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The Governance of Sharing

A critical perspective on labor in the political economy of Facebook

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"In short, all of society lives as a function of the factory."

Mario Tronti, Operai e capitale

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1. Introduction

In the past decade one website managed to change the way liking and sharing is perceived in the world. Since its beginning in 2004 Facebook has become an integral part of western society. The white 'f' and the 'thumbs up' symbol on blue ground can be found all across the internet and beyond. Facebook has changed the means of communication for people as well as institutions and corporations. The social media platform opened a door for businesses and brands to communicate directly with their customers and has successfully made a business out of it. A business that quickly turned into an integral part of the marketing industry and creates billions in revenue. What started with an idea of 20 year old Harvard student Mark Zuckerberg has become a giant cogwheel in the machinery of modern capitalism. A Cogwheel, which is able to attract billions of people worldwide, but also, raises skepticism and concerns in society.

This work is not primarily a critique of social network capitalism, nor does it pursue to take a moral stand in the discussion of modern society on privacy issues, but a description of a political economy, which has crossed the boundaries between public and private and is deeply rooted in society. In the blur between work and leisure (Coté and Pybus 2007, p. 98), consumption and production, user and laborer, self-actualization and exploitation online social networks like Facebook manage to attract 1.01 billion people daily (Facebook 2015b) and have changed the modalities of communication and also labor. This new economy is dependent on general intellect and productive capacities (Terranova 2004, p. 86) that are voluntarily produced beyond the common realms of production.

Social Media theorist Nathan Jurgenson calls the adaption to the logic of the Facebook mechanism a trend, "I cannot help but to experience the world always aware of how it could or will be documented, recorded, posted on Facebook, Twitter, YouTube, Flickr and the whole host of social media services that (1) allow you to document your and other's lives and (2) provide an audience for this documentation. Social media effectively combines documentation technologies with the guarantee of an audience. It provides both opportunity and motive to document ourselves online. As we live in an atmosphere increasingly capable of capturing and recording our experience, we learn to live under this assumption. We learn to view life through 'documentary vision'" (Jurgenson 2011).

At the beginning of this thesis was the simple and naive confusion of a user, who was not sure anymore if the platform was catering and serving his or the interests of the advertising industry. This binary inquiry was meant to be answered by looking into the

surroundings of Facebook, the mechanisms of a political economy, which was supposed to be in its infancy. Authors like Mark Andrejevic or Christian Fuchs provided a very critical point of view on the system, emphasizing on threats where the platform itself spoke of opportunities (Facebook 2015). It became clear to the author that in a field where privacy and public collide and a vast number of different interests are represented, lines become blurry and that there are more than two opposite perspectives to consider, in order to answering his question. Facebook as the biggest representative of the whole social network industry with more than 1.5 billion monthly users (Facebook 2015b) could not simply be determined in good or evil. The platform had been established as a new communicational dimension of society, which has extended its reach beyond the website itself into the processes of society, online as well as offline.

Driven by the internet saying "If you don't pay for it, you are the product, which is sold" theoretical research lead the author to the modalities of labor and production in the social networking industry and in the end to Karl Marx and his manifesto on capitalism. More precisely to Marx's Theory of Value, in order to explain the relations of the different agents in the field of value production on social media. His deliberations in the field of formal and real subsumption are fundamental to understand processes in modern information society and link production conditions to activities beyond formal labor relations. As Andrejevic (2011) states the relations between advertisers, social media services and users stand in contradiction to Marx's idea of Rent, in which laborers earn wages, by providing work force for farmers, who gain the product, but have to pay a fee in the form of Rent to their landlords. The key to this contradiction is 'commodification' of information, which has always been a struggle in the field of political economy of communication as Albarran (2002, 2013) and Mosco (1996, 2009) confirm.

The logical consequence is a form of exploitation by capitalizing general intellect, which is provided through wage-free immaterial labor (Coté and Pybus 2011. Terranova 2000, 2004) and ultimately used to increase sales through advertising. Whilst the benefit of using social media is mostly dependent on how users engage and on what they hope to achieve, it is undeniable that users are compensated for their interaction on social media. Katz's 'Uses and Gratifications approach' serves as an explanation for the motivation to engage with the platform, but it does not serve as a legitimization for valorization and enclosure of private data (Andrejevic 2008. Cohen 2007).

The final theoretical school of thought is looking for an answer to how an exploitative system, as the social network industry appears to be according to Marx's contemporaries, is not only applied in society, but is enjoying incredible popularity. There

is a certain blur surrounding the political economy of the system, which inhabits the political economy of social networks and is appearing ever again, like a golden threat. The simple and as it was proven superficial question, which stood at the beginning, finally leads to the politics in which this system is implemented. Marx and Engels suspected a hidden force, which keeps the social balance between laborers and capitalists: 'false consciousness' (Heywood 2003). Italian philosopher and socialist Antonio Gramsci demystified this hidden force in his explanation of 'cultural hegemony'. A flexible system of ever-changing social forces, who compromise each other to balance demands between the political actors in order to maintain consensus in the system (Demirovic 2013).

With this general background on the industry being established, Facebook itself and its practices in the past and present are examined. A short case-study will focus on the development of the commercial aspects and advertising as the main form of revenue of the platform, its terms of use and its practices to gather information.

In a final empirical chapter a survey will be introduced, which was realized to describe portraits of social media labor. 10 probands have documented their Facebook usage within 24 hours and taken an online survey. From this data, portraits will be drawn describing labor and awareness in the social network industry in order to practically employ the findings of the theoretical research and exemplifying the manifestations of capitalism in the everyday life of a user.

1.1 Problem

In more than 10 years of existence Facebook has managed to break through the barriers of being simply a social media network into becoming a network, which connects people in all areas of life. It has become a natural supplement in the lives of more than 1 billion people and an established mode of communicating, organizing and sharing. It has become news outlet, chatroom, online gallery, workspace, entertainment platform and foremost a platform for self-portrayal. It has influences on opinion, the market, advertising strategies, perception of the world, traditional media and general behavior, on- as well as offline. Even if people are not directly subscribed on the platform they are familiar with its major practices. Facebook can be addictive and dangerous as well as fulfilling and vital for people, depending on their use. It has become mundane in a way, that 'sharing' and 'liking' have entered our natural language. Facebook has become so big, so ubiquitous, so self-evidently that it is a company, which is controlling and

regulating social norms. This friendly network has grown so big, that its power and influence is threatening in size. Not to speak of the billions and trillions pieces of data it has gathered and is still gathering.

Being a Facebook users myself my motivation is also intrinsic, considering myself as rather concerned user and feeling under informed, while watching my peers and my environment engaging seemingly carelessly with the service. This thesis has come into existence out of a lack in personal and general awareness about the underlying capitalism of Facebook and is intended to describe the processes behind Facebook as well as raising not concern, but awareness on the policies of the platform.

1.2 Research Questions

RQ: *Who governs sharing?*

Sharing in this sense does not only apply to the established mindset of the 'share'-button, but to all forms of interaction on social networks. It applies to sharing as it is formulated in Facebook's mission "to give people the power to share and make the world more open and connected." (Facebook 2014a)

The online network services (ONS), web 2.0 or just social media have built an entire industry around the concept of the distribution of user generated, free content. In the center of this economy is the user, who is not only producer but also commodity in the process of valorization of attention. As it was mentioned above, the norms and practices of this industry have sunk into society and have become standards. This thesis aims to take a step back in order to question the incentives and motivations behind these norms and practices and does so by examining and describing the political economy of the industry behind sharing and its capitalistic roots by discussing the unique features of this political economy as applying classic capitalist theory.

RQ2: How is sharing being governed?

In a second approach this thesis asks for explanations in how this governance is put into practice, by suggesting a class struggle between users and the platform and the ideology of consensus, which unites users and service providers. The thesis suggests that effects of cultural hegemony like passive revolution are of fundamental importance to sustain production.

Since the research purpose of this work is qualitative, no hypotheses were developed beforehand. However the notion that unawareness and a form of 'false conception' of users accompany the interactions of users in order to increase profit is suggested multiple times throughout the thesis.

1.3 Operational Explication

The empirical part of the Thesis is divided in two sections:

To substantiate the abstract theory a case study on the most prominent and biggest ONS Facebook will be performed. Major innovations and introductions of features will be demonstrated and discussed in the form of a timeline.

This chronological analysis is performed in order to detect trends and incentives of the platform, which will be interpreted based on the given theory in consequence.

In addition a closer look on the platform's Terms of Service and Privacy Policies will be taken to examine the conditions, which are negotiated through this form of contract. It is suggested that manifestations of hegemonic practices can be found in the platforms policies, because of its appearance as a direct 'communiqué' between platform and userIn a final paragraph the gathering, use and trade of private data, based on declarations in the platform's Data policy will be analyzed. The second section is devoted to the user as a laborer. Based on a monitoring of the average daily Facebook usage and an online survey, which was performed to examine the users' knowledge, attitude and awareness towards the business model of the platform 'laborer portraits' will be created.

10 Facebook users of the researcher's environment between the age auf 20 and 30 have been asked to document their engagement with the platform in the course of 24 hours. After a short briefing they have been given digital spreadsheets to document length, motivation, environment, device and mode of their recent interaction with the platform. In a second step they have participated in an online survey, which asked them about their awareness, knowledge and perception of the business model of ONS.

This information in combination with the established theoretical background is used to create portraits of 'social media laborers'. These portraits serve as a manifestation of the effects of the political economy of social networks.

2. Political Economy

Vincent Mosco (1996) delivered two approaches for a definition of political economy:

1) *"Political economy is the study of the social relations, particularly the power relations that mutually constitute the production, distribution, and consumption of resources, including communication resources."* (Mosco 1996, p. 2)

This definition is very practical. It follows a communication product from its production to its consumption and furthermore includes the economic aspect of communication as a marketable product. The definition understands the act of communication as an operation of power. To include the more abstract aspects of political economy he added a second definition:

2) *"Political economy is the study of control and survival in social life."*

This definition on the other hand is very general, centering on 'control' (self-organization and adaption) and 'survival' (production and fulfillment of needs). Control as a category is a synonym for the relations and interactions among society, whilst survival refers to the economy (means of production and reproduction).

Political Economy always meant to understand social change and historical transformation, even back in its roots with Adam Smith, David Ricardo and Stuart Mill, who were trying to explain the great capitalist revolution and the following changes in society (Mosco 2009, p.3). Karl Marx later critically examined the forces between capitalism and other areas of political economy as well. Political economy is an interdisciplinary science which includes a variety of phenomena:

1.) Explaining *social change* is a central issue of the concept of political economy. Political economy is not solely focusing on economic scientific disciplines, but also on social, political and cultural elements of society.

2.) The political economist asks: how are power and wealth related and how are these in turn connected to culture and social life?

3.) *Moral philosophy* is also a big segment in the field of political economy. For Marx this meant the conflict between human labor as a source of fulfilment and social benefit versus the marketable benefit of labor in the capitalist regime.

4.) *Social praxis* is the fundamental unity of thinking and doing. Political economists are neither activists nor are they governors, but scientists and spectators of change within society (2009, p.4).

Unlike (neo-) classical economics political economy is not about maximizing production to create wealth, and is therefore not solely measured in metrical numbers. By retaining the concern for *history,* the *social whole*, *moral philosophy* and *praxis* political economy as a discipline became a mixture between social- as well as economical science.

According to Mosco political economy in the field of communication contains three processes:

a) **Commodification** – "The process of transforming goods and services which are valued of their use, e.g. food to satisfy hunger, stores for communication into commodities which are valued for what they can earn in the market place." (2009, p.12) Communication commodifies in two ways. For once communication technology contributes to general commodification (e.g. the use of information technology for purpose. It provides the ability for surveillance of inventory, stocks, etc.). Second, via commodification the process of public and economic communication receives more transparency. In the field of communication political economy focuses mainly on institutions and media structures, next to the process of commodification itself. This is due to the importance of global media companies and the growth in value of media content.

Commodification applies to *audiences* and *content*. In traditional media outlets like television or print advertisers pay for the size and quality of the audience generated. A consumer perspective to the commodification aspect was implemented in the 70s focusing the question whether the audience is selling their labor power for content, which has since been referred to as audience *commodity*.

Media labor itself is the second pillar in the commodification of communication. In this part Mosco was referring to the conditions of work in the media industry. Nowadays *media labor* in the context of prosumption and post-marxist user-labor relations rises to a new level of interaction of audience and providers. Since the upcoming of the social web *audience commodity* and *media labor* cannot easily be separated, due to the dualistic role of the user in the system.

With struggling (classical) media markets and shifting conditions, due to the adaption to online news, *media labor* in the sense of wage labor, as Mosco described it originally, is still an important part of the political economy of

Communication, but a minor factor compared to amount of content, which is produced for free.

b) **Spatialization** – "The process of overcoming the constraints of space in social life." (2009, p.14) Originally Adam Smith and David Ricardo concerned themselves with spaces in the form of the value of land. Marx refined the spatialization of political economy in terms of the attempt to make the best use of transportation and communication, meaning that time logistically annihilates space. The relation of time and space has always been an issue of political economy, especially when time-space distances have become less important, because of the constantly rising accessibility of nearly everything. *Time-space compression* suggests that the effective map of the world is shrinking. Communication is central to spatialization, as the exchange of information promotes flexibility and control. The restructuring of the industry and consequently *globalization* influence the government structure, with the outcome of *commercialization, privatization, liberalization and internationalization.* In the field of communication, spatializatian has been mainly addressing issues of institutional extension of corporate power due to a media concentration and the size of media firms. The horizontal (cross-media) and vertical concentration within the media sector, was what Smith and Marx referred to as the „space", which has been decreased by concentration. Needless to say the opening of media markets was another form of spatialization. Digitalization can be seen as a massive step towards the reduction of space and time. Due to permanent accessibility the news cycles have been reinvented, information can be gathered anywhere, right at the point of distribution.

c) **Structuration** – "Social action takes place within the constraints and the opportunities provided by the structures within which action happens"(2009, p. 16). Structure in this context shall be considered „as a duality including constraining rules and enabling resources" (Mosco, 1996, p.212). In the center of this idea is the inseparable intersection of structure and agents. Mosco develops his thoughts from the basis of Anthony Giddens 'Theory of Structuration', stating that action (which resolves out of structure) and structure are interconnected and reproduce social life continuously. In a time of interactive media and an age of user generated content, the interdependence between structure and active agents has never been so strong, with each relying on the other to continue the ever-constant flow of interaction.

2.1 Political Economy of Communication

Jiyan Wei has tried to break the complex nature of political economy down to a vague, but for the purpose of simple understanding sufficient and plain definition of political economy of communication:

"Political economy of communications focuses on structures for the production of the media and communication industries under capitalism, on the production and consumption of media and communications, and on flows of information." (Wei 2012)

With social network services growing into a multi-million industry, companies are underlying capitalistic conditions and mechanics to remain in the market. In a letter to projective Facebook investors in 2012 Facebook Founder and CEO clarified that "to make the world more open and connected", may be applied to the basic idea of Facebook in its origin, but as a company it is only possible, through earning money and expanding the business (Zuckerberg 2012).

