

DIGITAL CAPITALISM: DEFINING THE CRISIS AND EXPLORING THE ALTERNATIVES

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This short essay reviews three recent books that share the same subject: The crisis of digital capitalism. The books are Nick Dyer-Witheford's "Cyber-Proletariat. Global Labour in the Digital Vortex", Jack Linchuan Qiu's "Goodbye iSlave. A Manifesto for Digital Abolition" and Trebor Scholz's "Uberworked and Underpaid. How Workers Are Disrupting the Digital Economy". I first discuss the books separately and introduce what I think are their most important contributions. Afterwards, I add some reflections about what connects these books and ask some questions about what they learn us to think about alternatives in the realm of digital capitalism.

Nick Dyer-Witheford (2015) makes in his book "Cyber-Proletariat" a much-needed analysis of the relationship between class power and cybernetics. The book somehow follows up on his classic "Cyber-Marx" (Dyer-Witheford, 1999) but there seems to be a shift in the perspective. The latter made an excellent inquiry into autonomist Marxism and post-operaismo stressing their importance to politics in the digital age. Dyer-Witheford explains the shift in Cyber-Proletariat by referring to the 2008 financial meltdown. Austerity replaced progressive politics and "no future" became the leitmotif at the expense of "another world is possible" (2015: p. 11). A second aspect presented itself in the form of the social movements that eventually emerged in response to the crisis. Especially during the year 2011 mobilisations resulted in occupations, strikes and riots, posing questions about the forms of resistance that can potentially be generated within cybernetic capital. This leads to not only tactical points, but also strategic points, particularly in relation to changes in class composition as a result of restructuring the global workforce. This is the starting point of the book, an analysis of the cyber-proletariat.

Dyer-Witheford describes capital as a vortex, a metaphor for a turbulent system. Three main moments exist in this vortex: production, circulation and financialisation. While production is the funnel of the storm and circulation is its rotational motion, it is financialisation that should be seen as its crashing turbulence. The financialisation of capitalism refers to the shift in gravity of economic activity from production to finance (Foster, 2007). It results in an increasing reliance on credit and debt, leading to 'speculative bubbles whose collapse throw whole societies in crisis' (p. 23). The vortex determines the relation between labour time (for producing a commodity) and value. While it mobilises human labour, it also eliminates it as

competition between rival enterprises and attempts by proletarians to improve their wages pressure capitalists to reduce costs by replacing them with machines. What is the role of cybernetics in this? In production it leads to increased automation, transforming the labour process with a new type of fixed capital (machines and raw materials – opposed to human capital, proletarians – Marx, 1976: p. 63). Computerisation and robotisation combined with new forms of workplace organisation tends to happen first in manufacturing, soon followed in office work and eventually leading to whole new forms of cultural production. In circulation, cybernetics serves as the network of networks, the internet. In the circulation *into* production phase, networks are a matter of supply chains connecting geographically separated business operations. Cybernetics is the part of the circulation process that leads commodities *out* of production into the market resulting in an acceleration in capital's sales effort from basic marketing possibilities to advanced forms of tracking and prediction based on free labour and user data.

Cyber-Proletariat makes a historical analysis of cybernetics and elaborates on how Silicon Valley has become the birthplace of the so-called “hacking class”. This term, however, is not free of contradictions. Other work has elaborated on the specific “Californian Ideology” (Barbrook and Cameron, 1996) or the “Labour Aristocracy” (Fuchs, 2014) that is being associated with Silicon Valley. The very notion of “Cyber-Proletariat” refers to conflicts between labour and capital and the book further explores how this has emerged and impacts in a world that becomes increasingly mobile and global. As such it adds to earlier publications (Huws, 2014; Standing, 2011) that have scrutinised the future of work and class in the digital age and how digital capitalism disrupts this.

Jack Linchuan Qiu's (2016) work further develops some of the ideas in the last chapters of Dyer-Witheford's Cyber-Proletariat while adding a new layer with his “Manifesto for Digital Abolition”. Describing the brave New World characterised by digital media technologies being used for mass surveillance, profit making and exploitation, Qiu's goal with “Goodbye iSlave” is to provide with a conceptual analysis of the connections between slavery and digital media. This does not mean the author ignores the liberating potential of new technology; rather it is an exploration of what goes wrong in the world of digital media production and consumption, and an inquiry into how an alternative and better world might be possible.

