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Economies of the Internet

by [Kylie Jarrett](#) and [D.E. Wittkower](#)

Abstract

The papers in this issue of *First Monday* were originally presented as a series of panels at the Association of Internet Researchers 2015 conference in Phoenix, Arizona. This short introduction explains the impetus behind the organization of these panels — which was to document diversity in approaches to the study of Internet economies — and briefly introduces each paper by locating them in the nexus between political economy and cultural studies.

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Introduction

What we do when we are online is inextricably linked to economics. Restrictions on commercial use of the Internet were lifted in 1991 and a small number of commercial sites existed on the Web even prior to its popularization from 1993–94. Today, tweeting news events, searching for information on movie screenings, talking to others, or producing and consuming cultural goods like music or videos typically happens on commercial platforms and through commercial service providers running on proprietary devices. We increasingly do our shopping, or our consumer research, via the Web. Advertising saturates our online experiences and mechanisms to capture valuable taste data penetrate our everyday, interpersonal interactions conducted through digital systems.

At the same time, paid work is often mediated through networked systems such as e-mail, shared documents, digital timekeepers, or computerized machinery. The value of the companies we work for rises and falls in vast, global, online finance systems, where professional and non-professional traders alike use Web sites and apps to manage their investments. Internet-based media companies such as Google, Facebook, and Amazon are significant players on these same stock exchanges, alongside more established technology companies such as Apple and Microsoft. Matters of economics are central to our digitally mediated existence in these ways and many more.

The papers collected here seek to explore various facets of this intersection of our online life with economics, adding new interpretive tools, new instances, and new insights into how we can understand this

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ABOUT THE AUTHORS

Kylie Jarrett

Ireland

Dr. Kylie Jarrett is Lecturer in

nexus. These papers were originally presented as a series of panels at the 2015 Association of Internet Researchers conference in Phoenix, Arizona. Taken together, they offer a complexity of perspectives on what is understood as 'economic' in digital media use and industries, and suggest a variety of modes for thinking and rethinking the economies of the Internet. This introduction places these papers in the context of the existing field of inquiry, but also wider debates about what constitutes valid, appropriate or insightful approaches to the political economy of cultural industries and practices.

Multimedia at the Center for Media Studies at the National University of Ireland, Maynooth.

.....
D. E. Wittkower

Associate Professor in Philosophy & Religious Studies at Old Dominion University in Norfolk, Va.



Analyzing the Internet economy

Given the rapid rise of the commercial Web and its increasing concentration in large monopoly players such as Google and Facebook, it is no surprise that we have seen a resurging interest in studying the political economy of the Internet. Various studies engage with the conditions and labor practices of digital media industries, ranging from games (e.g., Bulut, 2015; Kücklich, 2005; Deuze, *et al.*, 2007), to Web development (e.g., Neff, *et al.*, 2005; Kennedy, 2012; Ross, 2003), to the high-technology manufacturing plants in free trade zones across the developing world (e.g., Dyer-Witthford, 2015; Qiu, *et al.*, 2014; Sandoval, 2013). Such studies often emphasize the relative under-compensation of digital media industries, including for white-collar, middle-class, and creative work. Highly intensive work periods are a regular feature of this sector, particularly when products near deadline. This couples with work time already extended by necessary after-hours networking with peers or clients, and the need to continually upskill during supposed leisure time (Gill, 2011; Huws, 2014; Kotamraju, 2002), to produce highly exploitative labor conditions. Work in Internet-related industries — both white and blue collar — is often contract-based and unstable, with risk and precarity shifted toward the margins. The relationship between the conditions of creative labor in these sectors and the pervasive precarity and under-compensation in the wider neoliberal economic system has been a key insight generated by these kinds of critiques of the Internet's political economy.

The 'economic turn' in Internet research is perhaps best exemplified, though, in the prominent work of Christian Fuchs (e.g., 2014a; 2014b; 2011; 2008) who closely interrogates the economic logics of the commercial Web using Marxian models. It is through his analyses in particular that it has become possible to argue that user activity such as tweeting, sharing recipes or uploading home videos is exploited labor because it contributes to the production of surplus value by digital media companies. Fuchs has exhaustively demonstrated the exploitative nature of user labor, detailing how the economic relations between platforms and users reflect the process of commodification and monetization described by Marx. Fuchs (2008) has also mapped the differing relations between competitive and cooperative models of production across the digital sector as part of a critique of the alienating qualities of user labor but also in order to indicate alternative modes for digital media industries.

