Economies of the Internet I: Intersections

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ECONOMIES OF THE INTERNET I: INTERSECTIONS

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The internet has increasingly been conceptualized as a space of economic activity. This contemporary imaginary has been particularly influenced by insights from the school of Autonomist Marxism in the foundational work of Tiziana Terranova and through the dominance of Christian Fuchs’ application of Marxist economic concepts. While this has generated great insight into the political economy of the internet, and in particular allowed for the conceptualization of user activity as labor, this approach is only one paradigm for considering the economic activities and implications of the internet. For internet research, there is also the need to move beyond the long schism between political economy and cultural studies as we try to understand user activity that is socially and affectively rich, but emerges from commercial contexts. This series of panels proposes to expand the exploration of the internet as an economic construct in a number of directions. It pluralizes the definition of “economy”, expanding it from the strictly fiscal to include other economies such as the moral, (sub-) cultural, affective, queer, or libidinal (to name merely a few). Various papers propose different economic models for understanding the interactions within and between these various economies. They also expand the range of actors and economic contexts associated with the internet, drawing attention to the intersections of race and gender in particular. The goal of these papers across the various sessions is to expand our imaginary of the internet economy.

This panel is focused on expanding critical frameworks that can be brought to bear on economies within digital media. While Marxian frameworks are insightful and valuable, they may not adequately reflect the contemporary social context, nor engage effectively with politics outside of class. What other economic models need to be used, or how do we inflect Marx, for these contexts? What other critical perspectives do we need to incorporate to understand the broad implications of a socially pervasive, but commercial internet? The papers on this panel work at the intersection of economic concepts and theoretical paradigms drawn from a variety of disciplines, demonstrating an expanded toolkit for interrogating internet economies.

The first speaker offers a Marxist feminist and queer critique of theories about user exploitation that follow from the Autonomous Marxists, calling upon us to recognize the gendered and racialized history of unpaid labor and the absence of this insight in neoclassical economic modeling. Through a case study in the political economy of anonymity in queer dating/hook-up sites, the speaker de-centers the normatively white, heterosexual, cis-male in economic models, highlighting different and too-frequently ignored ways of understanding privacy and the exploitation of data.

The second speakers return to and revitalize classic work on gift economies, exploring the ways in which the fiscal and moral economies are articulated together in commons-based production. Through a multi-sited ethnographic study of open source animation film-making communities tracing the movement between actors and objects across different regimes of value, the speakers describe negotiated transitions from commons to commodity and back again. They argue that when engaging with producers’ own accounts of their community-based processes and the agonistic ethics holding sway there, we are better able to see the fluid dynamics of decommodification and recommodification taking place within commons production integrated into the commodity-based capitalist economic environment.

The third speaker looks at the intersection of state policy and economics, providing a history of how the internet, which was focused on non-profit and public concerns in the first half of its life (1965–1995), was refigured by U.S. law and policy to support corporate for-profit use. Starting with the Telecommunications Act of 1996, through the Digital Millennium Copyright act of 1998, the FCC Policy Statement of 2010, and the National Broadband Plan of 2010, the speaker argues that U.S. law and policy have attempted to increase competition where market-based solutions are not clearly in the public interest, placing increasingly more informational functions within the purview of market forces. The speaker then addresses policies at access and content levels that would instead nurture and grow non-profit spaces.

The fourth speaker continues the broad political engagement of this panel, examining crowdfunding campaigns set up to support U.S. police officers involved in the 2014 killings of Michael Brown and Eric Garner. The speaker argues that these examples of gift economies, by simply claiming to e.g. “help [Officer Darren Wilson] and his family during this trying time in their lives,” collapse the roles Fuchs has described as socio-cultural, social-political, and socio-economic, and allow racist donors to “launder” their politico-economic activity through the gift economy. This case study demonstrates the
importance of integrating economic analysis with critical social theory—the central project at the heart of this panel.

**Paper 1: Decentring Homo Economicus: Refiguring the economic subject of digital media’s political economy**
**Author: Kylie Jarrett**

The current focus on digital media in terms of its political economy is dominated by Marxist paradigms of both value and labour. This economic model, along with many others, is based upon a normative and exclusive configuration of the economic subject. This is evident in the work drawing on Autonomous Marxism that declares the novelty of the “social factory”, of the incorporation of life outside factory walls into the calculations of capital (e.g. Terranova 2013; Negri 1989; Wark 2013). However, for such a condition to be defined as novel implies the prior existence of a sphere of activity outside of the alienation, drudgery and compulsion of paid labour and which does not contribute to capitalist systems. It also implies a “natural” space where the economic subject can autonomously express their “species-being”, or what we would now call their individual subjectivity. The domestic sphere and leisure-time have historically constituted this space for the industrial labourer. The incorporation of these spaces into capital through digital media sites is now a well-rehearsed argument.