Political economy is the field where established market theory correlates with communication models, buyers and sellers merge with senders and receivers, commodities and values are expressed in media and information. Robert E. Babe (2011) acknowledges the similarities between the scholarly disciplines of economy and communication from a political economy perspective, but warns for premature generalization, because the similarities between those two only exist on a superficial and mainstream level. According to Babe economists see markets as automatized processes driven by economics. Governing policies are ruled by a legislation, which derives at some point from culture. Communication as a defining force of culture constitutes symbolic beliefs into the field of political economy, as well as the economy itself constitutes materialistic beliefs (Babe 2011, pp 43). Therefore the central question of political economy is a question of power, and the distribution of power is a central issue of economic policy in which symbolic means and the value of belief systems may not be underestimated in their importance. Craig Butosi (2011) states that knowledge, myth, custom and ideology are contributors to the exchange of value and can therefore be seen as economic goods. When it comes to an analysis of political economy it is therefore equally important to examine belief systems as well as market transactions (2011, pp. 60).

Vincent Mosco as well introduces the thought of communication as a commodity, which is part of the purview of economic analysis that comprises means of production and distribution (resources) as well as meanings (culture), which constitute each other

(Mosco 2009, pp. 13). Both material and symbolic aspects of communication link to questions of power and are vital for the control over cultural production. General intellect, as the product of a prosumer industry, which relies on free immaterial labor, derives directly from symbolic aspects and cultural beliefs. The data which yields out of this cultural production is in that sense merely a byproduct. From a solely economic point of view on the other hand, data is the source of value for the social network industry. It is a distinct feature of communication and communication labor that its product unites the features of information, content and technological data, depending on the angle of perception. This suggests the possibility of misleading perceptions on the labor on ONS itself. Hence the following chapters examine the political economy of online social networks and their practices.

2.2. Web 2.0, Social Media or Online Network Services

Social media as a broad term of websites and applications, who inherit some sort of interaction protocol, require to be categorized, before being defined. Earlier general definitions of social media networks generally apply to the 'connecting' characteristic of social network services, which was considered to be the main trait of these platforms, when social media started to succeed wildly. Boyd & Ellison for example defined the following typical characteristics, which are applicable to almost any kind of ONS: (1) Create a profile/avatar/some sort of alter ego, (2) engage and connect to peers, (3) view and traverse their list of connections and of others (Boyd & Ellison cited in Albarran, 2002, p. 297).

Early definitions like the given example describe the role of ONS generally and therefore lack the capability to describe the variety of functions in the broad spectrum of ONS. There are various genres of networks, each with distinct features: mobile games, content sharing platforms like Flickr, Instagram, Youtube and Reddit, relationship-building platforms such as Facebook, micro blogging services Twitter, professional networks like LinkedIn and Google+ plus and location based services like Foursquare.

Niall Cook has found a widely including definition to describe the multidimensional character of social media:

"A wide ranging term that encompasses the practice and resulting output of all kinds of information created online by those who were previously consumers of

that media. (…) Philosophically, social media describes the way in which content (…) has become democratized by the Internet and the role people now play not only in consuming information and conveying it to others, but also in creating and sharing content with them, be it textual, aural or visual. For this reason, it is interchangeably referred to as consumer or user-generated-content. To some it represents the shift from broadcast to many-to-many media, rooted in the same conversation that (…) now defines a market. Practically, social media is often defined by the categories of software tools that people use to undertake this consuming, conveying, creating and sharing content with them."
(Cook 2008, p. 7)

For Cook social media is a form of communicative process, instead of a platform, service or host, which is commonly described by the term. Neglecting the role of the provider as an actor, he emphasizes on the shift of creating and receiving agents and implements the concept of prosumption. In addition he addresses the decentralization aspects of social media, as well as its impact on the online economy. To separate social media even stronger from classical online media Cook delves into the decentralization aspect of ONS. "Social media is seen as many-to-many, because of the way in which it relies on the links between peers and aggregators of content for its distribution. For example, a conversation on a single topic (or meme) can be spread across multiple Internet locations, but is joined together by links in a way that ensures no one's voice becomes the authority." (2008, p. 9) Cook's approach to social media idealizes the democratic exchange of content without including regulatory forces or commercial incentives. In his definition the user is not a producer, but an agent of self-interest and interior motivation. This liberal and idealistic definition has been chosen to demonstrate the dialectic between the basic idea and its manifestation in the current industry.

2.2.1 The industrial organization model (IO-Model) of Social Media Industries

Alan Albarran (2013) applies the industrial organization model to describe the nature of the social network industries, by distinguishing (1) the number of sellers, (2) how products are differentiated, (3) entry barriers for new firms, (4) the existing cost structures and (5) the vertical and horizontal integration among firms in the market (Albarran 2013, pps. 3).

The number of sellers in an industry indicates the density of competition in a market of similar products. To do that effectively Albarran divides the industry into the following sub-markets:

- Social networking (Facebook, Myspace, Livejournal)

- Professional networking (LinkedIn, Google+, Bing)

- Community/microblogging (Twitter, Pinterest "the Twitter with pictures")

- Social tagging – a system of bookmarks to organize content (StumbleUpon, Del.icio.us)

- Image/photo sites (Pinterest, Flickr, Instagram)

- Video sites (Youtube, Vimeo, Dailymotion, Socialcam, Vine)

- Social News (Digg, Reddit, Newsvine, Yahoo Buzz)

- Gaming sites (Zynga, Yahoo! Games, Big Fish)

- Consumer shopping (Groupon, Living Social, Dealster, Rublys)

- Review sites (Yelp, Citysearch)

- Wikis (Wikipedia, Wikia, Wikitravels)

- social publishing (Scribd)

- Location based services – LBS (Foursquare)

Whilst this list doesn't reflect the full scale of services offered, it succeeds in showing that there are various sub-markets, which are "for the most part competitive in that there are multiple forms involved" (2013, p.5). The oligopoly between the different segments is actually smaller than this list indicates, due to bigger corporations swallowing smaller firms and hereby infiltrating multiple market segments. According to Albarran another feature of the market is its reliability on trends that can switch very quickly (i.e. the overnight explosion of Groupon and Pinterest in the USA). Price is not a valid consideration to measure a site, because the advertising price varies based on the number of users. "Their (Facebook, LinkedIn and Youtube) available supply of potential audience increases the demand by advertisers." (2013, p. 6).

Compared to other media social media inherits the unique feature of being mostly user-driven. This feature grants the potential for news or information to quickly become a trend and go viral, but also opens up the floor for public criticism. This leads to the assumption that control cannot be exercised via regulation, as it happens in classic media. Therefore corporate interests can only be achieved by setting agendas and highlight content in order that users interact positively with them.

Another distinct of the industry are low market entry barriers. Given the technical abilities required to set up a platform, it is fairly easy to launch it. The cost structures are also low to nothing compared to those of traditional media. This explains the strong start-up trend in the early 21st century, which has led to a competitive field and the split in multiple

submarkets. Thus it may be easy to enter the industry, ongoing user interest is a fundamental requirement to survive.

Vertical as well as horizontal acquisition is very common, Google's integration of Youtube in its own network is a prime example for vertical integration. Facebook on the other hand, has recently acquitted Instagram and Whatsapp (2012), but has decided not to merge the services with the mother company, which is exemplary for horizontal integration. Although there are numerous companies, who offer different services, the market structure resembles an oligarchy of a few big companies, which sustain a limited field of competitors through assimilation and acquisition (2013, pps. 6).

Pricing policies & strategy
Social network services, like many other media segments, know two kinds of pricing policies. Either a subscription based market, or different variations of advertising. The latter, in its many forms, is in the central focus of this work, and commonly applied due to the inexistence of payment barriers for users. In certain segments of the industry it is common to offer both alternatives: In example a restricted and ad-based free version and a premium subscription model, which delivers certain features, the free model does not provide.

Product strategies shift very fast to meet the rapid development in the social network market. Generally strategies aim on enhancing user interaction, which means the attraction of new users and the increase of interaction among existing users, which increases data flow. The Adaption to mobile use of the network for example has been a big step in the short history of social media (2013, p.8).

2.2 Modes of production

The distinct feature, which separates the social network industry from every other form of media industry, is it's mode of production. Unlike traditional media content is not produced and distributed through in-house channels. Social media networks do not distribute content themselves, they offer options and modalities for users to produce and share content, which is distributed within their networks and regulated by algorithms.

Users have the option to express themselves and interact with a network of peers of their choice, whilst continuously leaving behind a track of data, which is gathered, analyzed and capitalized by the networks.

Before delving into the concept of prosumption, it is important to understand the meaning of online consumption and audience commodity to understand the user's role in the modalities of production.

2.2.1 User Commodity

Dallas W. Smythe introduced his idea of 'audience commodity' back in 1977, when internet and omnipresent media consumption were just substance of science fiction literature. Smythe introduced the thought that any time of the day, which is not spent sleeping people are working for the advertising industry. This exaggeration is based on the idea that, from a capitalist point of view, not multimedia content but audiences are the product of media corporations. Therefore, by being exposed to advertising, people engage in a form of labor. (Svec 2015, p. 270)

According to that train of thought the key commodity of the communication industry are audiences, who work for advertisers in order to be convinced to buy and consume products. He referred to commercial media as 'Consciousness Industry', which is contributing to the capitalist system by creating attention in the form of audiences to maintain capitalist relations. (p. 272)

Applied to the modern society and its use of media, Smythe's elaborations seem less radical as they appeared originally, as attention has established itself as a form of payment and media consumption becoming ubiquitous. The social network industry however adds another layer of labor to Smythe's audience commodity, by transferring the content production to the user. This dualistic capitalization of consumption as well as production labor can be imagined like a restaurant in which the guests cook their meals themselves, clean up after themselves and leave the recipes in the form of data, which are then being sold by the restaurant for profit. The dualistic nature of user's as consumers and prosumers as well as the concept of free immaterial labor are discussed in the following chapters.

The second form of online labor is the production of content, which is of extraordinary value, because it contains personal information in the form of data. Information as a product has its unique features, in example unlike many other goods the consumption of information does not destroy it, but still the output can be different from the input. Giovanni Cesareo describes the peculiarities of information as follows:

2.2.2 Work of Consumption

"Information is manifold. It is a product, but also a source. It is a material that, when consumed, offers the possibility of producing new material, and so on and on. However, it also must be constantly processed to produce significance, and therefore to be used. That is why we can say that the consumption of information always requires specific work, which is what I call the 'work of consumption'. That is why we say that consumption is always productive, even if at different levels." (Cesareo 2014, p. 403)

Consumption of information causes reactions and urges emotional responses, it therefore can never be passive. It requires a validation process, which involves searching, selecting, assembling, cleaning up, critical valuing, digging out, and connecting pieces of information even for the purpose of enjoyment. Furthermore Cesareo states that the 'work of consumption' always leads to at least a neurological outcome, which can be satisfaction or even pleasure. The process of consuming is also individual due to 'digital divide', literacy and the time spent on consuming and the quality of the output.

Social network services provide the framework for the access to information and therefore heavily influence the process of consumption on modern media. For example users tend to use 'easy' and accessible technologies to get informed, rather than committing to excessive research. "Work of Consumption is not a way of exploring information, but increase knowledge by practicing standards. These standards are implemented in the software produced by corporate management and serve the primarily purpose of the ability to be sold." Work of Consumption is therefore driven by algorithms, who are in charge of information and communication (2014, p. 407).

According to Cesareo, prosumption is a consequential step after Consumption. Users establish skills by consuming, and feel capable to produce. They want to become sources (p. 411). With the so called Web 2.0 the barriers for producing own content have become low to non-existent, which allows private users to become sources of all kinds of media. Suddenly there are possibilities to take over the function of media production companies, more than that the distribution of content changed, and also the role of distributors. Private people have gained access to an audience of hundreds, even thousands, which makes them multipliers in terms of distribution of content. Consumers have become prosumers with the development of the social network industry.

2.2.3 Prosumption

Alvin Toffler introduced the term of prosumption in 1980 meaning "progressive blurring of the line that separates producer from consumer" (Toffler 1980, p. 267 cited in Fuchs 2014, p. 106). By that Toffler idealized a new form of economic and democracy, which is described by self-determined work, labor autonomy and autonomous production rather than a form of outsourcing work to consumers. Critics of Capitalism and Marxist scholars like Fuchs describe the concept of prosumption and how it is applied in ONS as an exploitation of the user by corporations, who seek to minimize their investment and labor costs (Fuchs 2014, p. 106). The validation of user generated content and commodification of information, as the product of prosumption is one of the key features of this thesis, at this point Toffler's positive approach to prosumption and Fuchs' critique to the concept are demonstrations of the broad field it engages. What once was considered media labor, meaning the production of content and therefore the creation of value, has shifted into the hands of private communicators. Prosumption as a work process also means that labor stretches into fields of leisure. By prosuming users stretch their labor day. Prolonging the work day is one (static) way to achieve surplus value in terms of classic capitalist theory, increasing productivity is the other (2014, p. 105).

However Tiziana Terranova (2000) reasoned that, "The increasingly blurred territory between production and consumption, work and cultural expression, however, does not signal the recomposition of the alienated Marxist worker. The Internet does not automatically turn every user into an active producer, and every worker into a creative subject" (2000, p. 35).

Private and public discourse has merged within the industry of ONS, as well as media channels and actor – recipient roles, nevertheless the process of generating of value through communication has not. Hence work of prosumption can be seen as a special form of labor:

2.2.4 Immaterial Labor and Free Labor

To maintain its service the Internet as a medium requires massive amounts of labor, of which a substantial amount is monetarily uncompensated 'free labor'. The term free labor does not necessarily mean exploitation, according to Tiziana Terranova, due to the fact that it is willingly conceded for the pleasures of communication and exchange (Terranova 2000, p.48) Free labor is an 'excessive activity' not typically perceived as work, performed on the internet that creates value for capital (2004, 73). Nicole S. Cohen adds that this labor, which does not produce material goods or is it subject to the terms of a

wage-labor relationship, is a main source of value in the web 2.0 and key to the business model of the social network industry. Without the concept of free labor, there would be no profit (Cohen 2008, p. 8).

Maurizio Lazzarato (1996) defined the term 'immaterial labor' as an act of adding cultural content to a commodity. This definition included activities, which usually are not considered as a form of work. It included activities that engaged in the process of defining cultural and artistic standards of fashion, taste, consumption - standards and generally seen the public opinion (Lazzarato cited by Coté and Pybus 2011, p. 52). Coté and Pybus (2011) stated that the discourse on Facebook is a special form of immaterial labor, which is accelerated and amplified: 'Immaterial labor 2.0', the construction of our own subjectivity.