Fuchs' approach to the economics of user labor has drawn on Dallas Smythe's concept of the audience-commodity (Fuchs, 2014b; McGuigan and Manzerolle, 2014) to argue that the key product of commercial Web sites is user data that can be sold to advertisers. Using the labor theory of value, Fuchs argues that users are being formally exploited by commercial media, both because they supply creative content to platforms without adequate compensation (see also Terranova, 2000) and because data gathered about use can be sold to advertisers. As these contributions generate value for the company that is greater than the amount received in compensation — compensation that, in any case, is usually not monetary — users are involved in the production of surplus value.

Analyses of user activity and paid work intersect at this point. Like over-worked, and subsequently under-compensated, game company employees or the Web designers living precariously from contract to contract, digital media users are a cog within an exploitative economic machinery that saturates the entire life of those in the Internet-enabled world.



Economic models

This Marxian way of thinking about digital media use as exploited work has recently become dominant in the field and has generated great insight into the political economy of the Internet. Yet this approach is only one paradigm for analyzing economic activities and the implications of the

Internet. In their recent book, *Media economics*, Cunningham, *et al.* [1] argue for the need to “revisit media economics in its various forms” because media, communication, and cultural studies “have often held a static and one-dimensional account of what economics is.” There is, they say, often an assumption that economics means neoclassical economics, a conclusion shaped by the influence of Marxism on the field. This approach, as Garnham (2011) also suggests, tends to reject markets *per se* rather than assessing how actual markets work (the true object of historical materialism). Grossberg (2010) similarly notes that there is a limited understanding of economics as a discipline in studies of media. Consequently, critiques of media economics often don’t emerge from “a theorized analysis of real economic complexities, but an imagined position of radical opposition, in which the only possible politics is defined by the moral project of overthrowing capitalism” [2]. There is, arguably, a need in Internet research to deepen our engagement with economic theories, including Marxism, but also to explore variant economic models if we are to adequately interpret commercial digital media.

Various contributors to this volume accept this challenge, avoiding the tendency to “adopt ready-made categories and descriptions” [3], seeking instead to complicate the dominant analytical paradigm in studies of Internet economics. Some of these studies challenge existing precepts of the Marxian thesis and the oppositional binaries with which it is often associated; some utilize analytical frameworks shaped by feminist, indigenious, social justice and/or queer thinking; others look toward the roles played by cultural intermediaries and cultural logics in shaping economic activity. All papers in this volume, though, offer something new to the interpretive frameworks that have thus far been brought to bear on Internet economies.

For instance, Kylie Jarrett’s paper challenges a key critical concept in Marxian theory — the alienation thesis — subjecting it to a queer reading that highlights its exclusionary properties. Using gay male hookup apps as an example, Jarrett raises questions about critical frameworks regularly, and perhaps unthinkingly, applied in studies of Internet economies. Julia Velkova also challenges the use of the alienation thesis. Rather than critiquing the thesis itself, though, she uses a detailed case study of gift politics in an open source animation company to demonstrate how the emancipatory ideology of open source/open access production — the supposed alternative to alienated production — can itself be mobilized to reproduce power asymmetries. D.E. Wittkower’s article seeks to move away entirely from a property- and production-based economic model within the realm of privacy and personally identifiable information, proposing instead a model based in economies of information exchange in personal relationships, as understood through post-phenomenological analysis based in feminist ethics of care. Wittkower outlines a more culturally responsive and ethical model of privacy through which digital media industries may engage their customers. The kind of engagement with, and transformation of, key economic concepts in these three critiques of Internet economics is a feature across this issue.



Economic cultures

In Internet research, there is also the need to move beyond the long schism between political economy and cultural studies (Fenton, 2007; Jarrett, 2015; Wittel, 2004). These two paradigms are often cited as having irreconcilable differences: cultural studies approaches are accused of lacking critical insight by emphasizing agency rather than structural limitations, while political economy is cast as economically deterministic and assuming passivity in users [4]. The debates over which paradigm is relevant or valid have historically been acrimonious, particularly when also coupled with many Marxists’ rejection of identity politics other than those based in class. Consequently, it is typical to see studies of Internet economics as distinct from those engaging with the substantive qualities of Internet cultural activity.