For many women though, these spaces have historically been saturated with compelled work that is formally alienated, in that it contributes to the generation of surplus, and also experienced as alienating in that it fails to enable self-expression. Unpaid domestic work, for instance, has an important economic role in that it enables the reproduction of the worker below cost, and while often personally rewarding, can also (sometimes simultaneously) be a site of drudgery, self-negation and violence. The autonomy upon which life outside the social factory is predicated has historically been denied to women, both in theory and in practice, and has arguably been a fantasy constructed for the white, male labourer to ameliorate the inequities experienced in industrial labour (Federici 2004). Consequently, the characterisation of the saturated exploitation of digital media users as an example of the final realisation of the “social factory” is a dubious claim and one riddled with heterosexism and racism.

This paper is a provocation for internet researchers to challenge the assumptions underpinning the economic models we bring to bear in analysis of digital media, specifically the qualities of the actor we place at its heart. It will firstly outline the argument by which the subject of classical economics can be typified as almost invariably a white, middle-class, heterosexual, able-bodied autonomous, rational male actor, a list of terms that occupy one, highly privileged side of Western cultural binary thinking. Neoclassical economics, as England (1993) and other feminist and queer economists point out, is based on three underlying assumptions that show this androcentric bias. The first is that interpersonal utility comparisons are impossible, the second that taste is exogenous and unchanging and third that actors are selfish, implying an atomistic “separative Self” associated with normative masculinity. Cornwall (1997) similarly argues that classical economics is drawn from general ideas about liberty with an emphasis on the sovereignty of economic actors that is not available to all actors such as homosexuals for whom self-surveillance has been an important
strategy. The argument about sovereignty is closely allied with the concept of self-interest that manifests prior to and supersedes interaction with others, which in turn aligns with attributions of rationality to construct the subject of classical economics as a sovereign individual securing their pre-determined instrumental objectives (Holton 1992). As such, Homo Economicus almost invariably displays a variety of attributes associated with normative, White masculinity.

The paper will then consider what happens when we do not place the autonomous, White, heterosexual cis-male subject at the core of economic activity in digital media; if we decentre Homo Economicus. It will use as an example the political economy of anonymity, drawing especially on Facebook’s recent, failed attempt to impose “real names” on Drag Queens. It will firstly explore how, like much work on privacy, the argument by Facebook re-inscribes the gendered and heterosexist division of labour integral to capitalism (Federici, 2004; Butler 1997; Zaretsky 1976; Dalla Costa and James 1972). It will then consider how these arguments may be reconfigured when subaltern subject positions are taken as the norm. In this instance, it will explore how anonymity is not necessarily an expression of individual liberty (the private, un surveilled space of privacy discourse) but is instead relational and a particular form of publicity and visibility. The paper will consider how anonymity works as an economic actor within online queer communities, affecting the distribution and accumulation of capital within the broad political economy of sites such as Gaydar, Grindr or Squirt as identified by Light (2015), Mowlabocus (2010) and Phillips (2002), among others. Finally, the implications of this framework for how we conceptualise privacy and the exploitation of data will be explored.

The goal of this paper is not to offer an exhaustive empirical study of these sites or the issue of online anonymity. Its intention is to demonstrate a challenge to how we imagine the economic models through which we analyse the internet, and in particular the autonomy attributed to the economic subjects inscribed within them. It argues instead that there are situated, connected and relational subjects at the core of digital media economics and that this requires economic models that reflect this logic.

Paper 2: Between decommodification and recommodification: negotiations of value in open-source cultural production
Author: Julia Velkova and Peter Jakobsson

The domain of digital commons has been expanding since the 2000s after the appearance of legal mechanisms to distribute digital cultural works online under less restrictive terms than those permitted by copyright. This process has been connected to the formation of 'free culture' (Lessig, 2004) marking the emergence, distribution and exponential growth of digital works available as commons online - free to use, alter and build upon. By the end of 2015 the number of such works is estimated to pass beyond one billion, approximately a tenth of which are hosted on major sites such as YouTube, Wikipedia, Flickr, Public Library of Science, Scribd and Jamendo (Creative Commons, 2015). Despite this growth, much of the research on the commons has been continuously isolating their production from the domain of commodity production, and paradoxically, while digital commons production has been seen as constituting a 'gift
economy' (Barbrook, 2005; Terranova, 2004), the economic dimension of gifting has been detached from the commons production sphere suggesting an incommensurability between the production of commons and commodities.

