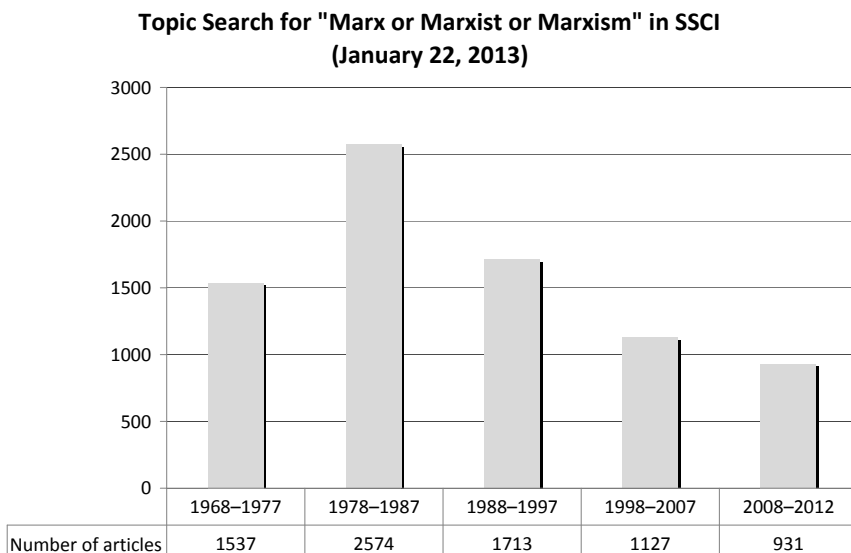
That there is suddenly a surging interest in Karl Marx's work is an indication for the persistence of capitalism, class conflicts, and crisis. At the same time, the bourgeois press tries to limit Marx and to stifle his theory by interpreting him as the new saviour of capitalism. One should remember that he was not only a brilliant analyst of capitalism, he was also the strongest critic of capitalism in his time:

In short, the Communists everywhere support every revolutionary movement against the existing social and political order of things. In all these movements, they bring to the front, as the leading question in each, the property question, no matter what its degree of development at the time. Finally, they labour everywhere for the union and agreement of the democratic parties of all countries. The Communists disdain to conceal their views and aims. They openly declare that their ends can be attained only by the forcible overthrow of all existing social conditions. Let the ruling classes tremble at a Communistic revolution. The proletarians have nothing to lose but their chains. They have a world to win. Proletarians of all lands unite! (Marx and Engels 1848/2004, 94)

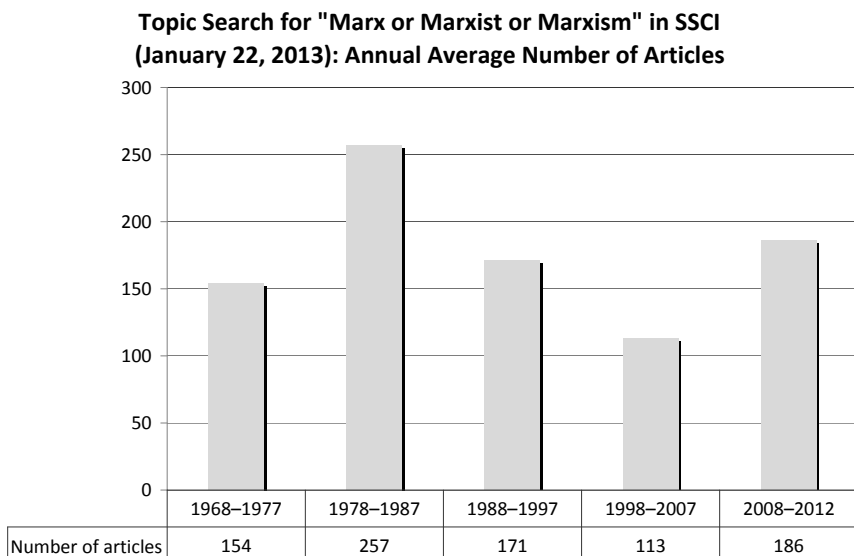
In 1977, Dallas Smythe published his seminal article "Communications: Blindspot of Western Marxism" (Smythe 1977), in which he argued that Western Marxism had not given enough attention to the complex role of communications in capitalism. Thirty-five years have passed and the rise of neoliberalism has resulted in a turn away from an interest in social class and capitalism. Instead, it became fashionable to speak of globalization, postmodernism, and, with the fall of Communism, even the end of history. In essence, Marxism became the blind spot of all social science. Marxist academics were marginalized and it was increasingly career threatening for a young academic to take an explicitly Marxist approach to social analysis.

The declining interest in Marx and Marxism is visualized in Figures 1.1 and 1.2, which show the number of articles in the Social Sciences Citation Index that contain one of the keywords Marx, Marxist, or Marxism in the article topic description and were published in the five time periods,

1968–1977, 1978–1987, 1988–1997, 1998–2007, and 2008–2012. Choosing these periods allows one to determine if there has been a change since the start of the new capitalist crisis in 2008 and also makes sense because social upheavals in 1968 marked a break that also transformed academia.



*Figure 1.1* Number of articles published about Marx and Marxism that are listed in the Social Sciences Citation Index in ten year intervals.



*Figure 1.2* Average number of annually published articles in ten year intervals about Marx and Marxism that are listed in the Social Sciences Citation Index.

Figure 1.1 shows that there was a relatively large academic article output about Marx in the period 1978–1987 (2,574). Given that the number of articles published increases historically, interest in the period 1968–1977 also seems to have been high. One can observe a clear contraction of the output about articles focusing on Marx in the periods 1988–1997 (1,713) and 1998–2007 (1,127). Given the earlier increase of published articles, this contraction is even more pronounced. This period has also been the time of the intensification of neoliberalism, the commodification of everything (including public service communication in many countries), and a strong turn towards postmodernism and culturalism in the social sciences.

There are multiple reasons for the disappearance of Marx, including:

- \* The rise of neoliberal and neoliberal class struggle from above.
- \* The commodification of everything, including the commons and public universities.
- \* The rise of postmodernism.
- \* The lack of trust in alternatives.
- \* The low presence and intensity of struggles.
- \* The climate of conservative backlash and commodification of academia, which was not opportune or conducive for an academic career and academic reputation to conduct Marxist studies.

In Figure 1.2, one can see that the annual average number of articles published about Marxism in the period 2008–2012 (186) increased in comparison to the periods 1998–2007 (113 per year) and 1988–1997 (171 per year). This circumstance is an empirical indicator for a renewed interest in Marx and Marxism in the social sciences, most likely an effect of the new capitalist crisis. The question is whether and how this interest can be sustained and materialised in institutional transformations.

Due to the rising income gap between the rich and the poor, widespread precarious labour, and the new global capitalist crisis, neoliberalism is no longer seen as common sense. The dark side of capitalism, with its rising levels of class conflict, is now recognized worldwide. Eagleton (2011) notes that never has a thinker been so travestied as Marx and demonstrates that the core of Marx’s work runs contrary to common prejudices about his work. But since the start of the global capitalist crisis in 2008, a considerable scholarly interest in the works of Marx has taken root. Žižek argues that the antagonisms of contemporary capitalism in the context of the ecological crisis, intellectual property, biogenetics, new forms of apartheid and slums show that we still need the Marxian notion of class and that there is a need to renew Marxism and to defend its lost causes in order to “render problematic the all-too-easy liberal-democratic alternative” that is posed by the new forms of a soft capitalism that promises but fails to realize ideals like participation, self-organisation, and co-operation (Žižek 2008, 6). Moreover, Žižek (2010) argues that the recent world economic crisis has resulted in a renewed

interest in the Marxian critique of political economy. Hobsbawm (2011, 12f) argues that for understanding the global dimension of contemporary capitalism, capitalism's contradictions and crises and the existence of socio-economic inequality we "must ask Marx's questions" (2011, 13). "Economic and political liberalism, singly or in combination, cannot provide the solution to the problems of the twenty-first century. Once again the time has come to take Marx seriously" (Hobsbawm 2011, 419). Jameson argues that global capitalism, "its crises and the catastrophes appropriate to this present" and global unemployment show that "Marx remains as inexhaustible as capital itself" (Jameson 2011, 1) and make *Capital. Volume 1* (Marx 1867/1990) a most timely book.

Irfan Erdogan (2012) has analysed 210 articles that mentioned Marx and that were published in seventy-seven selected media and communication journals between January 2007 and June 2011. He found that "Mainstream studies ignore and liberal-democrats generally appreciate Marx", whereas the main criticisms of Marx come from "so-called 'critical' or 'alternative' approaches", whose "'alternatives' are 'alternatives to Marx'" and critical in the sense of a "criticism directed against Marx" (Erdogan 2012, 382). At the same time as there are sustained attempts to downplay the importance of Marx for the study of society, media and communication, there are indicators of a certain degree of new engagement with Marx. One of them is the special issue of *tripleC* (<http://www.triple-c.at>) "Marx is Back—The Importance of Marxist Theory and Research for Critical Communication Studies Today" (Fuchs and Mosco 2012) that features twenty-nine articles on more than five hundred pages. Another one was the aforementioned conference "Critique, Democracy and Philosophy in 21st Century Information Society. Towards Critical Theories of Social Media", during which a sustained engagement with Marx and communication today took place, especially by and among PhD students.

Whereas Marx was always relevant, this relevance has not been much acknowledged in media and communication studies in recent years. It has been rather common, as Erdogan (2012) shows, to misinterpret and misunderstand Marx, which partly came also from a misreading of his works or from outright ignorance of his works. Terry Eagleton (2011) discusses ten common prejudices against Marx and Marxism and shows why Marx was right and why these prejudices are wrong. We have added to the following overview a media and communication dimension to each prejudice. These communication dimensions point towards common prejudices against Marx within media and communication studies.

#### 1.4 CAPITALIST CRISIS

The chapters in this book were written in a time of capitalist crisis and so reflect the specific experience of life in times of crisis and change.