Thus critics proclaim of the theory of immaterial labor that it is a delusion of labor in the sense, that material labor (meaning factorial production) is an opposition to immaterial labor, with the former being the only 'true' form of it. Coté and Pybus counter that arguing thatthe concept of prosumption itself is proof of the existence of immaterial labor. Communication and dialogue are not only a cultural praxis for private social relations but a form of work being essential for online capitalism in the age of information. Knowledge, information, emotion, relation and communication are the product of immaterial labor and valuable commodities for the advertising industry. According to this thesis not only the construction of our artificial avatars, but also each act of interaction is a form of labor and can therefore be capitalized on (pps. 53).

Platforms like Facebook set the general work conditions throughout their technological framework. Hence immaterial labor 2.0 happens out of free will, users can not be forced to interact in a wishful manner. By introducing algorithms like Facebook's Newsfeed networks regulate the effectiveness of content and therefore the means of production by adding gatekeepers, which force users to communicate in certain patterns in order to communicate successfully. Competing for the attention of peers and peers-of-peers makes users more professional and productive in their use of interaction. The instable nature of the algorithm keeps the user continuously engaging in order to add consistence to the construction of the online identity (pps. 55).

According to Judith Butler the motivation to consistently engage derives from our wish to "count as a subject" (2011, p. 56). Facebook encourages this need and invites users to engage and connect in order to be recognized within their sphere and beyond. This drive to engage leads to a „sphere of interdependency“, a place which relies on affective and

constitutive relations of its users, who are undergoing a constant flow and are reproducing themselves consequently (pps. 57).

To explain our need for online recognition Coté and Pybus cite Jenny Sunden (2009), who explains the phenomenon by the vanishing borders between the virtual and the material world. Screens, which used to be one-way streets in the sense of sender and recipient, have become affective surfaces.

2.3 Targeted Advertising and Database Marketing

As previously mentioned social media, users are subjects of double commodification in their role as consumers and producers. Fuchs (2014) states that they are not commodified in the sense of producing content but also as a conscious audience, by being exposed to "commodity logic" in the form of advertisements. (2014, p. 109) In the duality of labor and audience commodity, critical political economy finds a key element of the exploitative nature of ONS. After establishing the modalities of labor of ONS, the following chapters aim to deliver an insight in how the process of capitalization of prosumer labor works.

2.3.1 Targeted advertising

"Advertising is an action that aims, through messages, at advancing the acquisition of goods or services, for the purposes of profit." (Faraone 2011, p. 197) Advertising has been introduced with the means of mass communication and has grown hand in hand with capitalism. Since then advertisers have tried to improve their ads in order to increase profit by promoting products, a brand, a special offer, etc. In order to be successful it is substantial to send the right message, to the right audience – in other words to target your message. Whilst the primary function of accelerating the circulation of goods and the increase of consumption have remained the same, the methods have kept following societal and technological advances, whenever they happened (2011, pps. 198).

Advertising in the perception of consumers of media and general critics of capitalism has a bad reputation. It is perceived as the annoying interference in television and radio programs, as 'junk' mail, which piles up in literal and virtual mailboxes. It is a disruption

between YouTube videos. Pop-ups decrease the enjoyment of online articles and pages are filled with uninvited banner ads, which distract from the sought out content. As a counterargument, Roque Faraone lists the positive aspects of advertising in the sense of an apology. Advertising informs, not just about offers but also about elements that derive from the progress of science and technology. It can be humoristic and amusing, develops imagination, is creative and even a form of (utilitarian) art. Advertising has been highly successful with a constant rise in investments and has conquered nearly every space. By disqualifying the habit of saving in favor of spending, it even causes immediate pleasure in a hedonistic culture. Faraone quotes Lipovetzky, who went as far as to call advertising an "agent of individualism", accelerating the search for personality and autonomy (Lipovetzky 1987 cited by Faraone 2011, p. 199).

There are mainly two kinds of Internet advertising, one being keyword-focused and the other being personalized advertising. Keyword advertising is similar to classical media advertising: matching related content to ads, via keywords on pages, which are visited by the desired target group. Personalized advertising on the other hand is not specifically related to the current media content or the immediate action of the user, rather than to the past actions the user has taken. Those Ads are related to past search inquiries and the browsing history and follow the user dynamically. In order to increase precision, personalized advertising requires information in the form of user data. It is this data, which drives the 'free web'.

"Advertising revenue is based on what can be considered to contain the real value for social networking sites such as Facebook: the potential of information" (Cohen 2008, p. 13). In order to harness the full potential ONS are "mutually maximizing collective intelligence and added value for each participant by formalized and dynamic information sharing and creation" (Hoeg. et. al. cited by Cohen, p. 13).

2.3.2 Database Marketing

To understand the importance of personal information the next chapter engages in a brief excursion on database marketing.

Database Marketing is the industry of collecting, aggregating and brokering personal data. Advertising, marketing and data mining firms collect any kind of personal information on possible customers analyze it and sell it to corporations, marketers and governments. These firms are the middleman in the data business and the amount of data they collect is vast. In example Acxiom – the second largest data mining company

in the USA – tracks records of 1.11 billion cookies and 220 million mobile profiles, owning an average of 1.500 pieces of information on each consumer in the United States. These pieces of data not only include online behavior, but also offline information that is publicly available, like car ownership, home valuation, etc. (Marwick 2014, pp. 3).

Cookies, that track which sites are visited and in what order across multiple devices using the same browser, are used to collect online behavior information. Based on the user's browsing history relevant ads are selected and pop up on websites. This process is referred to as 'behavioral targeting'.

With more sophisticated use of data collecting techniques, corporations like Acxiom have been replacing behavioral targeting with 'predictive targeting', which enables them to tell if the user is likely to make a purchase or not. Based on the accumulated pieces of information data miners create profiles of people and sell them to advertisers, in order for them to have behavioral insights on their customers (pp. 6).

One of these sophisticated techniques is 'sentiment analysis', a tool used to automatically scan online discourses on bulletin-boards, Blogs, ONS and especially Twitter and Facebook feeds for mood and atmosphere. Whilst such information has been analyzed in market research studies for years, sentiment analysis is happening not only in real time, but also in a vast scope (Andrejevic 2011, p. 44).

Predictive analysis is not only maximizing profit, but also preventing risk taking. Mark Andrejevic states the danger of this process of integrating a possible future in the actions of the present and thereby reducing further possibilities. Prevention does not avert, but causes an event. In terms of sentiment analysis, this means that by gathering feedback, corporations seek to avoid possible negative investment and maximize engagement. Discourse and emotions stop being free, but are calculated like a variable. What seems like a real discourse in the present, has precautionary been regulated by a posed future. The populations on ONS become probes of an ongoing market experiment by corporations, who seek to adapt and maximize their corporate strategies. According to Andrejevic interpretations and estimations will not be necessary anymore in "the computed control fantasy of an affective economy, which aims to create an interactive media landscape, that serves as: (1) Entertainment, (2) Advertising space and (3) Probe. Social networks do not cater for equality on the court of control. They create a basic asymmetry, in which the ones who own and control the productive resources of community, gain prosperity in information, to not only satisfy consumption needs, but also harness fears and insecurities as well as manipulate hopes and dreams. Users on the other hand only have a vague idea, what kind of information is collected and how it is

utilized."(2011, p. 46) For example Adam Kramer - a Facebook employee - et al. conducted an experiment on 689.003 unknowing Facebook users in 2013 to test if emotional contagion is transferred via networks by exposing Facebook users to more positive respectively negative content on their timeline, to test if their sharing behavior would adapt as well (Kramer, Guillory and Hancock 2013). Whilst the scientific results may be of great relevance, this also shows the power and the willingness of the platform to change user experience and perception according to their pleasing, which as Andrejevic argues, is a dangerous thing to do, whether it is for scientific or commercial reasons.

In addition to predictive analysis the vast scope of big data has numerous consequences, one being data discrimination. Through categorizing and segmenting people in demographic categories, they are put in 'customer value segments' for brands. The top value customers, who are more likely to engage with a company, are then catered for with sales and coupons, whilst low value customers are neglected by marketers. An extreme extent of discrimination through segmentation is price discrimination, which determines prices and offers based on the user's category. I.e. data miners register that a user is accessing through an expensive new iPhone version and determine that he has to be well-situated and is possibly an early adopter and therefore likely to be willing to pay more, than a colleague, who is using his old Windows XP laptop to browse (Marwick 2014, p. 5).

A second consequence is the trustworthiness of data brokers as well as ONS or other branches of the data mining industry. Whilst government surveillance is a social taboo, users hardly have an idea on how the gathered data is protected and whom it is sold to. The amount of information on individuals is becoming so big, that leaks could be easily exploited i.e. through identity thefts or frauds. Marwick states that the only complete solution is to opt-out, thus questioning if that can really be an alternative.

2.3.3 The Political Economy of Personal Information

"Information is an economic good, but as with other intangible goods, it is difficult to determine its value, in part because its market price bears no necessary relationship to its cost of production." (Gandy 2014, p. 442)

As part of the communication process personal information is commoditized directly and therefore an important part of the bigger picture of the political economy of social network services. Although the political economy of personal information struggles with

the same problems as the communication economy in general, it is even harder to define, manage and control due to being immaterial.

To understand the nature of immaterial commodities like information it is vital to understand Marx's idea of use- and exchange value of commodities. By use-value, Marx expresses the qualitative aspects of a thing, describing its nature and specific features, thus not expressing the relation of production. He concludes that use-value is solely descriptive and is not directly part of political economy. Exchange-value on the other hand describes the quantitative relation of goods, which is determined by capitalist social relations. Regardless of their use-value, a golden necklace may have the same exchange-value as 2000 potatoes or a brand new tablet computer (Marx 1984, p. 28). In Marx's terminology, labor is the link between use- and exchange value. In order to produce goods of a certain qualitative aspect (concrete labor), It takes an average amount of labor-time, which can be abstracted and connected to value-relations (abstract labor).

Due to its non-consuming nature, information does not know scarcity, which originally disqualifies it as a commodity in the sense of being unexchangeable. However, by establishing ownership on information, it can be controlled and possessed. Even by being not consumable information serves as commodity, but only ownership provides the necessary means for it to be exchanged. Information can be owned and its exchange–value retained by (1) obsolescence and (2) political processes that artificially create exclusivity and scarcity through prioritization of newness (Butosi 2012, p. 132).

Content on ONS has to be continuously updated in order to remain relevant, which does not only require an immense labor effort, but also the transfer of intellectual property rights to the source, which is enacting these policies in the first place. It is obvious that terms of use and privacy policies are the key to this political process in order to make information as a commodity exchangeable and become the legitimization for exploitation of free labor.

In addition, a big issue for the political economy is the fact that personal information results out of immaterial labor, which in this form is seen as nonproductive and therefore impossible to value properly. This labor becomes some sort of token, which is equivalent to money, but not part of the exchange process according to Gandy. (2014, pp. 443) The valuation and pricing of intangibles is a field, where modern political economy still fails to set a general definition, as unlike goods and commodities in classical (materialistic) form, immaterial commodities may behave like material commodities (i.e. possession of use-value and exchange-value), but lack discreteness. Despite their flaws

and imperfections information as goods, behave like a commodity, even if only because "capital finds innovative ways to impose the commodity-form upon it." (Butosi 2012, p. 128)

2.3.4 Content vs. Data

Content and data are often used as synonyms, though they rather refer to two dialectical aspects of the same thing. Comparable to Marx's definition of two different types of labor, one being 'concrete' and applicable to the qualitative features of online information and the other being 'abstract', describing the quantity. Content and data are in the same fashion inseparable like use- and exchange value, with content being information for the purpose of consumption, whilst data being the interchangeable commodity regardless of its use. The distinction is important, because *user generated content* often applies to actual work of knowledge of users and is generated actively. *User generated data* however can also be created by passive interactions with a network like browsing. In the words of Marx, data consists of "uniform, homogeneous, simple labor" (Butosi 2012, p. 136). For ONS both actions are means of production, which generate value regardless of their initial intention. On the other hand, for users data may just be an accumulation of files.

2.4 Excourse: Benefits and Compensation

If social media is such an exploitative system, as this thesis depicts, how can it attract billions of users, who willingly accept in engaging in these conditions? This chapter offers a short digression from the field of critical political economy. The question concerning the compensation of social media use is widely researched in multiple disciplines. For this thesis, the user's benefits are of secondary relevance hence the research focuses on the modalities rather than the motivation of social media use.

Media theorist explain the user's demand to engage with social networks with the Uses and Gratification thesis by Katz et al., which is based on the assumption that an active audience choses one of several media services to fulfill a certain need or goal. For example, Facebook as a platform provides a variety of different services, which caters for different goals (Roberts 2010, p. 25). This is a potential explanation to why the

service with the broadest variety of features is able to attract the highest numbers of users.

To explain the social benefits and requirements of free online labor, Maurizio Lazzarato approaches a philosophical point of view by applying Foucault's idea of 'biopower', which is flexible and less tedious and has therefore been exercised in socio-economic processes. It stands in contrast to the inflexible force of disciplinary power, institutions exert. "Here we can remember how Lazzarato (2000) emphasized the conflation in biopower of the *zoe* (natural life) with the *bios* (political life); (…) In more prosaic terms, we could say the diffusion of work into play, or more specifically, labor into communicative sociality." (Coté and Pybus 2011a, p. 9) The inclination of *biopower* adds a creative and self-actualizing layer to labor. This explanation does not require an immature and unaware user, who is not aware of his role as laborer; instead, it offers liberty and self-fulfillment as compensation for labor.

Tsiporah Stern and David Salb (2015) applied the Theory of Reasoned Action (Ajzen & Fishbein) in an attempt to explain the decision making process of sharing, which incorporated potential benefits as a counter-argument to privacy risks. (Salb and Stern 2015, p.2).
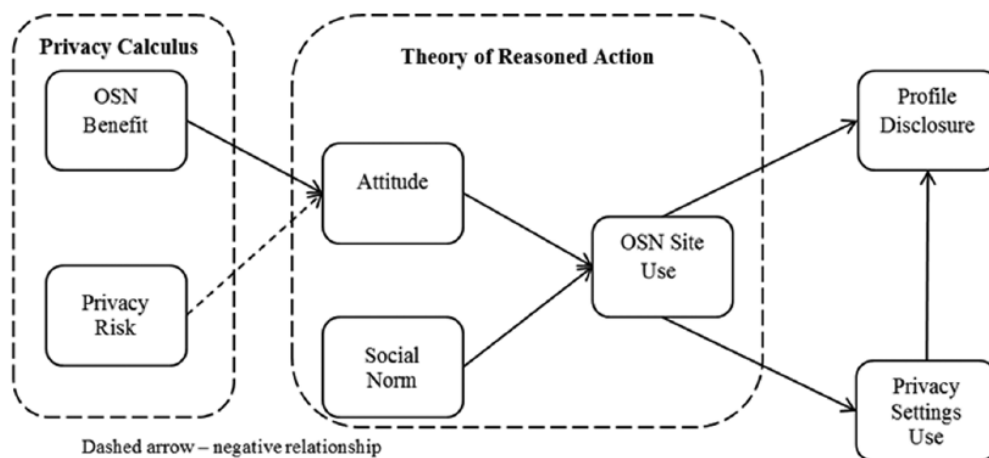

Figure II: Conceptual Model of TRA (Stern and Salb 2015, p. 2)

Regardless of the discipline, approach or perspective it is obvious that interacting with ONS is able to fulfill individual demands and therefore offers a form of compensation, which is also immaterial. This argumentation mitigates the accusation that ONS are of an extremely exploitative nature.