The key topic under investigation in this book is *iSlavery*, the label Qiu (2016) gives to “twenty-first-century slavery”, slavery that is made possible by contemporary digital technologies. Much of the analysis deals with the so-called “Appconn”, the Apple-Foxconn

alliance 'who owns, manipulates, and exploits untold numbers of iSlaves' (p. 6). Although Foxconn has been the subject of earlier investigation by critical scholars (Sandoval, 2013; Fuchs, 2014), the case built around Apple and Foxconn is very powerful as it scrutinises toxic practices in both the production of digital devices ("manufacturing iSlaves") and practices of digital labour ("manufactured iSlaves"). It is not a particular attack on two specific – although very iconic – corporations, but rather an analysis of a global IT industrial system as a whole. What makes the analysis so strong is the historical comparison between the twenty-first-slavery practices in the Foxconn "feitorias" (p. 59); "factory regimes" that structure production and discipline activities in the workplace, and the original feitorias (located in the "slave coast" of West Africa between 1500 until the end of the 19th century) that were trading posts for nothing but slaves. Both are characterised by (semi-)military practices with the goal of keeping workers/slaves under control. A critical parallel between Foxconn and the slave trade system in history is illustrated by the extremely poor living conditions in both the Foxconn dormitories and the slave ships traversing the notorious Middle Passage to cross the Atlantic. Even more extreme are the "suicide prevention nets" (p. 74-81), which prevented slaves from jumping overboard during the crossing, but which Foxconn also installed in the summer of 2010 after several workers jumped to their deaths. iSlavery also exists outside the Foxconn factories. "Manufactured" iSlavery refers to 'those who are constantly attached to their gadgets, playing games, updating "status", and "liking" other people's updates' (p. 91). Drawing on the work of Hardt and Negri (2001), Lazzarato (1996), Fuchs (2014) and others Qiu describes how immaterial labour leads to patterns of addiction and even exploitation as big corporations extract value from the free labour of users, 'whose commodification may or may not be something that users are aware of' (p. 109).

The last part of *Goodbye iSlave* shifts the readers' attention to resistance against Apple. One of the proposals that Qiu offers is a new analytical category, "Worker-Generated Content" (WGC, p. 132). WGC exists beyond the logics of user-generated content (UGC), which is governed by corporate goals and/or the logic of surveillance. Instead, WGC opens up new possibilities for voice, struggle and solidarity at the grassroots level, sensitising the critical juncture of class differentiation, power and content production. While this might not abolish slavery in itself, it can provide opportunities to 'illuminate and exemplify the possibilities of a better world' (p. 170).

In his book "Uberworked and Underpaid" Trebor Scholz (2017) explores the potential of alternatives challenging digital capitalism, illuminating how a better world is possible when workers are disrupting the digital economy. Starting from an analysis of how labour and

employment are increasingly under pressure since the global financial crisis, in combination with a digital economy that progressively uses technology for automation and efficiency, a case is made for the empowerment of workers. Especially the role and potential of co-operatives in platform capitalism (Srniczek, 2017) is being investigated. The book provides multiple examples (although mainly in the Western world) about how workers, from across the so-called sharing economy, can organise themselves and what type of organisation might benefit this process.

Uberworked and Underpaid has its roots in the “Digital Labor” conferences that Scholz has organised since 2009. The book offers an interesting typology of digital labour and further scrutinises different forms of waged and unwaged labour. Scholz (2017) makes a plea for “decent” digital work (work that is protected by law and offers rights/benefits for all, p. 58-61) and discusses numerous examples of “playbour” (from “data labour” to “hope labour”), their potential and challenges. He thoroughly conceptualises digital labour drawing on the work of Marx (1976), Smythe (1977), Lazzarato (1996), Hardt and Negri (2001), Terranova (2000), Fuchs (2014) and others to discuss the legal gray zones and selective engagement that co-emerge with the digital economy. The most important contribution of the book, however, is its mission to put forward the notion of platform cooperativism. According to Scholz, this is a type of worker self-management that comprises three elements (p. 8-10). First of all, it aims to embrace and also reshape technologies and platforms of the new digital economy. It is about ‘cloning the technological heart of Uber, Task Rabbit, Airbnb, or UpWork’ (p. 8), but also, and this is crucial, transforming its ownership model. Second, it puts solidarity at its core, in combination with platforms being owned and operated by unions, cities, or various other forms of cooperatives. Third, it strives towards benefits for the many, not the few and thus hopes to radically reframe concepts such as innovation and efficiency. It is in the seventh and last chapter of Uberworked and Underpaid in which Scholz elaborates on the rise of platform cooperativism. The latter should not be seen as an overarching and comprehensive alternative that aims to overturn the negative consequences of the “Uberisation” of work in the digital age. Rather it is a hopeful yet realistic proposal to create change from *within* digital capitalism. Scholz does not only provide with a typology of platform co-ops (p. 175-179), he also outlines ten principles that could/should guide the establishment and evolution of platform cooperatives: (1) ownership (a revaluation of collective ownership); (2) decent pay and income security (fair pay and benefits for all); (3) transparency and data portability (openness about the collection, usage and selling of data); (4) appreciation and acknowledgment (good working atmosphere); (5) co-determined work (involvement of everyone); (6) a protective legal framework (rethinking of legal protection of cooperatives); (7) portable worker protections and benefits (social protection and benefits of

workers that are not tied to one particular workplace); (8) protection against arbitrary behaviour (of companies that are known for arbitrary disciplining and firing practices); (9) rejection of excessive workplace surveillance (constant and excessive workplace surveillance leaves workers without much dignity); and (10) the right to log off (putting boundaries to digital work). The majority of these principles aim to improving the working conditions under digital capitalism. While this is a very important mission, we also need to think about how to create new, alternative systems that recognise the role and contribution of voluntary users of digital media. In other words, how can platforms be designed that truly serve communities and society at large, instead of only their owners extracting value from them?