### 1.4.1 Crises and the Antagonisms of Capitalism

Most commentators agree that the economic crisis of the late 2000s was triggered by financialization and the burst of a housing bubble. However, rather than arguing that the crisis was caused by a lack of regulation of finance capital, critical political economists stress that the crisis needs to be understood in the context of the antagonistic character of capitalism. Karl Marx not only knew that an economy that is largely based on credit is crisis prone, but also that a resulting crisis, although it at the first sight might appear as a financial crisis, has its real causes in the expansive and contradictory character of capitalism:

In a system of production where the entire interconnection of the reproduction process rests on credit, a crisis must evidently break out if credit is suddenly withdrawn and only cash payment is accepted in the form of a violent scramble. At a first glance, therefore, the entire crisis presents itself as simply a credit and monetary crisis. And in fact all it does involve is simply the convertibility of bills in exchange for money. The majority of these bills represent actual purchases and sales, the ultimate basis of the entire crisis being the expansion of these far beyond social need. On top of this however, a tremendous number of these bills represent purely fraudulent deals which now come to light and explode; as well as unsuccessful speculations conducted with borrowed capital, and finally commodity capitals that are wither devalued or unsaleable, or returns that are never going to come. (Marx 1894/1991, 323)

Marx described a number of antagonisms that shape capitalist economy and therefore make it prone to crises:

- *Antagonistic class relationships* that result in an antagonism between the accumulation of wealth and relative pauperisation. Marx and Engels described all history as a history of class struggles: “The history of all hitherto existing society is the history of class struggles” (1948/1991, 35). Marx highlighted that under capitalism the distribution of wealth is unequal and the accumulation of capital is only possible at the cost of workers: “Political economy starts from labour as the real soul of production; yet to labour it gives nothing, an to private property everything” (1844/2007, 81). He argued that as productivity increases the relative share of workers of the total value produced decreases: “the increasing productivity of labour is accompanied by a cheapening of the worker, as we have seen, and it is therefore accompanied by a cheapening of the worker, even when the real wages are rising. The latter never rise in proportion to the productivity of labour” (1867/1990, 753). Marx’s analysis has frequently been interpreted as a hypothesis of impoverishment of the dominated

classes, i.e. that the development of the productive forces will result in impoverishment, which will cause social revolution. Marx however was speaking not about absolute, only about *relative* relationships. With the overall increase of wealth, the social situation of the dominated classes might improve although at the same time the relative share they get tend to decrease. Class struggle can result in a relative lowering of wages so that ever more capital is present that cannot be invested (overaccumulation/overproduction of capital) or that commodities are available on the market that workers are not able to buy (overproduction/underconsumption of commodities). But class struggle can also increase the relative share of wages and decrease the relative share of profits. Marx therefore writes that “crises are always prepared by a period in which wages generally rise, and the working class actually does receive a greater share in the part of the annual product destined for consumption. [. . .] It thus appears that capitalist production involves certain conditions independent of people’s good or bad intentions, which permit the relative prosperity of the working class only temporarily, and moreover always as a harbinger of crisis” (1885/1992, 486f). Crisis explanations that stress that rising wages result in falling relative profits have come to be known as profit-squeeze crisis theories.

- *The antagonism between producers and means of production*, which results in the degradation of human beings “to the level of an appendage of a machine” (Marx 1867/1990, 799). Marx argued that “[e]very kind of capitalist production, in so far as it is not only a labour process but also capital’s process of valorization, has this in common, but it is not the worker who employs the conditions of his work, but rather the reverse, the conditions of work employ the worker. However, it is only with the coming of machinery that this inversion first acquires a technical and palpable reality. Owing to its conversion into an automaton, the instrument of labour confronts the worker during the labour process in the shape of capital, dead labour, which dominates and soaks up living labour-power” (1867/1990, 548).
- *The antagonism between necessary and surplus labour*. This antagonism is connected to the one between producers and means of production. A certain amount of labour is needed in every society for its reproduction. The alienation of labour in capitalism results in the antagonism between attempts to increase surplus value by methods that decrease necessary labour and herewith (at least temporarily) destroy the foundation of accumulation. Marx argued that “Capital itself is the contradiction [in] that, while it constantly tries to suspend *necessary labour time* (and this is at the same time the reduction of the worker to a minimum, i.e. his existence as mere living labour capacity), *surplus labour time* exists only in antithesis with necessary labour time, so that capital posits necessary labour

time as a *necessary* condition of its reproduction and realization” (1857/1858, 543).

- *The antagonism between use-value and exchange-value.* Products satisfy basic needs in all societies. Capitalism however requires the domination of this satisfaction by the logic of commodity and exchange. Already in the *Grundrisse* Marx described the doubling of the commodity into use-value and exchange-value causes crises (1857/1858, 147–150). In *Capital*, Marx argued: “There is an antithesis, immanent in the commodity, between use-value and value, between private labour which must simultaneously manifest itself as directly social labour, and a particular concrete kind of labour which simultaneously counts as merely abstract universal labour, between the conversion of things into persons and the conversion of persons into things; the antithetical phases of the metamorphosis of the commodity are developed forms of motion of this immanent contradiction. These forms therefore imply the possibility of crisis, though no more than the possibility” (1867/1990, 209).
- *The antagonism between productive forces and relations of production.* Marx argued: “The *true barrier* to capitalist production is *capital itself*. It is that capital and its self-valorization appear as the starting and finishing point, as the motive and the purpose of production; production is production only for *capital*, and not the reverse, i.e. the means of production are not simply means for a steadily expanding pattern of life for the *society* of producers. The barriers within which the maintenance and valorization of the capital value has necessarily to move—and this in turn depends on the dispossession and impoverishment of the great mass of the producers therefore come constantly into contradiction with the methods of production that capital must apply to its purpose and which set its course towards an unlimited expansion of production, to production as an end in itself, to an unrestricted development of the social productive powers of labour. The means—the unrestricted development of the forces of social production—comes into persistent conflict with the restricted end, the valorization of the existing capital” (Marx 1894/1991, 358f). The realization of the full social potential that arises from the development of productive forces is constrained by the capitalist relations of production that employ them for the sole purpose of expansion of capital.
- *The antagonism between single production and social need*—an antagonism between the organisation of production in the individual factories or offices and the “anarchy” of production in society, i.e. the uncoordinated form of production. Marx described this antagonism in such a way that “within capitalist production, the proportionality of the particular branches of production presents itself as a process of passing constantly of and into disproportionality, since the interconnection of production as a whole here forces itself on the agents of production as a

blind law, and not as a law which, being grasped and therefore mastered by their combined reason, brings the productive process under their common control” (1894/1991, 365). This anarchy of production can result in overproduction or underconsumption: “Since capital’s purpose is not the satisfaction of needs but the production of profit, and since it attains this purpose only by methods that determine the mass of production by reference exclusively to the yardstick of production, and not the reverse, there must be a constant tension between the restricted dimensions of consumption on the capitalist basis, and a production that is constantly striving to overcome these immanent barriers” (1894/1991, 365).

- *The antagonism between socialised production and capitalistic, private appropriation.* While production is necessarily based on social relations, the accumulation of capital requires the private ownership of the means and results of production: “The contradiction between the general social power into which capital has developed and the private power of the individual capitalists over these social conditions of production develops ever more blatantly, while this development also contains the solution to this situation, in that it simultaneously raises the conditions of production into general, common, social conditions“ (Marx 1894/1991, 373).
- *The antagonism between the fictitious value of financial capital and the actual profits that this capital achieves on the commodity markets, i.e. the antagonism between virtual/fictitious values and real values of capital.* Finance capital does not itself produce profit, it is only an entitlement to payments that are made in the future and derive from profits or wages (the latter for example in the case of consumer credits). Marx therefore characterizes finance capital as fictitious capital (1894/1991, 596). “All these securities actually represent nothing but accumulated claims, legal titles, to future production” (1894/1991, 599). “The market value of these securities is partly speculative, since it is determined not just by the actual revenue but rather by the anticipated revenue as reckoned in advance. [. . .] the rise or fall in value of these securities is independent of the movement in the value of the real capital that they represent” (1894/1991, 598, 599, see also 608, 641). The result is a high risk system of speculation that resembles gambling: “Profits and losses that result from fluctuations in the price of these ownership titles [. . .] are by the nature of the case more and more the result of gambling” (1894/1991, 609). For Marx (1894/1991, 621, 649), the system of fictitious capital that produces a relative independence of stock values and profits is inherently crisis-prone.

David Harvey highlights that while understanding the “general laws of motion of capital” is important, explanations of economic crises also need to take historically specific circumstances into account (2011a, 8). Critical political economists put forward different analyses of the causes of the crisis that started in 2008. These explanations are expressions of certain

specific antagonisms that Marx saw as characteristic for capitalism in general and that we just described or are combinations of several of these contradictions. A specific crisis is a manifestation of an interaction of general factors of crisis (Fuchs 2004)

There are several Marxist explanations of the capitalist crisis that started in 2008:

- A first approach stresses that class antagonism between workers and capital results in an antagonism between the accumulation of wealth and relative pauperisation. This explanation focuses on the intersubjective relationships between classes, i.e. class struggle. An example is Resnick and Wolff's approach.
- A second explanation stresses objective laws of capitalism that result in crisis. Such an objective law is the tendency of the rate of profit to fall, which as an expression of the antagonisms between a) producers and the means of production and b) necessary and surplus labour time. An example is Kliman's approach.
- A third kind of explanation combines intersubjective and objective antagonisms. One version explains the crisis as a combination of wage repression and financialization, i.e. a combination of the class antagonism and the antagonism between fictitious and real values. McNally is a representative of this approach. A second version sees the crisis as the result of wage repression and overaccumulation, i.e. a combination of the class antagonism on the one hand and, on the other hand, an interaction of a) the class antagonism and b) the antagonisms between b1) necessary and surplus labour and b2) producers and means of production that results in overaccumulation. David Harvey as well as Foster and McChesney are representatives of the second version.

Overaccumulation of capital means that capital has growth rates higher than investment possibilities in the key industries that it operates in. It is "a condition in which idle capital and idle labour supply [...] exist side by side with no idle way to bring these idle resources together to accomplish socially useful tasks" (Harvey 1990, 180). Overaccumulation results, according to Harvey, from a combination of three factors:

- a) The need to accumulate.
- b) The exploitation of labour, the "class relation between capital and labour" (Harvey 1990, 180).
- c) The need for rising productivity by technological innovations: "Capitalism is necessarily technologically and organizationally dynamic" (Harvey 1990, 180).