This paper aims to explore how cultural producers within the domain of digital commons production are adapting to and interacting with existing structures of the capitalist market and how do they make commensurable different systems of valuation – those of the commons, and those of the market. As an empirical example through which we develop a theoretical discussion we take two cases of open-source and commons-based cultural production, namely two large scale open-source animation film productions - Gooseberry and Morevna formed around the 3D graphics Blender and the 2D graphics Synfig communities. Animation film production is one of the most cost and labor intensive practices in contemporary media production where costs are measured per minute of animation. It is also a practice which mixes technology, media, and art, and in the past 10 years there have been substantial developments of it in the domain of commons. With about 700 000 downloads per month, the open-source animation 3D software Blender for example may be regarded as having a similar user base to its commercial counterparts. These two cases are helpful to test and develop a theoretical approach that we propose, which is based on revisiting anthropological work on gifting, or gift-giving, particularly Appadurai (1986) and Igor Kopytoff's (1986) work on 'commodities in a cultural perspective' and through it extending Graham Murdock’s concept of 'moral economies' (Murdock, 2011).

Murdock suggests that in a market system, actors are morally obliged to act as rational utility-maximisers, whereas in a commons-based economy actors are supposed to act according to a morality of mutuality. While we agree on Murdock’s general framework, we argue that the model suffers from a dichotomous thinking that is recurring in a lot of the recent work on cultural commons production and its relationship to the market. To overcome this, our approach in how to analyse the establishment of relationships between commons and market is to follow objects and persons as they move between what Arjun Appadurai has referred to as 'regimes of value' (Appadurai, 1986: 4), and what in other literature has been discussed as 'systems of belief' (Bolin, 2009; Bourdieu, 1993), and to map the negotiations that these moves trigger. This approach is inspired by Igor Kopytoff's (1986) suggestion that the production of a commodity should not be regarded only as a material process but also as a cultural process which consists in marking certain things as commodities. As he suggests, commodification is ‘best looked upon as a process of becoming rather than as an all-or-none state of being’ (1986: 73), and the biography of an object occasionally can contain and reflect the move of a thing between different regimes of value being in one moment of its biography a commodity, and in another moment – a commons. With this theoretical framework as background, and using a 'multi-sited' (Marcus, 1995) ethnographic approach where understanding of cultures is built through ‘tracing the changing nature, and use of things in different contexts' (ibid), we follow the biographies of three entities that are central to the open source animation film production practice: the production software, the animation films produced with that software, and the people participating in the film productions.

This biographical tracing reveals how online communities can take out a commodity – graphics software - from the market, de-commodify it and convert into commons that
generates a broad spectrum of values and affective relationships between both people and technologies. It also illuminates how de-commodified objects can subsequently become the means to commodify commons produced within the communities, while in the same time paradoxically retain their status as commons. Not least, we also show how the participants deliberately and unconsciously shift between different regimes of values in the interactions with market actors and with community members.

We conclude that the different ‘regimes of value’ involved in the analysed projects are experienced by the project participants as (sometimes incommensurable) differences in goals, beliefs, ethics, and thus as constituting barriers between different regimes. At the same time however there are participants who work to create commensurability between the different regimes of value – trying to align the goals of the community with the capitalist logics of other related actors, primarily the cultural industries and/or state funders. This, we regard as involving translation processes which align the different regimes of value by finding ways of converting one value into another. We argue that these translation processes are ultimately related to power and the position of actors in relation to different regimes of value and the different moral economies. Lastly, we claim that there is nothing predetermined or automatic in the relationship between markets and commons, and commons-based production communities can both stand to gain and lose from interacting with the market.

Paper 3: Developing Public Spaces in the Digital Environment
Author: Roderick Graham

In 1995 the National Science Foundation transferred control of the Internet backbone over to telecommunications companies and decommissioned NSFnet. This signaled the end of government control over the Internet. The privatization of the Internet’s infrastructure and the commercialization of its traffic inaugurated a series of changes, generally seen as making the Internet more user-friendly. The number of people connected to the Internet exploded as telecommunications companies scrambled to open new markets and gain new subscribers. The rapid change in the web browsing experience – the move from Web 1.0 to Web 2.0 – was catalyzed by innovation through market experimentation.