3. Theory

It is peculiar that in times of internet studies and global financial crisis, critics of neo liberalism and political economy turn to Marxist theories and his ideology to create a 'realm of freedom', where capitalism is condemned as an oppressive, exploitative, estranging and other-directed force. (Fuchs 2013, p. 2). In that light, the longings of Millennials or Generation Y have much in common with communists dream, as they both base on Marx's idea of freedom.

3.1 Labor Theory of Value

The economical perspective of ONS and their business models demand for questions of production relations, commodification, production of surplus value and power relations (social class). It is fundamental for a marxistic view on social media to understand that users and platforms are not engaging in a buyer-seller, but in a laborer-employer relation. The whole concept of prosumption attests to this and demonstrates the productive nature of users as a work force. Craig Butosi quotes Facebook's Terms of Agreement from 2011, "Company shall own exclusive rights (…), including all intellectual property rights, and shall be entitled to the unrestricted use and dissemination of these Submissions for any purpose, commercial or otherwise *without acknowledgment or compensation to you*." (Emphasis added) (Butosi 2012, p. 119) There have been numerous reworks to the Terms of Services by now, thus the principle of granting the rights of free use and valorization without receiving compensation has always been a center part of it, indicating a wage-free labor relationship.

At this point, it is necessary to explain that labor circumstances, as they were criticized by Marx in the 19th century, are hardly comparable to the use of social media in modern society. 'Exploitation' in the sense that it will be used in the following chapter, does not describe work relations close to slavery, rather than a system, which is overly advantageous for one party.

This thesis considers only fragments of his work, in order to explain the value of labor, which is vital to understand the exploitative nature of ONS. It does not aim to explain the whole industry through Marxist perspectives and is therefore brief and simple in its excursions:

Marx brought labor and value into a relation, in which the value of a product was defined by the amount of labor, which it took to produce it. This led to the conclusion that high-

priced goods were the ones, who took up a significant amount of production time and that price is a direct indicator of the means of production, including labor. Marx referred to that as 'use value', thus in exchange-based societies goods also have an 'exchange value' in order to commodify them (I.e. X amount of commodity B equals Y amount of commodity A.). To simplify exchange money has been introduced as a commodity and in conclusion labor is commodified as well, because for a certain amount of money you can get hold of goods, which were produced in a certain amount of labor-time. 'Concrete' labor reflects the 'use value' of a good and 'abstract' labor the amount of time it takes to create a commodity.

At this point the perspective of means of production changes, because if you have capital, you can buy (abstract) labor value and the means of production to produce commodities, with a certain exchange value. The profit, which is gained in that process, is reinvested, which leads to a circulation of capital, in which capital is changed into commodity (labor, means of productions) to later be exchanged back into capital. "This means that due to private property structures workers do not own the means of production, the products they produce, and the profit they generate; capitalists own these resources." (Fuchs 2011a, 295) The gained commodities need to exceed the cost of production and labor in order to produce a surplus value, which is then reinvested. This is what Marx refers to as the accumulation of capital. Capital is therefore not money, but money that is increased through the process of accumulation.

When it comes to the creation of value in form of immaterial commodities, there are two main streams within Marx's paradigm. One being that as Marx states, value can only be created by labor and capital is the product of human labor and contains value. This means that what Terranova refers to as 'free labor' is a basic requirement for the existence of the social network economy. Thus, modern takes on Marx's theories have proven that value does not necessarily derive directly from labor, rather than being accumulated in a constant state of transformation. Capital is less a thing, but a process, it is value in constant motion, with labor put in on one side and profit extracted (and reinvested) on the other side of the circulation. To exemplify this train of thought Marx's famous formula, on the circulation of capital, shall be given here (Butosi 2012, Fuchs 2011):

$$M - C (LP+MP)\ldots P\ldots C'-(M+\Delta M)$$

Finance (M) buys the commodities (C), labor power (LP) and means of production (MP) to produce a product (P) in order to create another commodity (C'), which compensates for the initial production costs (M) and collects an additional surplus value (ΔM). Each

node of this cycle is capital in a different state of its transformation. According to Marx this never-ending dynamic of investment and reinvestment forces capitalists to succumb only the "coercive laws of competition" (Marx cited by Butosi 2012, p. 128) to maintain the production of profit and by doing so preventing them to operate by other standards than those of mere competition.

These laws of capital accumulation apply naturally to the social network industry and in order to understand how they are enacted it is indispensable to understand the nature of capital as a process. To apply this logic in combination with Terranova's theory of 'immaterial labor' (an excessive activity, which must not be perceived as such, but still performs as labor and therefore creates value), it is clear that if work is put into social media by the users, value is generated and profit must be gained.

In order to extend this theory to the circumstances of web 2.0 Fuchs expanded Marx's original capital circulation to explain the difference between labor power and the means of production. He expanded the circle with an additional element of variable capital into the node of labor power. In his terms LP consists of wages that have to be paid to employees (v1) and wages that are paid to users (v2). Hence to the fact that v2 consists only of unpaid labor its costs tend towards zero, meaning that there is a wage, but its return is merely immaterial in the form of benefits (Fuchs 2011, pps.289). Marx's 'rate of exploitation' refers to the portion for which the laborer has been working, but is not compensated for in the form of wages, minus production costs.

Mark Zuckerberg's maxim of unconditioned growth in order to succeed resembles the basic notion of investment and reinvestment in order to ensure surplus value. As Kirckpatrick states Zuckerberg always had his focus not on the company's direct income, but on its permanently increasing number of users to ensure survival and increase Facebook's market value (Kirckpatrick, p. 271).

3.1.1 Formal and Real Subsumption – The Indication of Class

Critics of Marxist scholars emphasize on the fact that Marx's theories were constructed with the 'proletariat' – exploited workers, who had to apply themselves under horrible conditions with next to no rights – in mind. The situation of the original laborers can in no way be compared to a modern age society, who engages in digital interaction in their leisure time. His concept of formal and real subsumption, thus explains how the capitalist mindset, which Marx described 130 years ago is alarmingly actual in modern society and how capitalist means of production have penetrated social life.

Formal subsumption describes the shift from self-employed manufacturers to wage-laborers, who sell their labor power to managers (capitalists), who are in possession of the means of production. Although laborer and manager are equally free beings, the latter is politically and socially dominant by controlling the conditions of labor. Whilst under formal subsumption the labor process does in fact not change (only the relation does), *real subsumption* builds up on the premise of formal subsumption and implies capitalism into the modes of production rendering to be more continuous and efficient to increase relative surplus value. Through the ever-flowing accumulation of capital the process of real subsumption is revolutionizing the modes of production and also the relations of workers and capitalists (Marx 1984, p. 1035). The ever-growing nature of capital does not stop at sites of production, but penetrates all parts of society, which (i.e. as consumers) becomes a node in the cycle of production. In order to compete capital always has to find new and alternative ways to extract value from workers. Tronti formulated this vision as follows: "At the highest level of capitalist development social relations become moments of the relations of production." (Tronti cited by Butosi 2012, p. 140)

Platforms like Facebook are sites where production and social life collide. Bearing the effects of real subsumption in mind, the means of communication, which are dictated and possessed by the networks, have shaped a new form of discourse within the platforms and even spread beyond into everyday life. People have adopted a mindset of sharing and liking, which always traces back on to a platform, which is capitalizing on it. This may be for instance an attempt to seek out sceneries for Instagram photos, or finding the perfect song to express the 'thank-god-its-Friday' mindset or posting pictures of past events on '#throwbackthursday'. In terms of web 2.0 labor this mindset of constant sharing is an application of a skillset users have adopted, Jurgenson refers to it as 'the logic of the Facebook mechanism' (Jurgenson, 2011).

Relative surplus value, as mentioned above is value that is created beyond the necessary labor time to equal wage payment. Therefore, free labor in the form in which it is performed in the social web, creates pure surplus value. Social networking therefore can be seen as an extension of the workday. Whilst spending averagely 8 hours on 5 days per week to provide with necessary labor to sustain and provide for their lives, users continue the production of value in their leisure time. Following this argumentation Tronti's vision has become real and amplifies the notion that real subsumption has spread far beyond general labor relation (2012, p. 141).

Whilst social networking still does not picture itself as class discrimination and exploitation of labor, in the sense of production of value and capital accumulation, it can be seen as an extension of the working day and is in that form exploitative.

3.1.2 Theory of Rent

The other perspective focuses less on users (laborer), rather than on the source of production: the network (capitalist). Scholars like Andrejevic point out, that 'digital enclosure' (Andrejevic 2007) is the source of revenue generation on ONS and explain this hypothesis through Marx's thoughts on rent.

Through the application of the Theory of Rent one of the major discrepancies of the political economy of social networks is unfolded. With the introduction of rent, Marx introduces a third class besides the wage laborer and the capitalist: the landowner. The trinity of accumulation is explained with Marx's agriculture example: The actual cultivators are wage-laborers, employed by a farmer, the capitalist. This capitalist is paying rent for permission to employ his capital on the land to the proprietor of it, the landowner (Andrejevic 2011, pps. 37). Rent is therefore a payment, realized by enclosing private property, which derives from the surplus value of production, but is excluded from the cycle of production from which the landowner is not part of. Marx therefore differentiates between three types value-transformations: (1) wages are attached to labor, (2) rent is attached to land, and (3) profit, which is attached to capital (Marx 1991 cited in Butosi, p. 145).

In the realms of social media we also find three actors being involved in the capital process: the social media user, the social media provider and the advertiser. Whilst the relations between user and provider seem obvious, with the former being the laborer and the latter being the capitalist, the third party blurs the distinction. By charging advertisers money per thousand views, providers seem to imply a form of rent, which leads to the assumption that advertisers must be the capitalists, providers the landowners and users the laborer. This is contradictory with the landlord's notion of not being involved in the production process, which social networks clearly are. In addition data is the product of labor and not simply given by the fertility of the land. The notion of data being fertile land is also not valid, because Marx clearly states that, "Value is labor. So surplus value cannot be earth." In addition this would imply that the user is the landowner and should therefore be compensated with rent (2012, p. 147). Butosi summarizes the key problems as follows:

"What proponents of the rentier argument have in common is that they confuse means of production with labor-power and vice versa. In doing so, they reify the actual production process necessary for the realization of profit in these environments. The assertion that these sites operate as landlords implies that the more important relationship is between landlord (Facebook and Twitter) and capitalist (third-party advertisers), when in fact, the fundamental relationship to be considered is between laborer (social networker) and capitalist (social network provider)" (Butosi 2012, p. 148).

The confusion on the true means of production has deep roots in the production of modern network companies, as is suggested primarily in this thesis. This confusion creates a lack of transparency, which can be capitalized on in order to maximize relative surplus value. The suggestion is that real subsumption is happening in the mainly neglected terms of use and privacy statements, where exploitative policies are rooted and hidden away from the critical mindset of society. This hypothesis is reinforced by people's sensitivity towards governmental surveillance and data mining in comparison to the economic use of their data.

3.2 Cultural Hegemony

"The power of cultural hegemony lies in its invisibility. Unlike a soldier with a gun or a political system backed up by a written constitution, culture resides within us." Antonio Gramsci

The relation between capitalists and the proletariat, or generally a leading class and their subaltern does not necessarily depend on coercion or dominance through power, but on representing and influencing the ideas in civil sphere. Hegemony is therefore defined as a form of leadership that resolves out of intellectual and moral consent and persuasion. Hegemony emerges when a group or class manages to transcend its value system, perceptions and knowledge into general and universal conceptions of the world (Fontana 1993, p. 140).

After analyzing the economic processes that lay down the foundation for the social networking industry, clarifying a division of class and identifying the user's role as a laborer, by looking into the theory of Karl Marx and his contemporaries, it is necessary to review the correspondent political structures and processes. Hence, to the nature of ONS on relying on free immaterial labor for its production, class relations are unlikely defined by authority and enforcement rather than by consensus. Therefore, this chapter seeks to identify key elements of user-network relations by exploring the hegemony on these platforms.

Engels and Marx assumed that the dominance and values of the ruling class could be enforced by a sense of 'false consciousness', which would deflect the laborers from realizing and revolting against the capitalistic exploitation. Bourgeois ideology acted similarly like an invisible power, to keep the proletariat in a state of "trade union consciousness" (Heywood 2003, p. 85), which would only enable them to improve their conditions within the capitalistic system. Italian philosopher Antonio Gramsci declined the idea of false consciousness in favor of a concept, which was reliant on consent, rather than misconception and a lack of literacy: Hegemony.

Cultural Hegemony is the brainchild of Gramsci, who integrated Marxist theory into his philosophy on state and sovereignty. Before emphasizing on the relevance of cultural hegemony in the context of user-relations in the age of social networks, the following paragraph aims to explain Gramsci's theory briefly and generally:

3.2.1 Dominance through consensus

Antonio Gramsci was involved in the resistance against the fascist regime in the early 20th century, entered the socialist movement, which led him to join the communists in Moscow and ended up in fascist imprisonment in the 1930ies. His experience with those very opposed forms of state and leadership, led Gramsci to conclusions about how power was wielded and the terminology of state, which exceeded the common belief of state as an institution or establishment that is defined by power and force. To Gramsci, state was more than the obvious machinery of sovereignty and force; it also included large elements of civil society. He drew this conclusion by examining how war had shifted from mercenaries facing each other into a system of industrial and economic territory, which was rededicated to war, and ended up in strategic positional warfare, rather than a form of war of attack. He adopted this change of warfare into the way politics worked, to explain the resilience of the civil society in times of crisis and depression, opposed to the non-existing revolution, which had been postulated by Marxists (Demirovic 2013, pp. 139). Ultimatively Gramsci came up with three conclusions:

1) Civil society is a part of hegemony and state, but unlike the common apparatus of state it works informal and unofficial and is therefore considered to be part of the private sector. Hegemony therefore must have two layers. One being the official 'political society' and the other being 'civil society'. Based on these ideas the boundaries between private and public are defined by hegemony.

2) State is defined by consensus and force. Consensus in that sense is not just the legitimization of force, which acts like an armor stabilizing consensus and state. Hegemony is therefore not a product of sovereignty but the foundation for it to be enforced.