In situations of overaccumulation, high levels of productivity and exploitation allow more capital to be accumulated than can be invested. Marx did not speak of overaccumulation as a specific antagonism, rather Harvey

explains overaccumulation as a combination of a) the class antagonism and b) the antagonisms between b1) necessary and surplus labour and b2) producers and means of production. We will now describe examples of these crisis explanations.

#### **1.4.2 Marxist Crisis Explanation Number 1: The Intersubjective Class Antagonism**

These approaches are intersubjective because they stress aspects of class struggle. An example is the approach of Richard Wolff and Stephen Resnick. They highlight that the crisis that started in 2008 needs to be understood in the context of neoliberal developments since the 1970s and the resulting intensification of *class antagonisms*. According to Wolff (2008) “the current crisis emerged from the workings of the capitalist class structure”. Resnick and Wolff (2010, 176) argue that in the United States after the crisis of the 1970s productivity levels kept rising while wages stagnated which allowed for increasing surplus value by increasing the rate of exploitation. In order to maintain high levels of consumer spending despite stagnating wages, worker borrowing was encouraged (Wolff 2008; Resnick and Wolff 2010, 176f). Wolff therefore argues that the boom between 1970 and 2006 in the US became possible due to a “double squeeze on workers”: “In effect, US capitalism thereby substituted rising loans for rising wages to workers. It took from them twice: first, the surplus their labor produced; and second, the interest on the surpluses lent back to them” (2008). In 2008, a growing number of highly indebted families became unable to pay back their loans and defaults on debts increased. Banks were hit hard as securities that were based on worker debt became worthless (2008). Resnick and Wolff’s explanation of the current crisis focuses on the subjective situation of workers whose wages stagnated since the 1970s and who therefore were susceptible to a variety of new consumer credit offers and finally became unable to pay back their debt.

#### **1.4.3 Marxist Crisis Explanation Number 2: The Objective Law of the Rate of Profit to Fall**

In contrast to Resnick and Wolff, Kliman provides an explanation of the crisis that is centred on *objective contradictions that are inherent to capital*. Kliman is a representative of the second type of explanations of the crisis that started in 2008. He argues that US wages did not stagnate after the 1970s: “U.S. workers are not being paid less in real terms than they were paid decades ago. Their real pay has risen. And their share of the nation’s income has not fallen. It is higher now than it was in 1960, and it has been stable since 1970” (Kliman 2012, 6). According to Kliman, statistics about the development of wages that are based on US government data are flawed because these would only capture wages and exclude other parts of worker’s income such as nonwage benefits and net government social benefits (2012, 153f).

Kliman thus argues that rather than class antagonisms, falling profit rates caused the current crisis (2012, 3). He points out that confronting the tendency of profits to fall requires the destruction of capital and argues that during the crisis of the 1970s economic policies were introduced that prevented the destruction of capital. Because not enough capital was destroyed, “the decline in the rate of profit was not reversed” (Kliman 2012, 3). Therefore profitability levels remained low, which held off a new boom. Kliman stresses that due to a lack of profit, investments declined, which led to low output and income. The resulting stagnation of the economy was confronted with policies that encourage the expansion of debt (Kliman 2012, 3): “These policies have artificially boosted profitability and economic growth, but in an unsustainable manner that has repeatedly led to burst bubbles and debt crisis” (2012, 4).

Kliman’s analysis of falling profit rates exclusively focuses on the US. McNally points out that in times of globalization and multinational corporations it is however necessary to look at global developments rather than national economic indicators: “throughout the neoliberal era capitals in the core economies of the world system have increased social inequality while also shifting investment outside their national economies in the search for higher rates of return” (2011, 38). McNally stresses that even if exceptional growth rates of the Great Boom (1948–1973) remained out of reach, neoliberal capitalism “performed at or above the norm” and the world economy tripled in size between 1982 and 2007 (2011, 39).

Kliman’s argument questions the view that neoliberalism resulted in increased social inequality, compromised social welfare and led to the reduction of social benefits and thereby helped capitalism to recover from the crisis of the 1970s. Most critical commentators (McNally 2011; Foster and McChesney 2012; Harvey 2011a, 2011b) disagree with Kliman and stress that increased rates of exploitation since the 1980s have allowed to temporarily restore profitability. They stress multiple factors that lead to increased financialization and debt including objective contradictions that are inherent to capital as well as class antagonisms.

#### **1.4.4 Marxist Crisis Explanation Number 3: A Combination of Intersubjective and Objective Factors**

As explained previously, there are explanations that combine several of the factors that Marx stressed.

##### *1.4.4.1 Explanation Number 3, Version 1: the Crisis as Result of the Combination of the Class Antagonism and the Antagonism between Fictitious and Real Values of Capital*

David McNally argues that after a slump that lasted from 1973 to 1982, neoliberal capitalism went through another period of recovery and growth (2011, 26). According to him this period of economic growth was achieved

by an attack on working class organisations that resulted in a relative lowering of wages. The development would have been at the cost of countries in the global south. In addition, the rate of exploitation would have been raised by spatial reorganisation, primitive accumulation and the creation of new global labour reserves, foreign direct investment, new forms of work organisation and labour intensification as well as new technologies (McNally 2011, 40).

Besides wage repression, for McNally financialization also was an important cause of the crisis. A factor that promoted financialization, according to McNally, was the breakdown of the Bretton Woods agreement and the deregulation of financial markets. McNally points out that not only consumer borrowing increased since the 1980s, but financial sector debt increased even more: he argues that consumer debt relative to the GDP doubled between 1980 and 2007, while financial sector debt quadrupled (2011, 86). McNally stresses that after the breakdown of the dollar, gold convertibility and the fact that money was no longer tied to an underlying commodity, high exchange volatility created a market for currency trading (2011, 92f): “Currency markets thus seemed to offer a capitalist utopia in which money breeds money; it seemed to be a question of guessing which currencies would be winner and which losers. The extraordinary growth of forcing exchange trading thus drove the financialization of late capitalism” (2011, 95). Speculative financial products—such as derivatives (McNally 2011, 97), securitization (McNally 2011, 99), credit-default swaps (McNally 2011, 103f)—increased financialization and created a financial bubble that burst in 2008.

Despite the importance of speculative finance as trigger of the 2008 crisis, McNally highlights that it cannot only be explained as a financial crisis. Understanding the crisis would require looking beyond financialization and giving attention to capitalist exploitation. Financialization would “still depend[s] on exploiting labour in workplaces” and therefore “opposition to banks must be joined to a politics that challenges all the sites of capitalist exploitation” (2011, 88).

#### *1.4.4.2 Explanation Number 3, Version 2: the Crisis as Result of the Combination of the Class Antagonism and the Overaccumulation of Capital*

John Bellamy Foster and Robert McChesney argue that a “long-term economic slowdown [. . .] preceded the financial crisis” (2012, 4). According to their analysis, overaccumulation of capital resulted over time in stagnating growth rates of capital (Foster and McChesney 2012, 12). Foster and McChesney highlight that excess capital was invested into financial markets in order to counter stagnation and to prevent profits from falling (2012, 42). Financialization thus served as a “desperate and ultimate dangerous savior” (Foster and McChesney 2012, 15). They refer to Paul



Sweezy and Paul Baran and their work on monopoly capital. According to this view, monopolistic corporations have high amounts of surplus capital available but have difficulties in finding investment opportunities (Foster and McChesney 2012, 11). In this situation sustaining economic growth is only possible based on external stimuli such as higher government spending or financialization (Foster and McChesney 2012, 12).

Based on this analysis, Foster and McChesney argue that the relationship between stagnation and financialization is interdependent. They describe “the stagnation-financialization trap” as “a dangerous feedback loop between stagnation and financial bubbles” (Foster and McChesney 2012, 4). They regard an “underlying stagnation tendency” that characterizes advanced capitalist economies as “the reason why the economy became so dependent on financialization” (2012, 4).

At the same time, Foster and McChesney argue, stagnating wages and rising productivity led to increased rates of exploitation and rising profits. This however restricted consumption and thus also created barriers for investment (2012, 33f). Consumer debt provided a solution to this problem, as it allowed keeping consumption levels high (Foster and McChesney 2012, 45).

Similarly David Harvey states: “With real wages stagnant or falling after 1980, the deficit in effective demand was largely bridged by resort to the credit system” (2011b, 100). Harvey points at the need of capital to continuously accumulate, which means that part of the profits need to be reinvested in order to ensure growth: “Any slowdown or blockage in capital flow will produce a crisis” (2011b, 90–91). He discusses potential blockage points that can potentially result in a crisis including a lack of investment opportunities, scarce or well organised labour, scarcity of natural resources or other means of production, excess productivity, worker resistance or insufficient effective demand (2011b, 92–101). Harvey highlights that any of these “potential blockage points [ . . . ] has the potential to be a source of crisis. There is, therefore, no single causal theory of crisis formation” (2011b, 101).

For David Harvey (2009), the crisis is rooted in the over-accumulation of capital, which is “any situation in which the surplus that capitalists have available to them cannot find an outlet”. Harvey (2010, 26) argues that the “capital surplus absorption problem” is that capitalists are always “forced by competition to recapitalise and reinvest a part of” the produced profit and that “new profitable outlets” can be found. Spatio-temporal fixes for the capital surplus absorption problem have to be found, such as new spaces or new temporalities of accumulation. Otherwise, overaccumulation of capital is the result. Overaccumulation according to Harvey (2009, 2010) resulted in the financialization of the economy, which combined with a stagnation of real wages so that workers had to take out loans and go into debt. As a result, household debt and the volatility of the economy increased. Harvey (2010, 12) argues that since the 1970s wages have generally stagnated as a

result of neoliberal wage repression attacks of capital on labour. “The gap between what labour was earning and what it could spend was covered by the rise of the credit card industry and increasing indebtedness. [. . .] Financial institutions, awash with credit, began to debt-finance people who had no steady income” (2010, 17). Asset losses are, for Harvey, forms of “dispossession that can be turned into further accumulation as speculators buy up the assets cheaply today with an eye to selling them at a profit when the market improves” (2010, 49).