However, as we try to understand user activity like showing solidarity with a friend in crisis on Facebook, online dating or hooking up via commercial applications, or the experiences of Twitter troll victims, it is difficult to separate the economic from the cultural. It is similarly difficult to differentiate the two spheres in the context of paid work in creative industries where you ‘do what you love’ in conditions that invest your social life into your work. Digital media use and labor is socially and affectively rich while simultaneously being inextricably bound to economic imperatives. Consequently, the division between economic and cultural analyses becomes untenable (Bolin, 2011).

It is essential, then, to understand the economic as intertwined with, and not merely hostile to, the cultural formations of the Internet. As Grossberg [5] contends, we need to “rescue economies from the economists” and find ways to “take on and take up economic questions without falling into forms of reductionism and essentialism.” The point, he says, is to produce stories of the conjuncture between these aspects of social and cultural life, “to better understand ‘economic’ events, practices, relations, etc., by contextualizing them, and to better understand the context by inscribing economies into it” [6].

Exploring economics through studies of cultural practice extends analysis of Internet economies in two ways. First, it allows us to move beyond values that are monetary and consider the circulation of other forms of capital. Second, it expands the range of sites we can explore in terms of their economy. Combined, this allows us not only to critique the economic logic of practices previously unrecognized as having such a dimension, but also to add cultural dimensions to our understanding of economic practices.

The papers in this issue pluralize the definition of ‘economy,’ expanding it from the strictly monetary to examine the circulation of value in other economies such as the (sub-) cultural, affective, queer, and libidinal. Susanna Paasonen’s article, for instance, bridges this divide by looking at clickbait, which allows us to see how Web sites can align the many and intricate affective economies of attention with monetizing systems. She shows the ways in which the financial market in online attention — with ‘eyeballs’ being monitored, quantified, and sold — is built upon a personal, affective, and phenomenological economy in which we seek out the stimulation of clickbait only to be caught in a cycle of distraction. Sharif Mowlabocus’ paper also picks up on the importance of distraction, looking at the role played by mobile phones in libidinal economies. He examines how they provide stability and reassurance while, at the same time, reconciling mobile users with neoliberal precarity and the blurring of work and free time. Finally, Holly Kruse places the very visible economy of digitized horserace gambling against the less visible economy of racehorse rescue, tracing how these entirely intertwined markets have been gendered in ways that neatly track the treatment of socially reproductive ‘women’s work.’ Kruse’s analysis demonstrates the expectation of material gain in predominantly male-dominated betting markets and an expectation of “a kind of emotional reward” in the affective labor of the female-dominated rescue market. Each of these studies, along with others in the issue, emphasizes the complex interrelationship of the distribution of cultural value with fiscal economics, but also highlights the rich cultural life of online economic exchanges.



Politics and the economy

It is important to underscore, though, that the analyses of Internet economies offered in this collection are always profoundly political, especially when focused on the ‘cultural.’ As Couldry points out, changes in the media, such as those that have happened via digitization, “have always resulted from *interactions* between technological, economic, social and political forces” [7]. Consequently, to examine the conjunctures between the cultural and the economic on the Internet is also to offer, more or less explicitly, a critique of these forces’ intersection. Indeed, it is perhaps *because of* their integration of cultural and economic concepts that the studies in this issue are placed within, or at least aligned with, the field of political economy and its critical agenda.

In his (in)famous discussion of the relationship between political economy and cultural studies, Garnham (1995) describes three crucial aspects of the former mode of inquiry. He traces the field of political economy to the recognition that collaborative social formations are the basis of production. Consequently, there is first a requirement for institutional, organizing structures specific to that mode of production — Marx’s superstructure, for instance. The second aspect is that individual social agents are shaped by the contours of the social relations of these superstructural institutions. For Garnham, the third aspect of political economy is that an emphasis on justice evolves directly from recognition of the intersections of self, collaborative social formations, and infrastructures or institutions.