3) Consequently state is not an institution or machinery, as Lenin put it, but the effect of social relations.

Gramsci emphasized that hegemony and leadership are the products of contentions in civil society. He distinguished between two forms of ruling of class: leading and dominant. According to his thoughts, a class is leading towards their amicable classes and ruling towards adverse classes. In order to constitute government-hegemony wide alliances throughout the society are required to ensure completion of common goals without facing resistance. These alliances are what Thomas referred to as the 'united front'; an organized apparatus that sustains against the uprising of any group, which he refers to as 'counter-hegemony' (Thomas 2010 in O'Connel n.y., p. 12).

The bourgeois class earns leadership over the laborers by organizing societal production. By doing so they do not rely on force to exercise dominance, instead realize dominance through labor-relations. To ensure the consistency of production they have to organize the living conditions of their workers too, by organizing education, consumption, communication, sexuality, leisure time and family- and housing structure. In order to create the best disposition for work, the labor-force should ideally be smart without the compulsion to voice their opinion. They should consume but not excessively, they should not be idle and they should be competent, but also stripped from their longing after self-actualization. In order to achieve such an obedient work-force, who is willing to engage in relations of exploitation, the dominant class requires the consent of the work force up to a certain degree and they get that through the trust, which is put in them in their function as leaders (p. 141).

3.2.2 Passive revolution

The dominant class is in a constant struggle to remain in power and to enforce its ideas and values and not get overpowered by other leading groups, ascending from the public sphere. Passive revolution is a process, which keeps the power balance in flux. Power is maintained by the dominant class "by promoting adversary's weakness" (Sassoon 1982 in O'Connel n.y., p. 6), meaning that that the dominant class aligns itself with the interests of the public sphere. Approaching the wishes and ideas of subordinate classes and even compromising the economic-political interests in order to satisfy them, is a consequence of maintaining consensus. Those continuous concessions implicate flexibility and constant interchange between the bourgeois- and the labor class, but ensure the core function of hegemony: retaining leadership of the economic processes in society. This leads to a phenomenon in which classes "do not overtly dominate one another so much as they passively subvert each other" (O'Connel p.2). Therefore, subaltern groups do not threaten to replace ruling power so much as they intrinsically alter its defining characteristics.

For Gramsci the superstructures, which resolve out of this consistent dance to keep the balance, are not a result of very different economic relations, like Marx indicated, but manifestations of the struggle between social groups that come into conflict and find compromises. The outcome of this perpetual dance between social compromises towards the working class and capitalist intentions of the ruling class is the defining drive, which in the end is shaping the key feature of the state. Therefore, the form and system of society and government is defined by the instable power balance in its civil society.

Therefore, hegemony is not a set of determined ideas by a specific group, but flexible in its form and its ideology as well. To sustain hegemony, an art of politics is performed, which is constantly changing, transforming, giving and taking back in order to stabilize the tendencies in society and to keep them in favor of the dominant class.

Coming back to the two layers of society, Gramsci reminds that consensus is located in the civil society and its administrators are schools, church, universities, unions, newspapers, lodges, associations and clubs. Those social-workers who initiate these private institutions are referred to as 'intellectuals' by Gramsci. In order to represent the ideologies of their group, intellectuals reproduce consensus through their leading activity in civil society, adding an intellectual aspect to the materialistic differentiation of classes. As representatives of ideologies those intellectuals eventually become politicians (and in doing so, are part of the dominant class), in their effort to create awareness for their cause and gather followers, who admit themselves to the same goals. What Gramsci referred to as the 'active' civil society can be compared with modern voluntary organizations, NGOs as well as trade unions and associations, which manage to gain concessions from the state and shape oppositional ideas. Those are areas where consent is 'manufactured', legitimacy achieved and hegemony reproduced in culture (Heywood 2003, pp. 100).

The defining act of hegemony is establishing a manifold form of common sense, which urges people to become active in civil society, but also makes them passive in their wish to self-actualize and keeps them from scrutinizing the complex world around their every-day life. By engaging in this non-critical mindset people subject themselves willingly to the ruling of hegemony and intellectuals, and so reduce themselves to "simple" beings, who accept and engage into the established norms (pps. 144).

3.2.3 Hegemony in the era of 2.0

When it comes to the internet, a space whose ideology is to be free, filled with diversity and only self-regulated, it seems that hegemony has no ground in this realm. More than that, free web profoundly enforces counter-hegemonic structures by being open to any form of ideology and being only restricted by the opportunity of access (Simpson 2004, p. 16). Contrary to this idea spaces like the World Wide Web are the ideal breeding ground for hegemonic tendencies due to their vast population, their decentralization and their internationality, which allows actors to conduct deliberately as it is not restricted by national government (p. 14). Simpson established that the pillars of Gramscian theory, hegemony and consensus, have been closely tied to the evolution of the internet, which

according to his point of view is "a process that is further addressing the requirements of twenty first century ICT-based capitalism." (Simpson, p. 16) As stated previously enclosure is a fundamental requirement for the social networking economy. In addition it is also fundamental for hegemony to be established, similar as Gramsci's theory was established based on Marx's observations of the system.

By establishing structures with a high grade of usability that attracts the vast majority of the online population, companies and joint-ventures like Google and Facebook gain control and are able to enclose web space through their size. Hence to the lack of a regulatory force or state in the democratic space that is the internet, there is no coercive power to control the internet. The attention of the masses empower these corporations to enact a form of oligopoly in which the decision to opt-out of the major part of the internet could be compared to a self-imposed exile. In the hegemony of these dominant forces, terms and agreements or terms of uses legitimize the legislative power of the corporations and become a form of coercion. Consensus on the other hand is established through norms and modes, which are regulated by those corporations (p. 5).

As well as in the previous chapter on Marx, Gramsci's terminology is intentionally not adapted into a modern form. Dominant and subordinate classes, the proletariat or the bourgeois were used to describe society in the 19th and early 20th century and are hardly fit to describe the layered relations of modern society. Nevertheless, the core idea of subaltern relations between groups of different materialistic power by controlling production, remains applicable in modern society, as well as in the special case of social networking.

To explain the impact of modern hegemonic processes practically an example shall be given here:

In 2015 Facebook announced to update their terms and policies in order to help the user to "understand how Facebook works and how to control your information" (Facebook 2015). According to the announcement, the update was a reaction to manifold requests for more transparency on the platform and more control on the user's own private information. The update included guides and tips on how to control the user's privacy settings with a tool called 'Privacy Basics', a rework of their terms of use, data policy, cookie policy and improvements to ads based on geo-data as well as information on recently introduced services like 'Nearby Friends'. When announcing the update in 2014, Zuckerberg addressed concerns by the users and introduced Facebook's solution to their trust issues: 'Anonymous App Login', "we know some people are scared of pressing the social login button (...). If you're using an app that you don't completely trust (…) then

you don't want to give a lot of permissions." (Facebook Newsroom 2014) Critics however stated that Facebook would still detect the login despite labelling it as anonymous, which anonymizes the log-in towards third parties, but not fully towards Facebook.

In this example, hegemonic processes become plainly visible. Through these changes, users gain the option of taking control within the boundaries of the platform, which meets their demand according to Facebook. This probably costs the platform income through restricting its own gathering potential, but stabilizes the user's doubts towards the system and therefore aims to sustain engagement. This is paradigmatic for the constant struggles between subaltern and leading class, which in the end led to a transformation of the platform itself.

Thus, Gramsci's cultural hegemony is not known as a classic media theory (O'Connel n.y., p. 25) it is applicable and can help to explain the relations of power in variable systems of heterogenic groups. In the term of the political economy of online social networks Gramsci's train of thought helps to deduce the processes in the user-platform relation from a systemic point of view and is therefore a valuable addition to Marx' work.

Consent is a word, which is heavily used in the online world, most of the time in the form that the users are asked to consent with the terms and agreements of an application or website before engaging with it. Consent therefore is the fundamental feature between user and platform and therefore an a priori requirement for the whole industry.

4. Case Study: Facebook

After discussing the political economy of the social network industry in length this chapter aims to take an insight look into the biggest social media franchise: Facebook. A historical overview on the development of the service and subsequently an insight look into some of its practices and also the terms of use will be given, in order to achieve a deeper understanding of relation and production processes of this prime example of a modern economy.

Facebook as a platform has some distinct features and ideas, which has not only attracted more than one billion users worldwide, but also advertisers, brands and companies, since its introduction in 2004. CEO Mark Zuckerberg claims that Facebook is set apart from other social networking sites by what he calls the 'social graph.' He uses this term to explain the structure of the flow of information on Facebook, which happens through connections between people. As Zuckerberg argues, sharing information with friends through face-to-face communication or through a telephone call is inefficient, as it requires paying attention to one another simultaneously. On Facebook, however, a member can read a friend's profile and receive new information at any time. As Zuckerberg states, "we're building a massive network of real connections between people through which information can flow more efficiently than it ever has in the past." Zuckerberg argues that this adds 'value' to people's relationships, besides providing a massive potential for advertisers (Zuckerberg 2007 in Cohen 2008, p. 10).

4.1 Advertising on Facebook

The world of marketing and advertising has found a different feature, which makes the platform unique to them. David Kirkpatrick (2013) explained the changes as follows, "Whereas (…) helped people find the things they had already decided they wanted to buy, Facebook would help them decide what they wanted." (Kirkpatrick 2013, p. 259) He describes the difference between targeted ads on Google and Facebook in plain words. According to Kirkpatrick Google provides the user with ads, which derive from the words that have been entered as a search query. The ads work as a form of response for a specific demand, Google's AdWords works demand fulfilling. Ads on Facebook on the other hand aim to generate a demand, similar to advertising on classic media. About 80% of the advertising budget was spent on this demand-creating form of advertising

across all media. (Kirkpatrick 2010, pp. 259). Unlike established banner ads, engagement ads, offered the possibility for brands to engage in a dialogue with users. Paired with the capabilities of targeting through all the information users are updating continuously and willingly Facebook became a power horse for advertisers (p. 262).

4.1.1 The development of (commercial) Facebook

"The basic idea is that ads should be content. They need to be essentially just organic information that people are producing on the site. A lot of information that people produce is inherently commercial – music, movies, books, products, games. It's a part of our identity as people that we like something, but it also has a commercial value." (Zuckerberg cited in Kirkpatrick, pp. 259)

This quote of Facebook founder Mark Zuckerberg essentially sums up, what advertising on Facebook is intent to be. People producing commercial information that can easily be harvested is the core idea of social media advertising. Nonetheless, this incentive has not stood at the beginning of the platform, but has been developed and changed in form step by step as the platform was growing.

The following chapter is a chronological summary of major innovations in terms of advertising. The information used is to a great part provided by the company, in the form of a timeline on its website (Facebook 2015a).

In 2004 when 'The Facebook' was introduced at Harvard University its revenue came from **'Flyers'**, which were principally banner ads of their members to announce campus-relevant events. In the same year it was developed further into 'Flyers Pro' introducing an auction-based sale model and targeting functions. By that time the platform had 400.000 subscribed users and ad revenue of $382.000 (Hubspot Blog 2013).

Within 2005 the service had expanded to hundreds of campuses and even high schools. A full-time ad salesman joined the team and The Facebook enlisted their first major ad client 'party poker'. When online gambling was outlawed, Apple became the company's major client engaging in a deal that granted the platform $1 for every client who joined the **'Apple Group'** on Facebook. By the end of 2005 Facebook had 5 million subscribers and total revenue of $9 million (Hubspot Blog 2013).

In 2006 the platform became open for everybody and Microsoft became the platform's exclusive provider of banner ads and sponsored links, which lead to an increase in user numbers up to 12 million and revenue grew to $48 million (Hubspot Blog 2013). Facebook adapted early to the mobile market and introduced the first version of their mobile page. Several big corporations made offers to buy Facebook by that time, but

CEO Zuckerberg declined. In addition '**Facebook API**' was launched in its first version, allowing first party websites a direct connection to the platform and spreading its reach beyond the boundaries of the own services (Hubspot Blog 2013). Another implementation was 'Notes', which was supposed to introduce blogging into the Facebook Sphere, as an attempt to compete with blogging service Tumblr (Wired 2014).

Additionally **'Newsfeed'** was implemented, which provided users with a stream of updates on the Facebook activities of their peers. This marked a turn in the comprehension of the platform transforming from a rather static information platform into the flowing, constantly renewing stream of information it should become later. This continuous flow makes 'self-construction' a consistent process and ascertains data income (Coté and Pybus 2011, pp. 55).

By the end of 2007 Facebook introduced **'Pages'** for companies. Pages are online avatars of companies and businesses, with similar engagement tools as are accessible with private profiles. This major update allowed corporate businesses to engage with users directly and introduced an innovation in the way companies were able to communicate with potential customers and fans and vice versa. Pages have been a milestone in the history of social media advertising. By the end of the year the platform counted 58 million users and $153 million revenue (Hubspot Blog 2013). Additionally in its constant effort to bind any kind of web-activity to the platform, Facebook introduced 'marketplace', a take on Craigslist, a classified network to private advertisements.

'Beacon' was the platform's first attempt to outsource data mining beyond their platform by partnering up with 3rd party websites. Activities of users on these websites were directly shared in 'Newsfeed' without the necessity of being online on the platform. Since there was no option to opt-out of beacon the service became the focus of wide critics and eventually became the target of a class-action lawsuit against Facebook. The service was shut down in 2009 and considered a mistake.

Also in 2007 the company introduced **'Social Graph'** in the F8 conference, an internet protocol providing the essential feature of the platform, connecting pieces of content. The algorithm documents and connects any interaction and connects these single 'edges' into a gigantic network. The social graph can be compared to a map that explains the relations between everybody on the platform.

In 2008 **'Connect'** was introduced as a successor to controversial beacon. The service allowed users to use their Facebook login to connect with 3rd party websites. This convenient service lifted the burden of having to subscribe individually for users and granted Facebook the possibility to access data beyond their platform. By that time the

service counted 150 million subscribers and $272 million in revenue (Hubspot Blog 2013).

2009 was marked by the implementation of the **'Like'** button. In addition to be able to comment on content shared by peers users are able to show their appreciation of an update by pressing the thumbs-up button with one simple click. To extend the reach of the like button it was implemented on 3rd party websites via the already existing Facebook API in 2010. This simple interaction has become symbolic for the platform and had a major impact on online behavior in general, as in 2014 users submitted up to 52000 likes per second (Buddyloans Blog, 5th January 2015). In response to the 'tagging' function of platforms like Twitter, Facebook implemented the feature to mention user profiles in updates in the form of a link. The Facebook mobile App which had launched in the year freed the service from being accessed only from a PC and added additional 65 million users to the total of 350 million users worldwide. Facebook's revenue grew to $777 million in 2009 (Hubspot Blog 2013).