#### 1.4.5 An Explanation of the Capitalist Crisis

The rise of neoliberalism resulted in relative stagnation and wage losses, whereas profits rapidly increased. Neoliberalism therefore is a class struggle project of the ruling class aiming at increasing profits by decreasing wages with the help of strategies such as deregulation of labour laws, precarious labour conditions, welfare and public expenditure cuts, tax cuts for the rich and companies, the privatization of public goods, the global offshoring and outsourcing of labour, etc. Many working families had to take out loans, consumer credits and mortgages in order to be able to pay for their everyday life requirements. At the same time, capital investment into high-risk financial instruments boomed because the growing profits needed to be reinvested. Workers’ debts were packaged into new financial instruments, so-called Asset Backed Securities (ABS), Mortgage Backed Securities (MBS), Collateralized Debt Obligations (CDOs) and Credit Default Swaps (CDS). The financial market promised high financial gains, but the profits in the non-financial economy in long run could not fulfil these growth expectations, which created a mismatch between financial values and the profits of corporations and the expectations of shareholders and the reality of capitalist accumulation. The results were financial bubbles that burst in the 2008 crisis. The share rapidly increased from around 10 per cent in 2000 to 57.5 per cent in 2008. It dropped after the start of the global capitalist crisis. The data show the tremendous growth of high-risk financial capital.

Critical observers of the crisis do not agree what its exact structural causes are, but see it not as a failure of regulation, rather as the outcome of capitalism’s immanent fundamental contradictions: The relative disparity between the rich and companies on the one hand and the mass of people on the other hand is an expression of the class antagonism between capital and labour. The financialization of the capitalist economy is based on an *antagonism between* the fictitious value of financial capital and the actual profits that this capital achieves on the commodity markets, i.e. the antagonism between virtual/fictitious values and real values of capital. A third dimension is the overaccumulation of capital: The need to accumulate capital, the exploitation of labour and capital’s technological progress and organisational dynamics tend to result in idle capital that is crisis-prone if it cannot find spheres of investment. The overaccumulation

tendency is an antagonism between the production and consumption/investment of capital. A crisis is the “manifestation of all the contradictions of bourgeois economy” (Marx 1863, bk. 2, chap. 17). “The fact that the movement of capitalist society is full of contradictions impresses itself most strikingly [. . .] in the changes of the periodic cycle through which modern industry passes, the summit of which is the general crisis” (Marx 1867/1990, 103).

Table 1.1 shows the annual growth of labour productivity since the early 1970s in the G7 countries (Canada, France, Germany, Italy, Japan, UK, USA) and the whole Organisation for Economic Co-operation and Development (OECD). The combined annual growth of labour productivity in the G7 countries was 88.0 per cent in the years 1971–2011. This means that in forty years productivity has almost doubled.

*Table 1.1* Annual Growth of Labour Productivity in the G7 and OECD Countries, 1971–2011

<i>Year</i>	<i>Annual growth rate, G7, in %</i>	<i>Annual growth rate, OECD, in %</i>
1971	4.0	
1972	4.8	
1973	4.3	
1974	1.7	
1975	2.2	
1976	3.4	
1977	2.7	
1978	2.8	
1979	2.1	
1980	0.8	
1981	2.5	
1982	0.9	
1983	2.6	
1984	2.6	
1985	2.8	
1986	2.0	
1987	1.6	
1988	2.3	
1989	2.2	
1990	2.5	
1991	1.6	

*(continued)*

Table 1.1 (continued)

<i>Year</i>	<i>Annual growth rate, G7, in %</i>	<i>Annual growth rate, OECD, in %</i>
1992	2.7	
1993	1.7	
1994	1.8	
1995	1.4	
1996	1.9	
1997	2.0	
1998	1.8	
1999	2.6	
2000	2.9	
2001	2.0	1.8
2002	2.4	2.1
2003	2.0	2.1
2004	1.9	2.4
2005	1.5	1.7
2006	1.3	1.5
2007	1.2	1.7
2008	0.2	-0.1
2009	0.5	-0.3
2010	2.3	2.1
2011	1.5	1.5

*Source:* OECD iLibrary

Who has benefited from the strong productivity growth? In order to answer this question, we need to have a look at the development of the power relation between labour and capital. The rise of neoliberalism has been accompanied by a deregulation of financial markets, an encouragement of financial speculation and a massive redistribution of wealth from wages to profits. By class struggle from above, capital managed to increase its profits by relatively decreasing wages. The resulting profits were to a certain degree invested into financial markets and high-risk financial instruments, which increased the crisis-proneness, instability and volatility of capitalism. Comparing the years 1970 and 2013, the wage share, which is the share of wages in the GDP, decreased in the following way in selected European countries (adjusted wage share as percentage of GDP at current market prices. *Source:* AMECO).

Table 1.2 Adjusted Wage Share as Percentage of GDP at Current Market Prices

Country	2013	2007	2000	1990	1980	1970
EU15	58.4%	56.8%	58.9%	61.0%	65.7%	63.4%
Germany	58.6%	55.1%	60.6%	58.8%	63.7%	61.1%
Ireland	49.3%	50.3%	48.2%	59.4%	70.0%	67.2%
Greece	47%	53.5%	55.6%	62.4%	60.3%	64.8%
Spain	52.3%	55.3%	58.9%	60.7%	66.8%	64.2%
France	58.9%	56.8%	57.2%	59.3%	68.5%	63.0%
Italy	54.7%	53.7%	53.2%	61.9%	66.6%	65.4%
Cyprus	52.4%	55.0%	56.2%	N/A	N/A	N/A
Portugal	55.6%	57.2%	59.2%	55.0%	66.7%	72.5%
United Kingdom	64.2%	61.9%	62.5%	65.0%	66.0%	65.5%
Finland	58.8%	53.7%	53.8%	63.5%	63.6%	63.1%
USA	58.2%	60.6%	63.2%	63.1%	65.1%	65.9%
Japan	61.0%	58.6%	64.4%	64.3%	72.8%	64.4%
Canada	55.1%	56.4%	56.4%	59.7%	59.3%	61.0%

Source: AMECO

The data show that in the past forty years, capitalist class struggle from above has resulted in a relative decrease of wages in many countries. In Europe this struggle has especially been intense in countries such as Greece, Spain, Ireland and Cyprus, where the wage share dropped from values around 65 per cent in 1970 to values around 50 per cent in 2013. But the wages in almost all European countries and many others were affected, although to different degrees. Wages in the USA were undergoing a similar development as in Europe.

How have profits developed in parallel with the relative fall of wages? Net operating surplus is a variable that measures the gross value added of an economy minus fixed capital investments minus wage costs minus capital taxation. Calculating the share of net operating surplus in the value of GDP gives an estimation of capital's net share in an economy's total wealth.

$$\text{Profit share} = \text{Net operating surplus} / \text{GDP}$$

Tables 1.3, 1.4 and 1.5 show the development of the profit shares in the EU 15 countries, the UK and the USA.

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Table 1.3 The Development of the Profit Share in the EU 15 Countries

<i>Year</i>	<i>Net operation surplus (NOS): total economy in national currency (in billion €)</i>	<i>GDP in current market prices in national currency (in billion €)</i>	<i>Profit share</i>
1975	321.3	1426.3	22.5%
1980	555.4	2537.8	21.9%
1990	1357.1	5449.1	24.9%
2000	2115.1	8760.3	24.1%
2007	2949	11531.8	25.6%
2008	2860	11478.6	24.9%
2009	2476.6	10876.9	22.8%
2010	2661.3	11332.9	23.5%
2011	2715	11650.6	23.3%
2012	2688.1	11898.9	22.6%
2013	2690.6	11990.7	22.4%

Source: AMECO.

Table 1.4 The Development of the Profit Share in the UK

<i>Year</i>	<i>Net operation surplus (NOS): total economy in national currency (billion £)</i>	<i>GDP in current market prices in national currency (billion £)</i>	<i>Profit share</i>
1975	15.8	106.9	14.8%
1980	36.9	233.7	15.8%
1990	115.4	574.1	20.1%
2000	203.6	975.3	20.9%
2007	335.7	1412.1	23.8%
2008	351.7	1440.9	24.4%
2009	309.9	1401.9	22.1%
2010	326.8	1466.6	22.3%
2011	339.5	1516.3	22.4%
2012	331.9	1546.2	21.5%
2013	335.4	1589.1	21.1%

Source: AMECO

Table 1.5 The Development of the Profit Share in the USA

<i>Year</i>	<i>Net operation surplus (NOS): total economy in national currency (billion US\$)</i>	<i>GDP in current market prices in national currency (billion US\$)</i>	<i>Profit share</i>
1975	351.1	1623.4	21.6%
1980	560.5	2767.5	20.3%
1990	1298.5	5754.8	22.6%
2000	2444.9	9898.8	24.7%
2007	3437.5	13961.8	24.6%
2008	3375.5	14219.3	23.7%
2009	3218.4	13898.3	23.2%
2010	3627	14419.4	25.2%
2011	3767.6	14991.3	25.1%
2012	4021	15589.6	25.8%
2013	4248.6	16123.5	26.4%

*Source:* AMECO

In 1980, the profit share was 20.3 per cent in the USA, 15.8 per cent in the UK and 21.9 per cent in the EU 15 countries. What followed was the rise of neoliberal politics in the USA and Europe. Thatcher came to power in the UK in 1979, Reagan in the USA in 1981. There were close bonds between Thatcherism and Reagonomics in terms of ideology and collaboration. Ten years later (in 1990), the profit share had risen to 22.6 per cent in the USA, 20.1 per cent in the UK and 24.9 per cent in the EU 15 countries, whereas the wage shares simultaneously decreased, which is an indication for successful neoliberal class politics that redistributed income from employees to companies and the rich. These developments further continued: in 2000 the profit shares increased to 24.7 per cent in the USA, 20.9 per cent in the UK and remained relatively constant in the EU 15 region. In 2007, a year before the crisis started, the profit share was 24.6 per cent in the USA, 23.8 per cent in the UK and 25.6 per cent in the EU 15, whereas the wage share had since 2000 fallen by 2.1 per cent USA, 0.6 per cent in the UK and 2.6 per cent in the EU 15. In the period 1980–2007, the wage share decreased in these countries/regions by 4.5 per cent (USA), 4.1 per cent (UK) and 8.9 per cent (EU 15), whereas the profit share increased by 4.3 per cent (USA), 8.0 per cent (UK) and 3.7 per cent (EU 15). Whereas capital had constantly high growth rates during the 1980s, 1990s and 2000s, wages stagnated or relatively declined. Neoliberalism increased the wealth of corporations at the expense of labour. In the USA, the profit share fell to 23.2 per cent in

2009 as an effect of the crisis, but was at a high of around 26 per cent in 2012 and 2013. In the EU 15 countries, high profit shares around 25 per cent before the crisis were reduced to around 22–23 per cent in the years after the crisis. In the UK, the profit share dropped from around 24 per cent before the crisis to a level of 21–22 per cent after the crisis.