American government policy has shepherded this transformation from public to private. Policy has been oriented towards increasing the number of producers – by reducing barriers to entry into the marketplace and by protecting content with copyright laws. Meanwhile, the government has subsidized the opening of new markets by subsidizing network upgrades.

I identify four key pieces of American policy towards the digital environment. The first is the Telecommunications Act of 1996. Nuechterlein and Weiser (2005) argue that this act, which made it easier for new business to enter into the telecommunications market, is “the most important telecommunications legislation – and arguably the most important legislation of any kind – since the New Deal” (69). Second is the Digital Millennium Copyright Act (DMCA) of 1998. A key component of the DMCA is the prohibiting of technologies that allow users to copy, distribute, and share content without the seller's permission. The Recording Artists of America v. Napster case of 2000 was an
application and enforcement of the DMCA. The DMCA has since been a tool used by large corporations to protect their intellectual property in the digital environment. The third piece of legislation is the Federal Communication Commission (FCC) Policy Statement of 2010. This was the FCC’s attempt at addressing net neutrality, the principle that all Internet traffic, content, and sites should be treated equally along a network (Wu 2003). The FCC’s statement is an instantiation of how diluted the government’s understanding of net neutrality had become (Kimball 2013). The statement allowed landline providers to offer tiered services, slow data speeds for heavy users, and allowed mobile Internet providers to “manage their networks” by blocking some data intensive applications. The fourth piece of legislation is the National Broadband Plan of 2010 (a component of the much larger Recovery and Reinvestment Act, or Stimulus Plan). This is a massive – and still ongoing - 7.2 billion investment in the nation’s broadband infrastructure and use of that infrastructure. The majority of the funds have been used to “increase competition” between broadband providers. As of now little funds have been spent on educational or civil purposes (see Graham 2014, pp. 118 - 120).

While these policies have successfully nurtured the digital environment as a marketplace, the non-market aspects of the digital environment have atrophied. End-users devote most of their attention – in the form of web traffic – to e-commerce sites such as Amazon or Ebay, and social networking sites such as Instagram and Pinterest. While choosing how one experiences the digital environment is in effect the exercising of the freedom provided by that environment, it also means that the experience becomes the property of private businesses, even when a nonmarket alternative is probably the better natural option.

Several instances over the past decade illustrate the misplaced faith the public has in spaces beholden to the market. First, these spaces have the veneer of offering free services. However, the user must submit to having their privacy violated, and their experiences in that space sold to marketers. Second, as companies become more efficient in monetizing the behavior of users in these spaces, they will become more vulnerable to advocacy groups that threaten advertising revenues through boycotts or public shaming. Google’s decision to censor pornographic images in its searches and the banning of sexually explicit content from its AdSense network – primarily because of Interest group pressure – is an example of this. Third, consumers are at the whim of ownership. This more than anything illustrates the private nature of this space, and the speech of so many is placed in the hands of so few. Facebook’s CEO Mark Zuckerberg has condemned the terrorist attacks at the offices of Charlie Hebdo, yet has routinely removed content for what appear to be idiosyncratic reasons.

As a result, the Internet’s role as a public sphere is increasingly tenuous for the simple reason that there are few active spaces that are public. More accurately, there are few non-profit, public alternatives to the market-based spaces that are currently popular. These alternative spaces are ones that will not need to sell private experiences to marketers, can allow free speech without economic pressure from interest groups, and can present viable alternatives for niche communities and minorities, are not nurtured. The neglect of public spaces in the digital environment is in stark contrast to the initial purpose of the Internet, as well as its foundational phase during its first half of life, from
1969 to 1995 (Curran 2012). The government is complicit, albeit indirectly, by focusing so heavily on the economic potential of the Internet.

The remedy is to nurture and grow non-profit spaces. I suggest that policies can achieve this goal by working at two levels. At the access level, network infrastructure can be put in place dedicated to the transmission of traffic for educational and civic purposes. This traffic can be free to the public, and would not count against data quotas set by service providers. At the content level, government can subsidize the creation and sustaining of nonprofit community web pages and social media sites. These spaces can be compared to nonprofit alternatives in other media, such as National Public Radio, C-Span or the Public Broadcasting Service.

Author: David Gehring

The August 19th, 2014, shooting of Michael Brown by police officer Darren Wilson in Ferguson, MO, the choking death of Eric Garner by a Staten Island police officer on July 17, 2014, and the Feb 6th, 2015, physical assault on Sureshbhai Patel by police officer Eric Parker, have evoked emotional responses across the United States. In all three incidents, the police officer was white and the victim was non-white, which reignited racial tensions as could be recognized in, and further aggravated through, media commentary and social protests.