In 2010 Facebook and its partner **Zynga** successfully brought games to the platform. Browser games like Mafia Wars, Cafeworld or Farmville became very popular amongst the user base due to the possibility of in-game interaction with their peers. The cooperation on Facebook was terminated in 2012. Zynga was responsible for 12% of Facebook's total revenue then, despite raising concerns about their data protection (Wired 2014). To compete with the new geo-based service Foursquare Facebook introduced 'Places' as a possibility for users to share their current location, this feature also included a coupon service, which was named 'Deals' but was cancelled within 4 months. **'Facebook Messages'** was the platform's take on Google's Gmail service, which provided the users with private messaging, instant messages and email function all in one service. Facebook Connect which was expanded by a number of plugins was replaced with **'Open Graph'** a protocol, which not only allows third party websites and apps to receive the user's information, but also grants access to Facebook's social graph to a certain extent. Whilst the technology was not completely fresh in 2010 the data flow between Facebook and third party websites was increased with this technology. To share publicly on Facebook meant to share "within the Facebook Eco System". (Mashable 2010)

In 2011 reinvented the design of the user profile with **'Timeline'**. Instead of being a list of shared content, status updates, photos and events, which were shown in their order of appearance, Facebook introduced a chronological profile of the user's Facebook identity beginning with the most recent. Facebook encouraged users to review their own chronic

and edit it to their liking. Additionally users were encouraged to add content, which was taken place before they joined Facebook like baby photos, high school graduation etc. On one hand Timeline had been a response to Google's social media network Google+, which was similar in its design and also feature the most recent updates first on the other hand it was a possibility for the platform to collect user data that dated back before the user even subscribed to the platform or had been online at all, which had been hard to come by before and was attractive to advertisers. (Mashable, 2011) Later in 2011 Facebook introduced a new form of advertising: **'Sponsored Stories'** were ads in the design of Facebook updates, which were directly implemented into the user's Newsfeed. Increasing the blur between commercial and private content Facebook Sponsored stories was as successful as it was controversial until it was taken down by Facebook after a lost lawsuit in 2014 (The Telegraph 2013).

In 2012 Facebook acquired the photo network Instagram for $1 billion and held its Initial Public Offering on the NASDAQ index. The IPO was the biggest in the technology sector with a maximum value of $104 billion. By that time Facebook had 845 million active users engaging in 2.7 billion likes and comments daily (Mashable 2012). Facebook also launched 'Gifts' in 2012, a built-in gift store to order presents for peers. Mobile ads were integrated directly into the newsfeed to avoid 'interrupting' the Facebook experience. Later that year Facebook introduced a new option for marketers on the platform introducing **'FBX – Facebook Exchange'**. Retargeting essentially means that visitors of online vendors receive a cookie, which enables them to display relevant ads within real – time and FBX does just that within the platform. Retargeting had been the objective of criticism, because it provokes a feeling of being chased. 2012 hit a milestone by increasing the number of monthly active users over 1 billion reporting a total income of $5.09 billion, in addition the number of mobile users was increased by 57% to 680 million per month. (Facebook Reports Full Year 2013)

In 2013 Facebook rolled out a beta version of **'Graph Search'** allowing users to access the publicly available data on the social graph with semantic search queries (i.e. "Friends of friends who like Bowling in Vienna"). For the first time the impact of the social graph became visible for the user and instantly raised concerns on privacy (The Guardian 2013), although the availability of the private information had existed before, solely the mode of access had changed. In that year Facebook also introduced 'Home', a form of built-in operating system within Android and iOS, which allowed users to manage their phone within the Facebook cloud. **'Lookalike Audiences'** is a feature for advertisers to expand their reach by targeting users, which show similar interests as previous customers, in order to achieve that, advertisers provide Facebook with data of their

customer group and Facebook provides ads to similar target groups, without disclosing their identity.

The data which is collected by Facebook is not solely of demographic nature, but also semantic. Facebook had first introduced a way to inform advertisers and customers on trending topics via 'Lexicon', a key-word search. Whilst Lexicon was shut down Facebook revived the feature in 2014 and turned it into **'Trending'**, to offer a real-time selection of topics, which are getting a lot of attention at that time. Google and Twitter had been offering correlating services, which became very popular to find out, what people are talking about. Additionally Facebook introduced **'Nearby Friends'**, which is supposed to bring peers together, who are in close proximity. This is possible via geo-data from Wi-Fi and GPS signals. If users decide to opt-in into this feature Facebook its advertising partners are able to follow the user as well. **'Anonymous Login'** has already been mentioned earlier as a tool give back control about private data earlier by disclosing 3rd party services, but not Facebook itself from collecting.

By the end of 2014 Facebook attracted 745 million active users per day, and 1.393 million per month. 1.189 million people entered Facebook from their mobile phones. Advertisement has been Facebook's most important source of income and amounted 92% of their total income, which amounts to $3.594 million. (Facebook Annual Reports 2014, pps. 35)

Facebook's primary vision has always been "to make the world more open and connected" by giving the people "the power to share" and their declared financial mission is to "create value for people, marketers and developers" (Facebook 2014a). This indicates the duality of the platform itself. According to Kirkpatrick Zuckerberg stated in an off-site meeting on monetization, that one of Facebook's distinct feature (compared to other websites), was "its ability to help users have two-way dialogues with one another or with advertisers." Zuckerberg originally said, "The basic idea is that ads should be content. They need to be essentially just organic information that people are producing on the site. A lot of information that people produce is inherently commercial – music, movies, books, products, games. It's a part of our identity as people that we like something, but it also has a commercial value." (Zuckerberg cited in Kirkpatrick, pp. 259) The company's incentive has always been growth in users (p. 270). According to Sheryl Sandberg the main goals for the company are: "How much does the world share information? Then, of equal importance, how many users do we have? And revenue. Those are really really important drivers for the whole mission. But you can't have one

without the other" (Sandberg cited in Kirkpatrick, p. 271). This chapter is proof of the success of the company's declared mission as well as its dualistic nature of its missions, of which the former seems to be the one the platform wants to communicate to its user and the latter to its advertisers.

4.2. Terms of Service and Privacy controls

Facebook and nearly every other social network, which is not directly financed by the user, earns money by commercializing surveillance and is therefore dependent on infiltrating the user's privacy and hereby naturally become an opponent of privacy ideals. Since privacy is traded as a commercial good, there are laws to protect the people's right to privacy in the European Union, like the General Data Protection Regulation, which was proposed in 2012. The law protects individuals to become subjects of profiling. If, however, companies are granted permission by the user to collect and use private data, commercial surveillance becomes legal, but the companies are required to disclose what information is gathered and how it will be used. This permission is granted by the user by accepting the 'Terms of Use', which contains the privacy policies of the platform. It is also in these 'contracts' where exploitation of general intellect materializes. (Cohen 2008, p. 14) The company's Terms of Service also clarifies its relation with the user. The company does not claim ownership over its member's content, but demands full publication rights. In that sense authorship fully remains within the user's control while the platform engages in the role of a publisher.

Facebook had been updating its Terms of Service (ToS) constantly to keep the sites policy statements up-to-date with services and innovations. Early in 2015 Facebook introduced a new version of ToS, which included 10 sub-sections in order to organize the structure of the document. These sub-sections include specific information for developers, advertisers, and partners. The main document regulates the user – platform relations. Facebook addresses the user directly in its traditionally colloquial and amicable fashion. In the first paragraph the platform declares that "your privacy is very important to us. (…) We encourage you to read the Data Policy, and to use it to help you make informed decisions." (Facebook 2015c) It's 'Data Policy' will be discussed in the following chapter.

The key statement can be found in section 2 'Sharing Your Content and Information':

"You own all of the content and information you post on Facebook and you can control how it is shared through your privacy and application settings. In addition:

For content that is covered by intellectual property rights, like photos and videos (IP content), you specifically give us the following permission, subject to your privacy and application settings: you grant us a non-exclusive, transferable, sub-licensable, royalty-free, worldwide license to use any IP content that you post on or in connection with Facebook (IP License). This IP License ends when you delete your IP content or your account unless your content has been shared with others, and they have not deleted it."

IP content summarizes any kind of information and data which is created through the process of interaction actively as well as passively. The current version explicitly states that by using the 'public' setting, users allow "everyone, including people off of Facebook, to access and use that information, and to associate it with you (i.e., your name and profile picture)." Sections 3 – 8 regulate on-site behavior, account security, mutual respect between users and mobile usage, section 9 'About Advertisements and Other Commercial Served or Enhanced by Facebook' regulates the interaction between advertisers and users:

"Our goal is to deliver advertising and other commercial or sponsored content that is valuable to our users and advertisers. In order to help us do that, you agree to the following:

You give us permission to use your name, profile picture, content, and information in connection with commercial, sponsored, or related content (such as a brand you like) served or enhanced by us. This means, for example, that you permit a business or other entity to pay us to display your name and/or profile picture with your content or information, without any compensation to you. If you have selected a specific audience for your content or information, we will respect your choice when we use it.

We do not give your content or information to advertisers without your consent.

You understand that we may not always identify paid services and communications as such."

Whilst Facebook demanded permission to use user generated content in section 2, they explicitly gain the rights to monetize on user data via section 9. In addition, users also

consent to relinquish all claims for compensation, although it clearly states that usernames and profile pictures are going to be used for advertising purposes. With the background information provided by the theory of this thesis the exploitative nature becomes plainly visible in the Terms of Service document, which originally was over 12000 words long.

In an effort to make its practices and policies more understandable Facebook provides a network 'help' pages, which serve to explain its policies and practices. These pages explain features and tools on Facebook, like cookie use or targeted advertising as well guiding the user to think that he is "being in charge" of his private information on the website. (Facebook Privacy Basics 2015e)

In these 'help' pages Facebook keeps emphasizing on the value that targeted advertising has for its users. They refer to targeted advertising as 'interest based' advertising. According to the company this is the result of the feedback of users, who are inclined "to see ads that relate to things they care about". (Facebook 2015d) However research indicates quite the opposite, according to Allmer, Fuchs, Kreilinger and Sevignani (2014) 82.1% of the students, who took part in a survey to measure attitude towards social media, opposed the practice of "tailoring ads to personal interests" (Allmer, Fuchs, Kreilinger and Sevignani 2014, p. 59).

The rework of Facebook's Policies and ToS in order to increase transparency and literacy of users seems counter-intuitive to the basic notion of this thesis, because it was assumed that transparency leads to a more cautionary behavior. Stern and Salb (2015), however, examined the impact of privacy settings on to the amount of information disclosed by users. It had been suggested that privacy settings were difficult to use and not well designed and therefore were being misunderstood. Facebook had been facing criticism in the news for not protecting their members' privacy, either by changing default levels or by having confusing settings (Bilton 2010 in Stern and Salb 2015). Stern and Salb investigated the relationship between the use of social networks and the use of privacy settings and how this affects the disclosure of information by applying a model built on the theory of reasoned action. Their findings were that the use of social networks significantly related to the use of privacy settings and profile disclosure and further that using privacy settings does not decrease information disclosure. However recent studies found that privacy settings are still very important to users to maintain an "illusion" of control. (Hoadley, Xu, Lee, & Rosson, 2010 in Stern and Salb 2015, p. 6). Facebook encourages users to 'safely' share information, while at the same time improving tools for

businesses to target audiences. Hence increasing privacy settings increases trust and therefore leads to an increase of disclosure by the users, which is in the end beneficiary for advertisers. (p. 7)

It is against the capitalist nature of a company to decrease its production potential, if it is not forced to do so by law. Facebook is no exception, but to achieve consent and engagement the company uses a form of rhetoric, which is misleadingly comforting for the concerned user. On one hand users are told that they are in charge and that the user's privacy is very important to the company (Facebook 2015c, 2015e), on the other hand when taking a closer look at Facebook's privacy regulations, it is obvious that those statements are limited within the restrictions of the platform and only partly true.

Facebook's policies are a manifestation of hegemony in the form that they establish social norms, which are presented in a rhetorical manner that implicates a democratic structure. In fact, the structure is not democratic but dictated by the company. Proof of the deceiving nature of Facebooks privacy controls can be found in its data policy.

4.2.1 Data Policy
In the section 'Data Policy' Facebook discloses information about how data is gathered, with whom it is shared and how it is put to use. Unfortunately, the information provided remains on an abstract level, which needs to be interpreted.

Facebook collects data semantically in content as well as about content. Additionally it gathers data from user activity, provided by the user and his peers. In order to "improve your experience" (2015e) Facebook recollects the user's most frequented peers and networks. Basically any form of data, which is entered within the platform is shared with Facebook, this extends to payment information like credit card numbers and billing addresses.

Facebook also gathers technical information about the device and software the user applies to enter the platform. This includes information about hardware, browsing software, operation system, device, settings and also information about software and file names, battery status and mobile device identifiers. In addition your form of connection is being monitored and information like IP addresses or phone numbers are collected as well. The information can be gathered from installed Facebook applications as well as third party services, which are used to access the service.

Facebook gathers information from third party websites, which use Facebook protocols like the Open Graph API or are associates of Facebook. It is interesting to note, that this information is gathered, whether you are logged in or not. Facebook also collaborates with third party collaborators of the website, i.e. if users use Facebook Connect to access services; in addition Facebook subsidiaries like Whatsapp or Instagram also share information with the platform. (Facebook 2015f)

Information is being gathered directly via platform or app, from cookies added to the user's browser and third party websites and partners, who collaborate with Facebook. Like it is explained above every kind of engagement produces data and even redundant data is viable, because it gives information about habits and routines.

According to the 'Data Policy' the information is mainly used to improve, provide and develop its services, which includes:

- Suggestions – 'Shortcuts' to make sharing easier
- Conduction surveys and research with user information
- Communicate with the user, in terms of marketing communications
- Improve and measure the relevance of ads and services
- Promote safety and security

Facebook also discloses with whom the information is shared. Two groups of recipients can be separated. One being groups the user is sharing information purposely: peers, peers of peers, third party websites and services the user decides to engage with via Facebook and other Facebook companies. The other group are institutions, who commercially engage with the platform through advertising, analytic and measurement services. Facebook guarantees that information shared with these parties is stripped of any information that can be used to identify the user, unless the platform has been given consent to do so. Facebook also discloses information with vendors, service providers and other partners, who support its business (2015f). The platform offers opt-out settings to some of these gathering practices, but not for all of them.

The practices mentioned in the data policy are vague examples for how the platform transforms communication into capital. The company has limited possibilities and established social norms that make all member activities a form of immaterial labor, in a sense that they benefit the company or in the words of Nicole Cohen, "Facebook's reliance on free or immaterial labor theoretically situates the site within the broader development of capitalism's ongoing attempts to harness general intellect to bring it under the logic of accumulation." (Cohen 2008, p. 10) Even further the platform has

managed to grow in a form that lets it harvest information beyond its services through partner contracts and cookies, what makes it nearly impossible for people to opt-out the service completely.