The working class in many European and other countries was hit hard by austerity measures and a new round of neoliberalism in the aftermath of the crisis: The wage share decreased from 55 per cent in 2007 (before the crisis) to 52.4 per cent in 2013 in Cyprus, from 53.5 per cent to 47 per cent in Greece, from 52.9 per cent to 49.6 per cent in Hungary, from 70.1 per cent to 62.2 per cent in Iceland, from 50.3 per cent to 49.3 per cent in Ireland, from 53 per cent to 46.4 per cent in Latvia, from 49.7 per cent to 44.1 per cent in Lithuania, from 57.2 per cent to 55.6 per cent in Portugal and from 55.3 per cent to 52.3 per cent in Spain (*Source*: AMECO). In Poland and Slovakia, workers had already been relatively poor before the crisis: the wage shares were 46.5 per cent in 2007 and 46.1 per cent in 2013 in Poland. The respective values for Slovakia were 42.3 per cent in 2007 and 43.1 per cent in 2013.

Decreasing relative wages of employees increased the dependence of their families on consumer credits, loans and mortgages for financing basic needs such as housing and transport. In the Euro 17 countries, the gross debt-to-income ratio of households increased from 74.91 per cent in 2000 to 87.6 per cent in 2005, 94.96 per cent in 2008 and 99.36 per cent in 2011 (*Source*: Eurostat). In the UK, this value was 101.0 per cent in 2000, 138.6 per cent in 2005 and 155.34 per cent in 2008 (*ibid.*). In the USA, the household debt increased from US\$1,396 billion in October 1980 to US\$3,571.6 billion in October 1990, US\$6,963.5 billion in October 2000, US\$11,716.4 billion in October 2005 and US\$13,711.6 billion in October 2007 (*Source*: Federal Reserve Economic Data, Household Credit Market Debt Outstanding).

The class struggle of capital against the working class that resulted in falling wage shares and high profits has been accompanied by a decrease of capital taxation. The available data on corporate taxation is relatively incomplete. In the EU 27 countries, corporate taxes accounted in 2013 for only 0.3 per cent of the GDP. In the United States the value was 0 per cent, meaning that treated as a collective capitalist, companies in the USA do not pay taxes. Table 1.6 shows some of the limited available data. It indicates that capital taxation has since the 1970s in general been low in European and North American capitalism, never reaching 1 per cent of the GDP of a country and varying in most countries between 0 per cent and 0.3 per cent of the GDP. It is interesting to observe that in 1970 the UK (0.8 per cent) and the USA (0.5 per cent) taxed capital higher than Germany (0.1 per cent) and the Netherlands (0.2 per cent). The rise of neoliberalism has resulted in a subsequent lowering of capital taxation in both the UK and the USA. Overall the data in Table 1.6 shows that European and North American tax regimes are friends of capitalist interests, which have supported the neoliberal class struggle of capital against labour.



Table 1.6 Capital Taxes, Percentage of GDP at Market Prices

	2013	2007	2005	2000	1995	1990	1985	1980	1975	1970
Germany	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0	0.1
Netherlands	0.3	0.3	0.3	0.4	0.3	0.2	0.2	0.2	0.2	0.2
Austria	0	0.1	0.1	0.1	0	0.1	0.1	0.1		
Portugal	0	0	0	0.1	0.1	0.1	0.2	0.1		
Finland	0.2	0.3	0.3	0.3	0.2	0.2	0.1	0.1	0.1	
United Kingdom	0.2	0.3	0.2	0.2	0.2	0.2	0.3	0.2	0.3	0.8
United States	0	0.2	0.3	0.4	0.3	0.3	0.2	0.3	0.4	0.5

Source: AMECO

The working class' wages have been attacked by neoliberal policies. The resulting profits were invested in finance because capital is driven by the need to accumulate ever more profits and financial speculation promised high returns. The volatility of the economy steadily increased, which resulted in a big explosion in 2008. The result was more of the same: hyperneoliberalism, which means the intensification of neoliberalism. Banks were bailed out with taxpayers' money, which means a bailout by taxes predominantly paid by employees because companies hardly pay taxes. The discourse of austerity wants to make people believe that they have lived beyond their means, that austerity is necessary because states have spent too much money, etc. The circumstance that profits have been growing, wages shrinking and that companies have hardly paid taxes is not mentioned in the dominant ideology. The working class was first exploited by capital and the reaction to the crisis is an intensification of exploitation and the attempt to legitimize this form of exploitation, which works by redistribution from workers to companies, cuts of public expenditures, wage cuts, tax support for banks and companies. The working class is constantly being dispossessed of the wealth it produces. Austerity measures bring much more of the same.

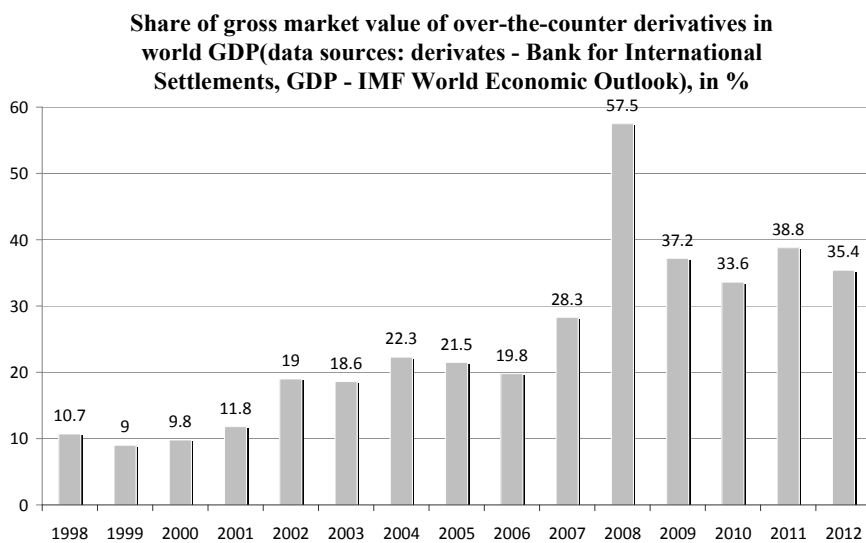
Rising profits resulted in the need to invest them in order to avoid overaccumulation crisis. This circumstance spurred the financialization of capitalist economies. Table 1.7 shows the development of the share of the finance industry in the total value added of selected countries. A general increase can be observed that has been especially strong in the USA, where the share has doubled from 1970 until 2005, when it made up 8.1 per cent of the US economy's total value added. The data indicate an increased financialization of capitalism.

*Table 1.7* Share of the Financial Industry in the Total Economy's Value Added (in Current Prices) of Selected Countries

Year	Canada	France	Germany	Italy	Japan	UK	USA
1970	5.3%	4.1%	3.4%	4.4%	4.3%	N.A.	4.2%
1980	4.8%	4.5%	4.4%	5.7%	5.2%	N.A.	4.9%
1990	6.0%	5.4%	4.8%	5.0%	5.9%	6.6%	6.0%
2000	7.1%	5.1%	4.2%	4.7%	5.8%	5.2%	7.7%
2005	7.4%	4.9%	4.7%	4.8%	6.7%	7.1%	8.1%
2008	N.A.	4.6%	3.6%	5.3%	5.8%	N.A.	7.7%
2009	N.A.	N.A.	4.3%	5.4%	5.7%	N.A.	8.3%

Source: OECD iLibrary, STAN, financial industry=ISIC Rev. 3: C65-C67

Derivatives are relatively high-risk financial instruments that derive their value from other assets. Over-the-counter derivatives are traded directly between two partners. They include instruments such as foreign exchange contracts, forwards and forex swaps, currency swaps, interest rate contracts, forward rate agreements, interest rate swaps, equity-linked contracts or credit default swaps. They are high-risk because they are not direct ownership titles, but derived from the value of other assets. Figure 1.3 shows the development of the share (in per cent) of the global gross market value of over-the-counter derivatives in world GDP.



*Figure 1.3* Share of the global gross market value of OTC derivatives in world GDP (in %).

The data show that capitalist economy has since the middle of the 1970s been shaped by the capitalist class' neoliberal struggle against the working class, increasing inequality between capital and labour, an increase of household debts, a decrease of capital taxation, a rising financialization of the economy and as a consequence an increased crisis volatility. The contradictions between capital and labour, fictitious value and actual profit, the production and consumption/investment of capital were heightened by the development dynamics of neoliberal capitalism and finally resulted in a new world economic crisis and a crisis of capitalist society.

#### **1.4.6 The Crisis and the Media**

The Crisis impacts the media in several ways:

- Media report on the crisis, either in a critical or a distorted way. Crisis explanations are mainly communicated over the mass media to the population. As the preceding discussion shows, the causes of the crisis are complex. Given that the logic of the capitalist mass media is itself driven by capital interests, it is rather unlikely that they give a lot of voice to explanations that see the crisis as immanent to capitalism and as a consequence draw the political conclusion that capitalism needs to be abolished. There is therefore a tendency that crisis reporting in capitalist mass media is ideological, simplified and reductionist. A lot of mass media referred to Marx when explaining the crisis, but truncated his crisis analysis and turning him in an ideological reversal and complete distortion into Keynes and arguing that Marx shows that capitalism needs to be reformed. Alternative media tend to give more complex and critical explanations of the crisis. Due to the fact that they are often non-commercial, they however have problems to reach a broad public.
- In situations of crisis, many capitalist businesses go bankrupt, which results in lay-offs. Also in the media industries, the crisis results in large layoffs. So for example Hewlett-Packard laid-off 24,600 employees in September 2008,<sup>1</sup> Verizon Wireless 39,000 in 2009, AT&T more than 18,000 between 2008 and 2010, Sun Microsystems around 14,000 during the same time period.<sup>2</sup> In the US newspaper industry, almost 1,000 workers lost their job within one month in June 2008.<sup>3</sup> The website <http://newspaperlayoffs.com> reported 1,850 layoffs at US newspapers in 2012; 4,190 in 2011; 2,920 in 2010; 14,828 in 2009 and 15,993 in 2008.
- Times of crisis are also potential times for revolutions, social unrests, rebellions and protests. It is no accident that the Arab spring; major protests in Greece, Spain and Portugal; student protests all over the world; the rise of Occupy movements and other uprisings took place in the course of the crisis. Social movements are using and confronted with media in various ways. They communicate among themselves,

with the public and other media report about them. The mentioned movements used various commercial and non-commercial media. The usage of “social media” such as YouTube, Facebook and Twitter especially received a lot of attention. Whereas some claimed that there were Twitter or Facebook revolutions, others argued that revolutions take place on the streets and are made by humans, not by technologies. Communication technologies are tools that are articulated in various ways with struggles, they neither determine them nor are they unimportant (Fuchs 2012b, 2014).