Following Garnham then, to explore the cultural economies of the Internet unavoidably raises questions about justice and equality. As part of a critical project, it is therefore important to locate the cultural and economic practices under analysis within the sociopolitical infrastructures particular to their manifestation and to consider their mutual engagement. These infrastructures are not only the, perhaps, obvious instances of state policy (although these are fundamentally important and are addressed

here), but also social infrastructures such as racism, misogyny, heteronormativity, ableism, etc. As the papers in this issue demonstrate, Internet economies and related practices are shaped by complex, intertwining institutions and thus have complicated relationships to emancipation.


In their article, Cindy Tekobbe and John McKnight look at the case of MazaCoin, in which cultural narratives about Native Americans are used to further intensify and complicate the liberatory dreams which already surround and support cryptocurrencies, but in ways which are, at least, troubling and possibly incoherent or exploitative. In conducting their analysis from feminist and indigenous perspectives, Tekobbe and McKnight choose not to examine this cryptocurrency as a neutral unit of measure in the way of classical economics, but instead unpack the mediated ideological context from which the economic system emerges and is transformed. In so doing, they trouble the received wisdom of the transformative potential of such alternative currencies. A similar troubling is undertaken by David Gehring, who provides a cultural analysis of economic exchange in crowdfunding platforms focusing on campaigns of monetary support for police perpetrators and black victims of American racialized violence. He demonstrates how neoliberal politics that tend to privatize and individuate action allow financial activities such as crowdfunding to do complex ideological work.

Roderick Graham looks toward more formal structures shaping online economies. He proposes a 'layer' model for understanding ICTs as a way of showing how the conceptualization of digital spaces as either profit-seeking and market-based or as non-market spaces supportive of the generation of public goods leads to different legal and material infrastructures. He argues for conceptualizing ICTs as a single, lived environment in which "people must have access to each layer ... in order to benefit from the goods produced." Conceptualizing ICTs in this way, he argues, allows space for policy to nurture non-market spaces and, in so doing, serve social justice ends. Finally, Brendan O'Hallarn further engages with the civic functions of Internet economies, using Habermasian theory to provide a novel understanding of social capital. He argues that discourse on Twitter not only generates public sphere-like spaces, but also constitutes a cultural economy that results in the generation of social capital. He goes on to propose that identifying the existence of social capital is a mechanism for validating the existence of public spheres, albeit not necessarily the rational spaces of traditional Habermasian critique. The relationship between the distribution of value in Internet economies and politics — both in capital 'P' state politics and small 'p' social politics — is what exemplifies these papers and animates this issue as a whole.



Conclusion

Throughout this collection, we have deliberately kept the concept of the 'economic' ambiguous. This may be read as a weakness — indeed one of the reviewers of the original conference proposal raised precisely this point. If we do not define economic, does it become meaningless as an organising term?

However, this ambiguity was a deliberate strategy to enable the expansion of the interpretive frameworks that can conceivably be brought to bear upon the commercialized spaces of the Internet. It is also a response to the very ambiguity of the distinction between the economic and the non-economic that is the lived reality of the Internet. Our goal in bringing together these diverse researchers from disparate disciplines to speak about the Internet in such differing ways was to explode what we saw as an unhelpful narrowing of critique in relation to digital economic phenomenon. To reflect this, we have deliberately avoided orthodoxy or setting parameters defining what each contributor understands as economic thinking. The diversity of the work represented here, and the failure of the issue to sit comfortably within existing analytical paradigms, is a deliberate choice and one that we hope provides valuable critique through its diversity. We further hope it serves as a productive opening of critical spaces and analytical frameworks that will strengthen studies of Internet economies in the future. 

About the authors

Kylie Jarrett is Lecturer in Multimedia at the Center for Media Studies at the National University of Ireland, Maynooth.
E-mail: kylie [dot] jarrett [at] nuim [dot] ie

D.E. Wittkower is Associate Professor in Philosophy & Religious Studies at Old Dominion University in Norfolk, Va.
E-mail: [dewittkow \[at\] odu \[dot\] edu](mailto:dewittkow@odu.edu)

Notes

1. Cunningham, *et al.*, 2015, p. 6.
2. Grossberg, 2010, p. 107.
3. Grossberg, 2010, p. 106.
4. For summary of these debates, see Kellner, 1998; Wittel, 2004; Fenton, 2007; Fuchs, 2014b, pp. 59–73; Meehan, 1999.
5. Grossberg, 2010, p. 101.
6. *Ibid.*
7. Couldry, 2012, p. 13, original emphasis.

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