The last part of the book scrutinises the cooperative ecosystem and discusses several aspects that are crucial for its further development such as financing, the relationship between platform cooperativism and the commons, free software and platform co-ops, blockchain technology and its potential as algorithmic regulator, the need for a template of platform co-ops, democratic governance, solidarity design, scale and aspects of learning and education. All these ideas illustrate Scholz's ambition to further the platform co-op movement and his hope of invigorating a genuine sharing economy; the solidarity economy.

Together the three books make a thought-provoking analysis of the system of contemporary digital capitalism. The main question, however, is how can we make sense of alternatives and what should they look like? These alternatives should challenge the competitive logic of digital capitalism and its practices of surveillance, value extraction and exploitation. While it is easy to agree with this goal, it is less clear how to get there.

To start with, one important dilemma to deal with is the question as to whether alternatives should be found *within* (digital) capitalism or not. It was Rosa Luxemburg (2008) who famously wrote in her "Reform or Revolution" about cooperatives, unions and democracy that cooperatives should be seen as small units of socialised production that exist within the realm of capitalist exchange. One of the problems is that the capitalist system is characterised by domination of capital over the process of production, exactly because production is dependent on market possibilities. When workers are forming a cooperative in the field of production 'they are faced with the contradictory necessity of governing themselves with the utmost absolutism. They are obliged to take themselves towards the role of capitalist entrepreneur' (Luxemburg, 2008: p. 81). This contradiction is the very reason why it is hard for production cooperatives to survive; they risk becoming a capitalist entity themselves or to be dissolved when the workers' rights continue to predominate.

Another question then could be about who can and should take the lead in reform. Should it be the workers (organised in cooperatives or unions) or can any leadership be expected from the government? Bob Jessop (2002) has written extensively about the capitalist state. According to him it is quite clear where the role of the state is in regulating the economic system: 'States engage in the pursuit of technological rents on behalf of capital. This leads in turn to the subordination of the totality of socio-economic fields to the accumulation process so that economic functions come to occupy the dominant place within the state' (Jessop, 2002: p. 132). David Harvey (2005) has added to this discussion with his analysis of governance under neoliberalism. According to Harvey, the neoliberal state favours individual property rights, the rule of law, and the institutions of freely functioning markets and free trade. 'In the event of a conflict, the typical neoliberal state will tend to side with a good business climate as opposed to either the collective rights (and quality of life) of labour or the capacity of the environment to regenerate itself' (Harvey, 2005: p. 70). In other words, the "good business climate" will aim for optimising conditions for capital accumulation no matter what the consequences are for employment or social well-being.

Last, and taking into account the above: maybe change is needed on a more structural level? Massimo De Angelis (2017) recently wrote about it in his book entitled "Omnia Sunt Communia. On the Commons and the Transformation to Postcapitalism". He sees a manifest role for the commons in creating and sustaining an alternative system; a system that supports social cooperation beyond control by the state and capitalist wage labour, beyond enclosures and exploitation, and enabling social well-being and sustainability of the planet. Obviously, the commons are challenged by the entanglement of the state and capital, but De Angelis (2017: p. 304) gives two reasons why the development of the commons is not a pointless strategy: First, developments of the commons are often 'necessary strategies to face crises', as they are crucial to pursue certain values and practices that are negated by capital. Second, how the commons are being developed and reproduced is not only an issue of necessity, it is also linked to how the commons are positioned in relation to capital. The only thing the commons can do when capital becomes an enclosing force, is 'to become a political force'.

In any case, a famous quote from Marx is: 'the philosophers have only interpreted the world, in various ways. The point, however, is to change it'. I agree with that but before anyone (workers, students, scholars, activists and social movements) engages with the project of changing the global digital economy, I would recommend reading the books written by Dyer-Witford, Qiu and Scholz.

Dyer-Witheford's *Cyber-Proletariat* (2015) especially adds value when it comes to questioning the utopian premises of the internet. He shows how the technology revolution has led to a growing polarisation between precarious workers and wealthy elites and demonstrates how class power is inseparably linked to computerisation. Qiu's *Goodbye iSlave* (2016) focuses on a specific aspect of the global IT system and analyses how profit making is based on human exploitation, both in the manufacturing of digital devices and in digital labour practices. Finally, Scholz's *Uberworked and Underpaid* (2017) also elaborates on labour in the digital world and comes up with an agenda for change (platform cooperativism) in order to help developing a fairer digital economy. The three books complement each other in their analysis of the crisis of digital capitalism and thus serve as a valuable starting point for the exploration of its alternatives.

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