- Commercial media are largely or partly advertising-financed. Crises of capital accumulation impact advertising revenues and advertising investment decisions because advertising is a crucial mechanism that establishes the structural coupling of the capitalist media industry and the rest of the capitalist economy.

All of these factors are important dimensions of the media in the crisis of capitalism. We want to give a little bit more attention to aspects of advertising in the crisis because this factor is particularly important in the capital accumulation models of so-called social media like Facebook, Google/YouTube, Twitter, LinkedIn, Pinterest, Foursquare, Weibo, VK, etc. That these platforms are social media is an euphemism that distracts from the circumstance that most “social media” are advertising corporations that use targeted advertising as their capital accumulation model and as part of this model exploit users’ labour (see the contributions in Scholz 2013 and Burston et al. 2010).

As many media, in particular radio, TV, print and online media depend on and generate large shares of their profits based on advertising, they are likely to be affected by economic downturns as these might result in decreased advertising spending. McChesney and Nichols showed empirically that there is a tendency that advertising moves “in the same direction as business activity” (2010, 3).

The development of global advertising revenues between 2007 and 2011 (see Figure 1.4) shows that during the crisis most media types were confronted with a decline of advertising income. From 2008 to 2009 advertising revenues declined for all media types except for Internet media. While TV and print media still have the largest shares of total advertising revenues, the shares of the Internet sector have been growing the fastest. Between 2007 and 2011 advertising revenues of Internet media have increased on average by 16 per cent per year, followed by cinemas with a compound annual growth rate of 4 per cent and television growing on average by 2.5 per cent. The advertising revenue of all other media types, including outdoor, radio and print media, is decreasing. In 2007, Internet advertising accounted for 8.7 per cent of the global advertising revenues of the media. In 2011 this share had risen to 16.1 per cent, which is nearly a doubling. Radio, magazines, newspapers and outdoor advertising had negative annual

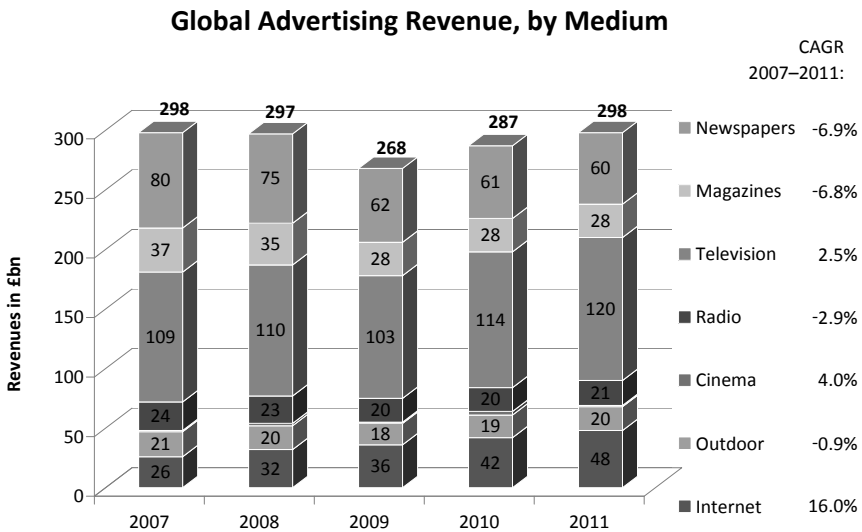


Figure 1.4 Global advertising revenue, by medium 2007–2011. *Source:* Ofcom 2012, 21 (Data based on ZenithOptimedia), CAGR=compound annual growth rate.

growth rates, with print industries having dramatic declines of more than 6 per cent per year, which has not only reduced profits, but also increased layoffs. Cinema and television had modes annual growth rates in the years 2007 to 2011.

Targeted advertising on social media is based on a constant surveillance of the users' online behaviour, profiles, communications and social networks. Therefore advertising can be highly individualised and targeted to personal interests. Total surveillance in online advertising promises more effective and efficient advertising, which may be one of the reasons why in situations of crisis advertisers tend to invest more into forms of advertisement that they perceive to be more effective and efficient. It is however unclear, if high targeting of advertising results in more sales of the advertisers because it is not self-evident that the presentation of targeted ads results a) in clicks on these ads and b) in purchases after users have been redirected to the advertisers' webpages. The promise of high returns has also resulted in high financial investments in social media corporations such as Google and Facebook. These investments have not only been driven by the crisis, but in addition also been advanced by ideologies that present "web 2.0" and "social media" as new, revolutionary and great business opportunities. If it however turns out that social media returns are not as high as expected, this can result in a) the withdrawal of financial capital investments and b) the decrease of advertising investments into social media. The ultimate effect would be the burst of a new financial bubble and possibly

the next financial crisis. So another coupling of the media to the current crisis is that the investment of advertising budgets into social media and Internet corporations may result in yet another financial bubble.

In 2011 global advertising revenues had again reached the level of 2007. However, even if companies have been able to restore profits the crisis is far from over. Its consequences are still visible and are likely to have a strong impact on social, political and economic life in the years to come. McNally highlights that generating “a small economic bounce” was only possible through “the most massive bailout ever undertaken”, while “profound economic problems persist” (2011, 21). Through bank bailouts the bank debt was transferred to governments. Thus, “[p]rivate debt became public debt” (McNally 2011, 4). As recent examples of state bailouts in Greece and Cyprus show, the increase of public debt poses a serious challenge to governments.

David Harvey describes the spiral between wage repression, increasing private debt, crisis, increasing government debt and austerity as follows: “Wage repression produces a deficit of effective demand, which is covered by increasing indebtedness, which ultimately leads into financial crisis, which is resolved by state interventions, which translates into a fiscal crisis of the state, which can best be resolved, according to conventional economic wisdom, by further reductions in the social wage” (2011b, 101). Reductions in the social wage, austerity measures and attacks on public services especially affect the poor, who are the most dependent on public social services such as education, health care, pensions, unemployment benefits etc. The poor are thus paying the debts of the rich (McNally 2011, 4). Social problems are thus likely to be accelerated. McNally (2011) projects a decade of austerity, a “prolonged global slump”.

While the impacts of the crisis are being passed on to the poor, “business as usual” seems to continue. Foster and McChesney highlight that “there seems no way out of the present economic malaise that is acceptable to the vested interests, but to restart the financialization process” (Foster and McChesney 2012, 30). The reaction to the crisis illustrates that “capital never solves its crisis tendencies; it merely moves them around” (Harvey 2011b, 101).

By 2013 the economic crisis has largely disappeared from mainstream media headlines. McNally (2011, 16f) observes a shift from great panic to great denial. After the outbreak of the crisis mainstream media, economists and policy makers panicked and raised questions about the future of capitalism. After the first shock the rhetoric shifted: “our planet’s rulers are hurriedly sweeping their fear and panic under the boardroom carpets” (McNally 2011, 21). It is therefore a major challenge for critical scholars and critical media to point at the unresolved crisis tendencies of capitalism, to show how current austerity measures are a means for shifting the costs of the crisis from the rich to the poor and to highlight that alternatives to capitalism are necessary in order to prevent more misery and suffering created through capitalist crises. Harvey points out that in the aftermath of the crisis there is the potential to promote such alternatives: “It could

be that 2009 marked the beginning of a prolonged shakeout in which the question of grand far reaching alternatives to capitalism will step by step bubble up to the surface in one part of the world or another” (2011b, 109). In order to foster a debate about and the creation of alternatives it is necessary that critical scholarship connects to the social struggles that emerged in the context of the crisis and that are an expression of a deep dissatisfaction with social inequality and injustice (e.g. Occupy, the Indignados movement in Spain or protests in Greece).

## 1.5 THE CHAPTERS IN THIS BOOK

The chapters are organised in three sections that reflect the overall focus of the book:

- Critical Studies of the Information Society
- Critical Internet- and Social Media-Studies
- Critical Studies of Communication Labour

The contributions stand and speak for themselves. We therefore do not adhere to the common practice of summarising their main contents in the introduction, but rather want to motivate the readers to engage with all of the chapters and are confident that this is an intellectually rewarding endeavour. We want to give a brief overview of how the chapters relate to one specific question that we consider to be of particular importance, namely: What is the relevance of Karl Marx’ works today for understanding and changing society, the media and politics?

### **Section I: Critical Studies of the Information Society**

Christian Fuchs argues that the surging interest in Marx should, in the study of media and communication, lead to a reconsideration and unification of the approaches of the Frankfurt School and Critical Political Economy. Marxian analysis would be relevant for discussing the role of the information society and capitalism, criticising ideologies of the Internet and the media, understanding and critically conceptualising commodification, labour and exploitation on the Internet and social media and as inspirations for the struggle for a commons-based Internet in a commons-based society.

Wolfgang Hofkirchner stresses that the ecological, economic, political and ideological structures of society have become threats to the survival of society and humans. He thereby reflects the Marxian idea that modernity’s creative and productive forces turn into destructive forces due to the logic of accumulation and domination. The choice humanity would have to make today would again be, as Fredrick Engels and Rosa Luxemburg already said, the one between barbarism on the one hand and socialism on

the other hand. The task for the latter would be to reappropriate the technological, ecological, economic, political and cultural commons of society that are produced by all, but today are enclosed by a dominant class. Hofkirchner, based on Slavoj Žižek, argues that Marx' communist principle "from each according to their ability, to each according to their need" must today take on the form of a commons-based information society.