While social media has played a central role in the dissemination of information, commentary, and real time reporting on events, crowdfunding has also provided a medium through which individuals can express their support for victims or police officers. The campaigns in question, in particular those launched to support the police officer, became spaces in which those donating gave voice to their racial prejudices, despite the attempted neutral rhetoric of the campaign itself. Further, the money raised is potentially distributed to parties which hold particular politicized and influential positions within the community.

This paper will explore the use of crowdfunding as a means of political activism and ideological expression. Positioning my argument relative to Christian Fuchs (2014), David Cheal (1988), and Jürgen Habermas (1962), I hold that when the crowdfunding model is utilized as a means to fund ideological causes, it signals an expansion from the entrepreneurial to the socio-political, in which the blurring of public and private roles allows a unique, potentially problematic, exchange of monetary and social values. While there has been much scholarship on the entrepreneurial potential of crowdfunding (Bayus & Kuppuswamy, 2013; Belleflame, Lambert & Schweinbacher, 2013; Guidici, Nava, Lamastra & Verecondo, 2012; Mollick, 2013), there is very little on its intersection with socio-political action. I contextualize these events and related crowdfunding campaigns through a triangulation of influences—crowdfunding platforms, Christian Fuchs’s model of social roles, and the gift economy in the post Web 2.0 environment.

Crowdfunding is an arguably participatory mode of economic exchange that allows for individuals to raise money via micro-donations. In the general sense, “funding is
solicited online, usually in relatively small amounts, from individual donors or investors, and goes towards particular projects: personal loans...t-shirts...movies, or music” (Bannerman, 2013). While crowdfunding platforms such as Kickstarter or IndieGoGo are typically utilized in order to secure funding for a material product (e.g. films, music albums, or new technologies), they can also be used to raise money and awareness for more socially oriented issues. Christian Fuchs (2013) offers a model of various social roles as identified by Hannah Arendt (1958). Based on this model, there exist distinctions between private social roles, socio-cultural, socio-political, and socio-economic roles (Fuchs, 73). I argue that crowdfunding collapses those distinctions, and within that collapse, motivations can be laundered through other more neutral or misleading claims.

One important aspect of the crowdfunding model that allows it work so effectively is that it can be understood as operating through a gift logic (Trump, 2013). Weinberger and Wallendorf (2011) find that “collective gifting rituals are primarily...guided by moral economy” and as such, can operate within “a system of transactions which are defined as socially desirable, because through them social ties are recognized, and balanced social relationships are maintained” (Cheal, 1988). Understood through this particular lens, crowdfunding campaigns revolving around passionately debated social events such as the one established for Darren Wilson, can be rhetorically positioned as neutral. The organizers of his campaign claimed that it was set up to help “help him and his family 'during this trying time in their lives',” and that the money would go to “any financial needs they may have including legal fees” (Swaine, 2014). Shortly afterward, the campaign was halted and a new campaign, linked to a local St. Louis law enforcement union, was established in its place (Pearce, 2014).

This analysis seeks a more nuanced reading of this campaign to reveal a logic which operates underneath an unreflective understanding of this exchange as a gift economy. Employing Fuchs’s model, I argue that this campaign engages in three social roles simultaneously – the socio-cultural by virtue of the local focus of the campaign, and the socio-economic by virtue of its claim to aid in legal fees, and the socio-political. The involvement of the media in covering these campaigns signals the extension of the campaign in question into the socio-political realm. Fuchs (2013) (via Arendt) locates social activism within the socio-political role, in particular, anti-racist activism and the advocacy of different movements or social and political groups. Regardless of the avowed intentions of the campaigns (i.e. maintaining a politically neutral position), the playing out of these campaigns reveals a rather divisive mechanization that separates citizens, as was seen in these cases, along racial lines. As the campaign for Darren Wilson increased in visibility due in part to the media coverage, GoFundMe eventually had to remove the comment function of the campaign due to the number of racist comments left by supports of Darren Wilson.

By collapsing the distinctions between these social roles and functioning in all three simultaneously, the crowdfunding of social causes can be understood as a consequential and divisive (or perhaps productive) mechanism with the potential to effect a very real change within the community in which, and for which, it was established. Further, appropriated as news content by various media outlets, they can ground media narratives, which further mechanize, aggravate, and reify opposing
ideologies. The legality of these types of campaigns in regards to their role in the political process is still evolving. With the passing of legislation such as Citizens United and the influence of money on our political system, such affordances made possible through crowdfunding should be considered.

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