4.3. Summary

The view on the history of the company proves that in a fast-pacing industry like the social network industry constant development is a must. Facebook has implemented and also reduced numerous features in order to satisfy the needs of the user and the advertiser as well. Taking a look back at the development of the service a few trends can be deduced:

- <u>All-in-one platform</u>: The attempt to excel competition and eventually become a monopole has led to features like 'Trending', 'Messages' or 'Places', which are reflections of the company's effort to become a platform, that offers everything people are looking for on social media.
- <u>Omnipresence through usability</u>: Facebook wants to expand its reach far beyond its own services and in order to approach this goal they offer practical and simple-to-use features to increase the user-experience. At the beginning this included attempts to integrate other services into the Facebook experience with 'API' and 'Connect' and spread to all kinds of homepages with 'Open Graph' protocol. With 'Nearby Friends' and the planned service 'Moments' the platform tries to connect people even beyond the restrictions of the internet. One visionary element of Facebook has always been the enclosure of new areas and expanding the fields of social media, with new technology. It is safe to say that Facebook will continue to be a spear head in the development of social media due to its investments in future technology like 'Oculus Rift' or their Artificial Intelligence Research center in Paris (Facebook 2015a). However, Facebook's mission to connect anyone also includes charitable efforts like their 'internet.org' project, to increase internet access in third world countries. „The biggest thing is going to be leading the user base through the changes that need to continue to happen." (Zuckerberg 2009 cited by Kirkpatrick, p. 302)
- <u>Treat brands and users alike</u>: Similar to the user experience, brands, advertisers and companies have faced a lot of changes throughout the past decade.

Changes, innovations and the implementation of new features have forced companies to adapt their on-site marketing strategy and budget in order to succeed in their marketing efforts. Facebook also introduced numerous applications and tools to increase the usability of brands in order to simplify engagement with the platform.

- Ignorance-is-bliss: Facebook is aware that privacy is supposed to be a delicate good. The critical reactions to the 'graph search' beta launch are indicators that confronting users with the data they are sharing, makes them uncomfortable. Facebook has tested and revised many features over the year, which have fostered mistrust and anxiety within the user-base this could be seen as a form of 'passive revolution'. In order to reassure the feeling of security the user Facebook has implemented features and updates, which are supposed to protect the user like 'Anonymous Login' or the privacy overhaul in 2015.

- Real-time Distortion of Reality: As it was pointed out in chapter 2.4.3 (Database marketing) information is not only used to display targeted advertising, but to provide information of user behavior to increase the success of advertising. Facebook presents users with a reality that is based on their algorithms. This reality is enhanced by gathered information in order to increase user experience, according to Facebook. Facebook is empowered to distort the perception of reality on their platform in order to increase value for users as well as advertisers, which may have deep impact in the users' general perception of life. (Andrejevic 2011, p. 44)

5. Empirical Part

For the empirical part of the thesis a survey has been conducted to examine how social network labor is perceived from a user point of view. The survey consists of two steps, in the first participants have been asked to document an average day on Facebook. Beforehand each participant received a personal briefing and has been provided with a spreadsheet to help them with their documentation. In a second step the participants filled out an online survey, which primarily aimed to examine their knowledge, awareness and attitude towards the political economy on Facebook and secondarily investigated their online behavior in order to help interpreting the 24 hour-documentation of their Facebook activity.

The data, which was gathered through both parts of the survey, delivered interesting results. The number of ad preferences created in relation to the period of time since registration and the time spent averagely on Facebook per day was calculated into a 'labor indicator' to describe the individual productivity in terms social media labor. Although the data has been quantified and analyzed it is not representative for a certain population of Facebook users, because the sample of this study was neither randomized nor big enough to be representative. Due to the qualitative nature of the questionnaire, the results were individually analyzed and lead to ten different portraits of social media use, in reflection of social network labor.

5.1 Methodology

Pretest

The spreadsheet as well as the survey has been tested by two individual users. Contentwise the feedback primarily stated that some of the tasks and questions were not comprehensible to anybody. As a reaction the spreadsheet received further explanation as well as an exemplary row. The questions of the survey were also reworked in order to make them easier to read and more intelligible.

However the answers given by the test subjects proved to be rather vague and subjective and were only sub optimally fit to describe the proband's labor process in a comparable fashion. In reaction the section 'ad preferences' was added to the survey in order to receive a numerical indication of the gathered user data. For further testing of

this numerical indicator 20 to 30 people in the author's surroundings were asked for their ad preferences number in comparison to their maximum number of friends and connections on Facebook (See chapter 5.1.1. Labor Indicator, p. 55).

Sampling

The 10 probands were selected from the direct environment of the researcher. All of the participants have earned a college degree and are starting a career or are continuing their studies at university. The age range differs between 24 and 31 years. It is important to note that the target group is not designated to reflect society as a whole. The survey has been conducted in German to make it more comprehensible, because all of the participants are either Austrians or Germans and have German as their first language. The participants were willing to share personal insights into their Facebook use and have been granted complete anonymity.

5.1.1 Labor Indicator

Ad Preferences

Objectively measuring labor on Facebook has proven to be more difficult than expected a priori. Since 'activity' has shown to be a subjective factor, simply measuring the time spent on Facebook did not proof as a useful indicator for productivity. Therefore participants were asked to look up their summarized number of 'Ad Preferences' (ADP), which Facebook has elaborated by analyzing behavior and connections, "We show you ads based on things we think you care about. Your preferences include information from your profile as well as actions you take on and off Facebook" (Facebook 2015g).

Besides requesting to download all data Facebook has acquired to an account, which contains various information in nearly 70 different categories of datasets, ad preferences are the only manifestation of data the platform has gathered from individual users. According to Facebook ads are picked out for users according to a) the information they share (ex: likes), b) other account information (ex: age, location, gender, devices, etc.), c) information advertisers and marketing partners provide, d) user activity on other websites and apps. In order to successfully target advertisements Facebook creates categories of ad settings, which are subdivided in twelve marketing segments (eg. 'Shopping and Fashion', 'Food and Drinks', 'Family and Relationships', 'Technology', 'People', 'Hobbies and Activities', etc.). Those categories are referred to as 'ad preferences' and managing those is a feature, which can be found within the privacy

settings of the platform. Since those preferences are a reflection of the user's privacy the probands were simply asked to add up the amount of preferences in those 12 categories and fill in the sum in the survey. To facilitate the process the probands were provided with a direct link to the 'ad preferences' page as well as precise instructions directly in the survey.

Labor Indicator

The number of ad preferences served as an indicator to measure productive labor on Facebook. Unfortunately a precise description of the algorithm, which was used to produce these preferences is not disclosed by the platform and therefore it is not possible to fully comprehend how it correlates precisely to user behavior. But the pretesting phase proofed that active and well-connected users have logically gathered more ad preferences and therefore produced more data, which can be sold to advertisers.

In our sample the item ranged between 190 and 710 preferences with one deviation of 2210 ad preferences. The median of this small sample is 470 ad preferences and was referred to as 'average' in the interpretation of the results. To exclude modifier variables the participants have been asked to state if they had adjusted the ad preferences beforehand, which was not the case. However 'ad preferences' as a numerical indicator was not able to reflect the individual productivity on the platform, due to its dependency on period and mode of engagement. Since ad preferences assemble over time the item does not provide a way that is able to generally measure productivity.

To find an indicator for productivity on the platform a new item was calculated, which implements the factors of time and relates it with the number of ad preferences. This item was aggregated by defining the individual average number of ad preferences per year and comparing them with the average number of hours, which was spent actively on the platform per year. The item is referred to as **'labor indicator'** (li).

The labor indicator is an index for individual productivity on Facebook. It determines the ratio of the amount of ad preferences created in relation to the time spent on the platform and therefore describes the effectiveness of social media labor rather than the total output.

$$li = \frac{adp\ per\ year}{Time\ on\ Facebook\ (hours\ per\ year)}$$

The average participant in this study has collected 470 ADP (x), over the course of 6.7 years (z) and spends 56.9 minutes (y) per day on Facebook. The average li in this study is 0.20266 and is indicating that in 20.27% of the hours spent on the platform an ADP has been created in an average year. This ratio was computed with the following formula:

$$li = \frac{x : z}{(y * 365) : 60}$$

It is important to comprehend that li does not describe productivity in total, but in relation to the time spent on the platform. E.g. User X, who spends 120 minutes per day on Facebook, is likely to have a higher amount of ADP than user Y who spends 20 minutes on the platform. However, this does not indicate, that X is more productive in 120 minutes per day than Y is in 20 according to the labor indicator, otherwise X's ADP count would be six times as high as Y's. It is possible that Y is more likely to create a new ADP in an average hour spent on Facebook than X and therefore his li would be higher, although having fewer ADP and spending fewer time.

Since it is not possible to comprehend how ADP are constructed precisely, li is not suited to predict the rate in which ADP are going to be created in the future, because possible modifier variables like saturation effects cannot be included in the calculation.

For the purpose of this survey li is more relevant than solely comparing the total amount of ADP, because by neglecting the factor of time li is an actual indicator for labor on social media by reflecting the modus of Facebook use. Plainly spoken it is an indicator on how effective the user's timely input is in comparison to the platform's outcome in data and therefore an index for productivity.

In an effort to categorize productivity within the sample, four segments of laborers have been created based on the average li:

- 0 – 10.13% **'inefficient laborer'** – A user who is engaging in a form that hardly generates any value for Facebook.

- 10.13% - 20.26% **'improvable laborer'** – A user who is generating less than average value in the form of ad preference.

- 20.26% - 30.42% **'sufficient laborer'** – A user who is generating an above-average value.

- 30.42% - 100% **'wholesome laborer'** – A user who is engaging in a form that creates a large amount of ad preferences. This user is very productive.

5.1.2 24-hours-of-Facebook documentation

Since Facebook use and therefore labor is individual, the participants were asked to document their Facebook use in real-time over the course of 24 hours on an average day in their life. To help the participants monitoring their Facebook activity and to receive uniform results a spreadsheet () was sent to the participants. In addition they received a personal briefing, which did not disclose the purpose of the research to minimize the effects of social-desirability-response-settings.

The spreadsheet was divided into individual sessions and asked the participants to fill in the following variables for each session:

- **Duration:** Time spent (actively) on Facebook

- **Activities:** read, like, message, search, connect, post content

- **Motivation:** curiosity (news, updates), notifications (pushed engagements), messaging, scheduling (making plans), entertainment (distraction, boredom), sharing content, routine, work duty

- **Environment**: e.g. work, at home, in transit

- **Device:** private or public computers and laptops or mobiles from which Facebook are accessed

5.1.3 Questionnaire

The questionnaire was built with the online-survey tool SoSci Survey (Sosci Survey GmbH 2006-2015) and consisted of 4 parts: (1) General Information, (2) General attitudes towards privacy, (3) specific attitudes towards advertising on Facebook and (4) own statements to review the participant's knowledge on the political economy of Facebook. Before developing the individual questions other researches on the perception of advertising on social media were consulted (Roberts 2010, p. 27; Maurer and Wiegman 2011, p. 489; Allmer, Fuchs, Kreilinger and Sevignani 2014, pps. 56). The questionnaire was structured according to a logic of knowledge-increase without the option to return to the previous section. Since it was not conducted to be analyzed quantitatively but qualitatively, specific definitions of i.e. 'active use' were purposely

avoided and open questions were used in some cases, to receive results according to the individual perspective of the participant.

The first section aimed to examine demographic information as well as general personal assessments and consisted of five questions to examine:

- Gender

- Period of Facebook use

- Initials – to match the survey with the corresponding documentation

- Rating of personal Facebook activity

- Rating of general interest in the field of Social Media

The second section was targeted to measure general awareness towards the topic of social media and consisted of six questions:

- The importance of data privacy in the daily routine

- Means of protection in the form of ad block software on desktop, laptop and mobile devices

- Use of different apps offered by Facebook including: Facebook App, Pages, Groups, Messenger, Facebook at Work, Soundclips for Messenger, Stickered for Messenger, Advertising-Manager, Strobe for Messenger, Work for Chat, F8, Selfied for Messenger, Riff, Slingshot and others.

- Logout – behavior

- Use of Facebook Connect to engage with other services.

The third part 'specific attitude towards advertising on Facebook' commenced with an explanation of interest-based targeted advertising, which is found on Facebook (Facebook 2015d). It is concluded by five questions:

- Rating one's attitude towards advertising on Facebook

- Participants are confronted with a quote from Facebook, stating that according to their research people demand ads, which are more relevant and useful to them (2015d). The participants were asked to state their personal tendency towards this statement.

- Familiarity of privacy settings

- Adjustment of privacy settings

- Awareness and attitude towards the privacy re-work in January 2015

- Amount of money participants would be willing to spend to gain access to Facebook

In the final section people were asked to give three statements according to their personal knowledge and attitudes:

- Explain the business model of Facebook to your best knowledge

- Express your personal attitude towards it and explain it

- Personal interpretation of the internet proverb "If you don't pay for it you are not the customer, you are the product"

5.2 Results

Based on the data of the 24-hours-of-Facebook documentation in combination with the results of the questionnaire portraits for each individual participants were created. These portraits illuminate the modality of their Facebook use, as well as their motivation, attitude and relation to the platform and interpret the participants' social media behavior from a labor perspective. The portraits serve as a description of exemplary laborers that can be found in society.

The labor indicator serves as the main factor to categorize the probands as social media laborers and was used as an objective basis to interpret the subjective information provided in section two and three of the survey. The labor indicator for each portrait is described in percentage, referred to as productivity and compared to the average li of this sample (20.26%). (The average time spent per day is 56.9 minutes and the average period since registration is 6.7 years.) The portraits were categorized in labor segments based on the average li and organized starting with the lowest.

Each portrait was constructed in a similar fashion and was split into three semantic segments:

In the **first segment** engagement habits of the probands are discussed, starting with the the documentation of their quantitative behavior in the spreadsheet: a) number of preferences, b) duration since registration, c) activity in minutes per day and c) the labor indicator. This description of modality and quantity of engagement is followed up with the self-perception of the participants's activity on Facebook and his/her general interest in social media. This first part is supposed to give an overview on the online behavior of the portrayed person. The proband's description of his/her online activities in regards of the quantitative behavioral factors drawn from the spreadsheet helps to interpret the self-conception, which is part of the third section.

The **second segment** of the portrait reflects the second and third section of the survey and addresses general knowledge and attitude towards privacy control and the political economy of social media, especially advertising. Whilst the first segment described the way labor on Facebook is exercised, this segments aims to find conscious and unconscious factors of hegemony within the user base.

The **third segment** interprets the findings of segment one and two and ranges the user within the sample, based on the average numerical indicators mentioned in segment one. Additionally the user's self-description of his/her online activity is compared to the self-perception and his/her attitudes towards the system in order to analyze consistency in opinion and action, which is used to deduce effects of consensus. Although by being active user's all probands consent with the modalities of the industry, knowledge as well as attitude in comparison to online behavior indicates (dis-) satisfaction with the system and therefore hegemonic processes.