Sebastian Sevignani, Robert Prey, Marisol Sandoval, Thomas Allmer, Jernej Amon Prodnik and Verena Kreilinger argue that critical social science is influenced by Marx and that Marx's thinking is very important today. They maintain that the value chain of media technologies and content involves various forms of the exploitation of labour that can best be analysed with the help of Marx's theory. Also Marx's dialectical notion of contradiction would be helpful for understanding the ambiguous character that ICTs have in capitalism as well as struggles that emerge from capitalism and that make use of ICTs. The authors point out that the logic of commodification has shaped higher education and academia and that neoliberalism poses manifold problems for young critical scholars in the form of constant raises of tuition fees, unpaid internships, precarious academic jobs, cuts of university and higher education budgets, the competitive logic of publish or perish, the private companies' influence on universities. This would be accompanied by a hostile climate towards Marxists in some countries. Young scholars would therefore face problems, ambivalences and difficult choices. The authors point out that students, young scholars and people are angry about the situation they have to face and that this circumstance has resulted in protests in many countries. They hereby reflect the circumstance that Marxist thinking focuses on potentials and actualities of social struggles against injustices and that Marxism is a theory that strives towards political praxis and a theoretically reflected political praxis.

Gunilla Bradley argues that work in the ICT industry is characterised by a decreasing privileged core workforce and an increasing peripheral workforce that is facing precarious conditions. Work would today be too much individualised and expect too much responsibility of the single individual in an economy, where the single person can hardly control his/her own fate. ICTs would be connected to major changes in private and work life. They would bring about an acceleration of actions and decisions in both realms. This would bring about more flexible and networked organisations, but also more social problems, such as increased stress. Convergences would take place in the realms of ICTs, life roles, the life environment and globalization, resulting in ubiquitous technologies, virtual roles, virtual environments and virtual worlds, phenomena that all would have complex impacts on humans.

## **Section II: Critical Internet- and Social Media-Studies**

Andrew Feenberg argues that Marx provides several elements for a critical theory of technology:



- \* He shows that technology is embedded in class structures and struggles.
- \* He provides an approach that allows technologies to be seen as historical artefacts that change during their own history and have various layers of organisation.
- \* He points out that capitalism alienates individuals by transferring their knowledge to machines and deskilling their labour and that socialism therefore implies not only the collective control of the means of production, but also the well-rounded development of human capacities enabled by the means of production.
- \* He argues that technologies only have meaning and functions in the context of specific context and social relations, into which they are embedded. Therefore the way technologies are used can be changed by changing the social relations to which they refer.

An application of Marx and critical theory to understanding the Internet would mean to see it a system that is facing a contradiction and struggle between commodification and community-orientation. Marx could furthermore inspire thoughts about the role of contemporary struggles in transforming society and how an alternative Internet could look.

Graham Murdock argues that Marx is the most important thinker for understanding contemporary society and culture. Marx would have shown that there is a dialectic of production and consumption, that commodities come along with ideologies of consumption and commodity fetishism as ideology, that commodification and exploitation are foundational processes of capitalism, that capitalism is inherently crisis-ridden. The notion of commodity fetishism would allow understanding the ideologies that shape the history of advertising and shape consumers' desires. Prosumption means that consumption becomes productive and produces use-values and economic value. The Marxian dialectic of production and consumption would today take on the form of prosumption that shapes web 2.0, where user labour and ideologies constitute two aspects of commodification. In the history of commodity culture, specific media would be typical for retail environments that use certain central principles: newspapers would be associated with local shops and utility, cinemas with department stores and display, commercial TV with supermarkets and flows, multi-channel TV with malls and immersion, and web 2.0 with retail destinations and integration.

Marisol Sandoval takes up Marx' distinction between the productive forces and the relations of production. She argues that discussions about "social media" such as Facebook, Twitter and YouTube often reduce the understanding of the social to the technical productive forces, where being social indicates communication, participation and sharing. She extends the meaning of the sociality of the media to the realm of the productive forces that according to Marx are in capitalism exploitative class relations.

She analyses the working conditions at Foxconn, Google's exploitation of unpaid user labour, News Corporation's right wing ideology, the monopoly-capitalist practices of Microsoft and the poisoning of nature and humans by HP's e-waste. Reflecting Marx's distinction between capitalism and communism, Sandoval discerns between the logic of property and the logic of the commons. Media that are based on the logic of property, such as Foxconn, Google, News Corporation, Microsoft and HP, are according to Marisol Sandoval "unsocial media"—they are governed by a particularistic logic that generates profit that is owned by a small group of individuals and harms both society and nature. Karl Marx (1867/1990, 638) wrote in *Capital. Volume 1*: "Capitalist production, therefore, only develops the techniques and the degree of combination of the social process of production by simultaneously undermining the original sources of all wealth—the soil and the worker." Marisol Sandoval's chapter shows that the dialectic of social production and individual appropriation that harms nature and society that Marx identified applies to twenty-first century capitalist media.

The practices of these companies result in the commodification of the eco-social commons, the labour commons and the networked commons, elite control of decision-making in media companies and ideologies advanced by these media. Sandoval concludes that corporate media are unsocial media and that there is a need for truly social media—commons-based media.

Nick Dyer-Witheford discusses the changes the working class has been undergoing in the past decades. He situates Marx's notion of *Gesamtarbeiter* (collective/total worker) in the context of contemporary capitalism, globalization, offshoring, outsourcing, deindustrialization, digital media and knowledge labour and coins the notion of *Weltgesamtarbeiter* (world total worker). This worker would be transnational, embedded into a global division of labour, feminized, mobile and migrant, precarious, earth-changing and connected. He describes an antagonism between the hacker model and the capital model of digital media and the Internet. Especially since 2001, the hacker model would have become the foundation of new capital accumulation strategies. "Immaterial" labour would thereby have become subsumed under communicative capital. The crisis of this model would not have been the result of labour's struggles, but of the antagonisms of the financial system that have been connected to capital's neoliberal struggle against labour. The resulting crisis would have driven the emergence of new struggles. Social and mobile media would not have caused these struggles, but supported decision-making in and networking of the new movements in close connection with street protests taking place in physical spaces. Capital was however fighting back, including austerity measures and the monitoring of digital media. The challenge would be to build new forms of associations that make use and re-appropriate digital media.

Mark Andrejevic discusses the relationship of alienation and exploitation on social media. He criticises approaches that argue that social media result in exploitation without alienation. There would be no death of alienation,

alienation and exploitation would rather be entwined. Andrejevic argues for a Marxist use of both terms. The private ownership and control of the ICT infrastructure and the generation of data doubles that are used for capitalist purposes would play a crucial role in online alienation. The notion of immaterial labour would be problematic because the physical infrastructure of the Internet would be decisive for its operation and under capitalist conditions constitute an infrastructure of alienation. Fixed capital would still matter and it would not just be mass intellectuality and skills that matters, but also the infrastructure of knowledge and communication. Alienation on the Internet would increasingly take on the form of algorithmic alienation, where algorithms mine data and automate decision-making.

Peter Dahlgren points out that social media do not automatically result in politics, protest and political participation, but have a potential to foster political struggles and engagement. He argues that the realities of politics, participation and protest are shaped by discourses. He thereby reflects a basic analytical domain of Marx, namely that power structures do not naturally or in a deterministic manner develop, but are shaped by and shape ideologies and worldviews. Dahlgren discusses the notion of political participation and relates it to the media and social media. He shows that the focus on the accumulation of visibility and reputation on social media can limit. Here he implicitly uses the Marxian notion of accumulation applied to the realm of a specific cultural phenomenon, reputation. Reputation plays a crucial role, so that political participation is disadvantaged in comparison to consumption. One could say that he applies two Marxian approaches, ideology critique and political economy, to the realm of social media politics and argues that the logic of social media can easily ideologically deflect political participation and that those who engage in political activism supported by social media are facing power asymmetries.

Tobias Olsson points out that a Marxist position in discussions of “web 2.0” and “social media” argues that capitalism and commodification are central contexts of these phenomena. Other positions would stress possibilities for consumer participation. Olsson argues that they advance an ideology that celebrates new technologies as harbingers of change. Implicitly Tobias Olsson here reflects Marx’s analytical assumption that commodities have two aspects—one of value and capital accumulation and one of ideological (commodity fetishism). A third position would be that social media advance political engagement. Olsson argues for empirical studies of social media production and use and presents three case studies. We can add that Marx would ask in the context of specific cases, how far they represent a capitalist model or a public service model of social media, how political they are, how well or not they are represented in the overall power structure of the Internet and to which extent users’ online politics confirm overall liberal values immanent in capitalism or engage in more fundamental power struggles (and if the latter is the case, how long this activism is

tolerated by corporations or liberal politicians on their platforms, and how long it takes until they are censored).

### Section III: Critical Studies of Communication Labour

Catherine McKercher argues that Marx's concept of piece work allows understanding the exploitation of freelance journalists. She presents data that shows that Marxian proletarianisation today often takes on the form of the feminisation of work, cultural work, freelance journalism and higher education as well as the forms of the layoff of journalists, free labour conducted by citizen journalists, and unpaid or underpaid internship work. The Marxian notion of contradiction would allow understanding the dialectic of resistance and exploitation that cultural workers are facing. Also contradictions of success and loss would shape the struggles of proletarianised cultural workers. McKercher's chapter shows the inherent connection of capitalism and patriarchy. Women have historically been confronted with a gendered division of labour that has assigned housework, family work and reproductive work to them. This means that often there is no pay for this work, no end of the work, but rather constant availability to serve others and care for others. In capitalism, this division has taken on new forms and in contemporary capitalism, patriarchy also shapes, as McKercher shows, media work.

Margareta Melin uses the theories of Pierre Bourdieu and Michel de Certeau, especially their concepts of struggles, to analyse the war-like practices in everyday life in journalism. She shows that in journalism there are certain unquestioned dominant male-dominated rules, values, thought patterns and behaviours—what with Bourdieu can be called a journalistic doxa. Struggles would also focused on changing the ruling doxa. Women journalists often have to face status hierarchies, low skill activities, sexual harassment or the problem of finding a job, or freelance jobs. Bourdieu discusses how women journalists struggle against patriarchal structures in journalism and which tactics and strategies they use. She also shows how the rise of the Internet and social media has influenced the careers of women journalists. Bourdieu has generalised Marx's concepts of capital and struggles, stressing the importance of accumulation of economic, political and cultural capital and the inequalities that result from it. Margareta Melin uses Bourdieu's generalised version of Marxian theory and combines it with a feminist analysis in order to show how economic, social and cultural capital structures discriminate women journalists and how they fight back in creative forms of struggles.

Vincent Mosco argues that there is a return of the interest in Marx. The mainstream media would report on Marx's relevance for understanding the crisis. The Marx of the *Grundrisse* that coined the notion of the "General Intellect" would be needed for understanding communication labour. He would have shown that communication technologies are part of the

productive forces and that communication is inherently connected to globalization. The notion of the General Intellect would be a remarkable foresightful analysis of knowledge work and the knowledge economy. Marx, the journalist, would be a role model for critical journalism. He would have fought for freedom of speech with his pen, which resulted in the censorship and ban of the newspapers he wrote, trials and his ban from Germany. This makes clear that besides equality freedom was also a very important value for Marx. Marx saw the newspaper as an inherently political medium that should intervene in struggles. This was at a time before the news media were heavily commercialised and can remind us that commercialisation goes along with the value of (pseudo-)objectivity and just like political censorship negatively impacts the freedom of speech that Marx struggled for. Marx, the politician and communist, would be needed as inspiration for knowledge workers to unite as a class that struggles against their exploitation. Mosco points out that the convergence of capital and the communication technologies it controls can best be answered by the convergence of communication workers' trade unions, which allows struggles to be more powerful. Mosco, by engaging with Marx, reminds scholars that the topic of labour is of special importance because there is a strong focus on technology, platforms and companies in the research landscape, knowledge labour has economic significance and this kind of analysis allows scholars to connect to political struggles that matter in the twenty-first century.

## 1.6 KARL MARX AND THE CHAPTERS IN THIS BOOK

For analysing media, digital media, social media and the information society, the authors in this book employ theory, empirical research, ethical and political reasoning and a historical method. Not every author employs a combination of all four methods, which is hardly possible in a single book chapter and has today become rare because academia does not foster wholism, but rather particularistic methods. An integrated method that makes use of theory, empirical research, ethics and historical analysis requires time and resources, which are both structures that are rare in contemporary academia because of neoliberal deregulation, cuts and spending priorities that discriminate critical research approaches. If we read the epistemological approaches that are employed for generating new knowledge in this book, then this is precisely Marx's method—a unity of a) theory, b) empirical research, c) historical analysis and d) ethics/politics.

Take as an example Marx's *Capital. Volume 1* (Marx 1867/1990): it is a) a theoretical analysis and critique of capitalism that starts with the category of the commodity as the most abstract notion and then subsequently makes the analysis more concrete by connecting the already developed categories subsequently to others such as use-value, value, concrete labour, abstract labour, the forms of value, money, the fetishism of commodities, surplus-

value, capital, the unity of the labour and valorisation process, constant capital, variable capital, rate of surplus-value, mass of surplus-value, the method of absolute surplus-value production, the method of relative surplus-value production, co-operation, machinery, wages, the overall process of capital accumulation, capital concentration, surplus population, primitive accumulation, crisis, and colonialism. Marx has a general concept of developing a theory that he termed the advancement from the abstract to the concrete: one starts with a certain category and then develops out of this category another relational category that contradicts the previous one so that this contradiction gives rise to a third category that again stands in relation to another category, etc. This method develops a system of categories, which is exactly the definition of a theory. The underlying assumption is that this system is not arbitrary, but describes actual parts of the world.

b) Marx also employed empirical research for illustrating and validating his theoretical concept. In *Capital. Volume 1*, the main data he employed are fabric inspectors' reports of working conditions in British companies. Marx uses this material for illustrating his theoretical assumptions. This is most apparent in Chapter 15 "Machinery and Modern Industry" (that is actually Chapter 13 "Maschinerie und große Industrie" in the most widely read German edition of the book, [Marx 1867], which shows that in preparing the English edition a serious mistake was made, namely the one of not maintaining the same numbering of chapters). This is longest chapter in the book and probably also the one that is most illustrative of the horrible conditions that workers in industrializing capitalism had and have (!) to face. Marx's thinking is not only dialectical and realistic, it is also c) historical: he sees capitalism as a historical system that has a beginning and an end, contradictions as drivers of history and revolutions and conceives capitalism as the historical sublation (*Aufhebung*) of previous modes of production (feudalism, ancient slavery, patriarchy) that are no longer dominant, but preserved and transmogrified in capitalism.

Marx's language and analysis is d) inherently ethical and political. He did not believe in the myth of the objectivity of science, but rather tried to show in *Capital. Volume 1*, and other works that the most bourgeois theory of capitalism (classical political economy) is ideological by declaring phenomena that are specific for capitalism or class societies in general (such as class, exploitation, profit, money, accumulation, competition, the division of labour, etc.) as natural properties of all societies. Marx criticises that these approaches are devoid of history, which turns them into ideology: they do not see the historical character of existing phenomena and cannot imagine and do not desire an alternative to capitalism. Marx, in contrast, is aware that every academic approach is shaped by the political values of its authors and does, in contrast to bourgeois thinkers who try to morally justify capitalism by scientific laws, make no secret out of the fact that he sees capitalism as a morally unjust system that should be abolished. This becomes apparent in categories such as the rate of exploitation or

the characterisation of surplus value as the reality of exploitation that are not just analytical and theoretical, but at the same time communicate that injustice is an inherent feature of capitalism. Consider for example the following passage:

Capital is dead labour which, vampire-like, lives only by sucking living labour, and lives the more, the more labour it sucks. The time during which the worker works is the time during which the capitalist consumes the labour-power he has bought from him. If the worker consumes his disposable time for himself, he robs the capitalist. (Marx 1867/1990, 342)

Marx deliberately chose categories such as the vampire, blood-sucking, robbing and stealing for characterising capital in order to not only express the analytical circumstance that capital requires the appropriation of workers' unpaid labour time for accumulating capital and profit, but also for expressing that this societal circumstance is unjust and should be abolished by a political revolution. Marx used the figure of the vampire for illustrating the monstrosity of capital accumulation: "Capital is dead labour, that, vampire-like, lives only by sucking living labour, and lives the more, the more labour it sucks" (1867/1990, 342). This characterisation of capital resembles Bram Stoker's description of the vampire that "can flourish and fatten on the blood of the living. Even more [. . .] his vital faculties grow strenuous, and seem as though they refresh themselves when his special pabulum is plenty" (Stoker 1897, 211). Like the kiss of the vampire turns a human being into another vampire, capital works as an "animated monster" (Marx 1867/1990, 302) that turns ever more living labour power into ever more capital. Both capital and the vampire follow only one purpose: While capital's single purpose is its constant accumulation, that is to turn living labour into dead capital (Marx 1867/1990, 253), the only purpose of the vampire is to suck the blood of the living: "as his [count Dracula's] intellect is small and his action based on selfishness, he confines himself to one purpose. That purpose is remorseless" (Stoker 1897, 302).

The authors in this book agree that the Internet and social media have a contradictory character and pose positive potentials and risks, potentials for deepening domination and practicing attempts to liberate humanity from domination. They stress aspects of domination and liberation to different degrees and also in ways that partly contradict each other, which is first and foremost an indication of a lively academic debate. The discourse shows overall that the Internet and social media form a dialectic system: it is full of contradictions that reflect and transpose the actual contradictions of society. If we consequently apply Marx' way of thinking as an epistemological method, then we can formulate the overall insights of this book in an integrated manner: The Internet and social media are systems of cognition, communication and cooperation that are embedded into

contemporary society's power structures. This means that on the one hand they pose potentials for making society and social reality more participatory, cooperative and sustainable, but on the other hand the reality is that corporate social media and the corporate Internet are embedded, shaped by and shaping structures of exploitation and domination. The Internet and social media are highly contradictory: They represent the potential for a more just world, in which property, decision power, reputation and meaning making are social in character, i.e. controlled by all in participatory and cooperative processes, and the reality of particularism. "Social media" have social potentials for fostering the common interest and a particularistic reality under capitalism that favours private interests and the interests of the few and the privileged. This contradiction of the simultaneous common sociality and exploitative and dominative particularism of the Internet and "social media" translates today into struggles and discussions about the opportunities and risks of these communication forms. This book contributes to these debates and wants to inform these struggles.

## 1.7 CONCLUSION

The new global crisis has shown that global capitalism has difficulties to continue to exist in the neoliberal mode of existence that it has acquired in the past decades. Accumulation by dispossession has strongly increased inequality and the finance-based regime of accumulation, coupled with the redistribution of wealth from the working class to companies and the rich, has increased the crisis-proneness of capitalism and resulted in a new world-economic crisis of capitalism.

New struggles and rebellions as well as attempts to introduce an even more brutal neoliberal regime have emerged. It is unclear what the future of capitalism will look like. For the social sciences, it is also unclear what their own future will look like. There are both opportunities and great risks: the opportunity to renew the critical spirit of the social sciences that has suffered under the hegemony of neoliberalism, as well as the risk that the social sciences, in general, and critical approaches, in particular, will be even more cut back, structurally discriminated, and weakened due to the potential emergence of a hyper-neoliberal regime of regulation.

Much will depend on how the political situation develops in the coming years in various countries and regions of the world. In our view, the critical spirit and the interest in critical research that has guided the Uppsala conference, are signs that there is an interest in a renewal of critical media and communication studies. It is unclear, how large this potential is, if it can constitute a counter-hegemony to the hegemony of administrative research, and if new opportunities for institutionalizing critical research exist and can be fostered. All we can say is that there are indicators for a certain renewed critical potential. What we need to do next, in our opinion,



is to find creative ways and projects to realize and institutionalize these potentials. This is definitely easier said than done. If those, who are interested in fostering critical research, join forces and create collective spaces for critical research, then we are definitely on the right way. The Uppsala conference and this book as well as many other contributions are first steps for renewing critical media and communication studies in times of neoliberal capitalism, global crisis, and uncertainty. Much remains to be accomplished and to be done.

## NOTES

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