5.2.1 Labor Portraits

1) The 'Pleasure-seeking Realist' (PR)

Male, 240 Preferences, 6 years on Facebook, 65 min per day, li: 10.12%

The pleasure-seeking Realist averagely spends 65 minutes on Facebook per day, in the course of up to 20 sessions, mainly during his worktime. His primary use of the platform is its private messaging service, but he also uses it to out of curiosity and in search for entertainment. He does not mind to like something in his newsfeed or even shares content on his own timeline and is not shy to connect with people and pages. PR describes himself as a rather active Facebook user, who is only moderately interested in social media generally. He uses Facebook to stay in touch with friends, to plan events and as a form of event calendar. He likes to share things in order to entertain his peers. Privacy controls are somewhat important to PR. He uses neither Facebook Connect nor the app on his mobile phone and has installed ad block software on his laptop, which he uses at home as well as for work.

PR works in the online marketing segment, which makes Facebook relevant to him privately as well as professionally. He is using the 'pages' and 'groups' apps, but not the general Facebook app. His attitude towards targeted advertising is rather positive and he acknowledges its relevance to users. PR is aware of data usage on Facebook and the internet in total, but has a rather unconcerned and realistic attitude towards the platforms practices. In his opinion there has to be a form of payment for services on the internet and the data mining industry has managed to establish itself in order to meet anyone's needs. In that sense he would not be willing to pay for the service and does not see a conflict in 'being the product'.

This does not imply that PR is not concerned about his private data at all. According to his statement, he is moderately familiar with the platform's privacy settings, welcomes the privacy overhaul of 2015 and wishes for more transparency on what is happening to his private data.

Interpretation:

PR is well aware of how the industry works and thinks of his data as a form of compensation. This does not mean that PR is not concerned about his private data, or that he uses the service carelessly, merely that he has accepted the system as it is. To him, Facebook is rather an addition to his media consumption, than an integral part of his

life, which is indicated by his fairly low number of ad preferences in comparison to his rather active Facebook use. It is mainly a source of distraction and tool of communication in idle times. He rather scrolls through his newsfeed expecting something pleasurable than searching for something specific.

PR's Facebook use is exemplary that 'activity' does not automatically imply productivity in terms of social network labor. Although he appears as active and is willing to share content, he produces a fairly low amount of data.

With 10.12% PR has the lowest li of all participants and his productivity for the platform is categorized as 'inefficient labor'.

2) The indifferent Passivist (IP)

Female, 424 ad preferences, 7 years on Facebook, 95 minutes per day, li: 10.48%

IP describes herself as a rather inactive and averagely interested Facebook user. Her chart on the other hand indicates rather high activity with 10 sessions and totally 95 minutes per average day in comparison to the other participants. She has noticeably long sessions which she describes as "morning routine." Her perception of activity possibly reflects on her form of interactions, which are mainly 'passive' reading and searching for information instead of 'actively' engaging and sharing. She engages the platform equally via smartphone app (5 engagements) and laptop (5 engagements), on which she uses ad block software. IP uses Facebook mainly to entertain herself, to acquaint herself professionally and privately and to communicate with her peers.

Her attitude towards advertising on Facebook is rather negative, but she does not express any thoughts on targeted advertising in general. She is aware on how to organizing her privacy settings and has adjusted them to her interest. She described Facebook's business model simply as "advertising" and describes her attitude towards it as indifferent, because of her "superficial" use.

Interpretation:

IP's use of Facebook is determined by two different kinds of privacy. On one hand she is concerned about her 'social' privacy and is well aware on how to control it, on the other hand she seems completely indifferent about her 'institutional' privacy towards Facebook. She is satisfied with the benefits of the platform and feels compensated beyond any doubts. She has integrated the platform in her natural routine, is fairly active

and does not really concern herself with data that is shared with the platform and seems satisfied with her options to be in control of her own privacy settings.

Her concerns, which keep her from 'actively' engaging and sharing, make her an 'improvable laborer' (li 10.48%). However her total number of ad preferences is only slightly below average, which could be explained with her heavy usage of Facebook. IP demonstrates the effects of Passive Revolution on Facebook: The given options to control her privacy meet her demands for her personal use and leaves her in a comfortable and secure space.

3) The Self-determined Communicator (SC)

Male, 701 ad preferences, 7 years on Facebook, 151 minutes/day, li: 10.90%

SC is the most active of all participants with 151 minutes spent totally in 11 sessions. He uses Facebook at and partly for work but also on his personal computer at home and on his mobile in transit. To SC Facebook is a tool to communicate, to network as well as a source of information and entertainment and distraction. He tends to actively engage and sometimes share content on the platform. He uses several apps including Facebook, Messenger, Pages and Groups and also logs into other services through Facebook Connect.

SC has adjusted his privacy settings superficially and is moderately familiar with the offered settings. Despite of his frequent and enthusiastic use of Facebook's services SC has a rather negative attitude towards advertising, resents the idea of targeted advertising being useful. His statements indicate that he is aware of the online advertising industry and thinks that privacy protection should be more important in his life. He consents with the platform in gathering information arguing that it is natural for a company to be driven by profit and not altruism. He feels in control of his own privacy, because "all that Facebook knows is the sum of things I am willing to share."

Interpretation:

According to SC his benefits compensate him sufficiently in comparison to the data he delivers. He spends more than two hours per day on the platform and would be willing to pay up to €8 to gain access to the services and results in 701 ad preferences. Although the number is concerning him, he does not feel threatened by the power the platform gains, because he is in charge of what he shares.

Despite his high activity his productivity for Facebook is fairly low in comparison to the others, however his number of ad preferences is still the second highest in the sample. His time spent on the platform could be described as 'improvable labor' with a li of 10.90%.

4) The 'Misguided Beneficiary' (MB)

Male, 481 ad preferences, 8 years on Facebook, 51 minutes per day, li: 19.38%

MB has subscribed to Facebook recently after it was opened to the public. His daily use of 51 minutes per day is slightly below the average and he uses it rather for updates, information and private messages than for publishing content himself in the form of liking or sharing content. He gains the most benefits in communicating privately with his peers, but also as a form of entertainment and general "overview" on updates, groups of interest and events.

He depicts targeted advertising as rather annoying than relevant. He has adapted his privacy settings but not to a full extent and is moderately aware of the tools the platform offers to control his privacy. In general he is happy to gain more transparency on privacy, but it is not a primary issue to him. He describes Facebook's business model simply as being based on advertising, which he perceives as a valid form of compensation for the platform, but additionally issues the importance of governance regulations. He would not be willing to pay for the services and limits his Facebook use into a form, which he perceives as none to only slightly productive in terms of data generation.

Since he does not depict himself as either a target of successful advertising nor a productive laborer, his general concerns towards data mining do not influence his use of the services. Therefore he benefits of the usability of the Facebook app, receives notifications, which increase his engagements and also uses the Messenger app, as well the standard browser without feeling the need to install ad block software.

Interpretation:

MB is an active user, although he avoids public activities on the platform and restricts his use to gather information and communicate privately. This way MB depicts his relation with the platform as favourable to him due to a distorted understanding of Facebook's business model, which ignores the idea of audience as a commodity. Although he is generally aware about privacy issues and has formed an opinion, his knowledge is rather superficial and therefore leads to an illusion of control, besides profiting from the benefits of the platform.

MB's ad preferences are slightly above average, whilst his time spent is slightly below average. This could possibly be explained by the period of time he has used Facebook, which exceeds the average by 1.3 years. His passive but steady use of the platform is indicated by a li of 19.38 % is slightly below average and categorizes him as an 'improvable laborer'.

5) The 'Amenable Sceptic'(AS),

Female, 573 ad preferences, 6 years on Facebook, 51 min per day, li: 30.78%

The Amenable Sceptic describes herself as a rather inactive Facebook user, although being generally interested in social media. She uses Facebook to communicate with friends, to get updates and articles from pages she has liked, to explore new sources of news and information, to find and schedule events and to participate in groups, which help to connect at university and generally professionally. AS spends 51 minutes, in 12 individual sessions per day on Facebook, mostly spending her time reading and messaging. She also tends to look up content. Usually she does not share and post content and she only occasionally likes and connects with content. Her main motivation to engage with the platform is curiosity, to send and receive messages or if she is notified via application. She also uses the platform for scheduling and entertainment. Additionally she described checking for updates in the morning as a form of daily routine. She prefers to access the platform via app on her mobile phone (10 engages) rather than her laptop (2 engages), even while most of her engagements happen at home. This makes the ad block software, which she uses on her laptop only minimally effective. However she is concerned about privacy issues and uses ad block software on her private laptop. She uses Facebook on her mobile phone via app as well as the Messenger app, with the 'stickered' addition. She sometimes uses Facebook Connect to gain access to other services.

AS is rather sceptic about targeted advertising and does not appreciate it as assistance to her online experience. She is aware about the possibilities to control her privacy settings, but has adjusted them only superficially. The privacy overhaul Facebook has introduced early 2015 was appreciated and necessary in her opinion. She is aware that Facebook collects data in order to increase its advertising income. Her attitude towards the business model is critical, but she is willing to engage in spite of her rejection. When exposed to the idea of users being the product of social media, she answered pragmatically, "Either we pay for Facebook and control the system ourselves, in order to

get what we want (data protection), or we accept being controlled by a system (targeted advertising)."

Interpretation:

Facebook has become an integrated part of AS's daily routine to communicate with peers as well as a source for updates on news and her environment, in spite of that she remains sceptical. Her attitude towards Facebook's business model and her privacy ideals indicate an inner conflict between usability and scepticism, which makes her interaction with the platform a form of compromise in favour of usability. She has settled with "the system" as it is and has moderate motivation to improve the conditions, but remains critical and hesitant to share information publicly.

With 573 ad preferences AS exceeds the average user, while spending less time totally as well as daily on the platform, which makes her a 'wholesome laborer' with a li 30.78%, in spite of her critical attitude.

6) The 'Concerned Engager' (CE)

Female, 645 preferences, 7 years on Facebook, 45 min per day, li: 33.66%

The concerned engager (CE) describes herself as rather active and rather interested in social media, although seven sessions with a total duration of 45 minutes per day does not indicate frequent activity compared to other participants. She came to Facebook to stay in touch with friends, especially those who live afar. Facebook offered an attractive way to share information and photos and she is disappointed that those updates have become less relevant in her timeline, in comparison to posts of pages she has liked. On the other hand Facebook has become a source of information and entertainment to her and offers a welcomed distraction.

CE is rather concerned with privacy protection in general and discontent with the idea of targeted advertising. She is aware of the platform's privacy settings and has adjusted them to her best possible interest and uses ad block software on her laptop. She wishes for more possibilities to control her own private information and considers the update from 2015 as long overdue. She has the habit to never log out, uses Messenger on her mobile phone and also Facebook Connect when she engages with other services.

She is sophisticated on the practices of online advertising and her perception is marked by a loss of control, which she conceives as threatening. She also expressed anticapitalistic concerns and states that Facebook is "the opposite of the idea of a free

web" and that the platform does not live up to its own vision of "giving the people the power to share and make the world more open and connected."

Interpretation:

CE possesses strong ideals on how the (online) world should be and Facebook's business model is opposing to her concept of a free and liberated network. In her opinion users have to protect themselves from capitalism, which takes the form of the data industry. However it seems that the benefits of the platform exceed her concerns and doubts. It is likely that she would switch to a promising alternative if she would find one, but in the meantime her concerns may affect her attitude towards Facebook, but not her continuous engagement, which results in above-average 645 ad preferences. CE is content with the possibilities and services Facebook has to offer and is not shy to harness them.

She is to 33.66% productive which makes her a 'wholesome laborer', who creates more ad preferences in less time than average. But she feels no loyalty for the platform, which demands for measures of reassurement or an increase in benefits to keep her from switching to a possible alternative, if she finds one.

7) The 'Compensated Semi-professional' (CS)

Female, 459 ad preferences, 6 years on Facebook, 37 minutes per day, li: 33.99%

CS uses Facebook privately as well as for professional purposes. She has spent 37 minutes in 13 sessions privately as well as professionally on Facebook and has accessed the platform 2 out of 3 times from her phone via app. On her mobile she uses the Messenger and Facebook app and additionally makes use of Facebook Connect to gain access to third party services. CS describes herself as a rather active Facebook user, who likes to message with her peers, read through updates on her Newsfeed and is perfectly willing 'like' content she favours. To CS Facebook is primarily a tool of organization, a source of entertainment and means of communication. While the need to express herself on Facebook is minor, she appreciates the platform as a tool for ("one-sided") communication to a way to stay informed about peers and interests and to stay in touch.

CS is fairly concerned about data protection in general and uses ad block software on her laptop. In addition she claims to have adjusted her privacy settings, but also states that she is only moderately familiar with the options of her privacy settings, and also

utters no opinion on the privacy overhaul of January 2015. She has a fairly negative attitude towards advertising on Facebook, does not perceive targeted advertising as relevant and useful in any kind of way. In general CS seems to be aware and interested in the practices of targeted advertising. She depicts them as "inconveniently" successful, but also ineffective, because she refuses to click on them.

Private data as a by-product of engagement is perceived by her as a necessary compensation for the benefits she receives.

Interpretation:

CS is a perfect example of the extent of real subsumption, because the service is not just an integral part of her private and social but also her professional life. Although she rejects the concept of targeted advertising, she is not in conflict about Facebook. She benefits from its services and private data is her way of paying for it, which she perceives as an even trade. She has made up her mind and has accepted the practices of social media, without much concern.

CS is a 'wholesome laborer' according to her li (33.99%), because she has created 458 ad preferences in less than average time spent daily and totally.

8) The 'Crowd Pressured' (CP)

Female, 190 ad preferences, 6 years of use, 12 min per day, li: 43.38%

CP is rather inactive. She visits the platform for 12 minutes in 5 sessions on an average day, to message with friends, entertain herself and to get updates from her environment. She logs in from her laptop and mobile, but does not use the general app except for Messenger as a form of direct messaging.

She is moderately interested in data protection, tends to log out if she does not forget about it, has adjusted her privacy settings only superficially and is generally not literate in the privacy control options offered. She has not realized that Facebook overhauled its privacy in January 2015. She seems to expose herself as little as possible in her use, but still uses the services on a daily base, which indicates that the hostility of her attitude is not fully reflected in her user-behavior.

Her attitude towards advertising on Facebook and targeted advertising in general is negative and she perceives as disrupting. She is aware that targeted advertising is a

result of data, which is gathered by user interaction. CP stated that she would prefer not to use Facebook at all.

Interpretation:

CP does not appreciate the services offered by Facebook. She feels a social obligation to participate, which is the source of strong scepticism and conflict. She expresses hostility towards the data mining system generally and consents seemingly only out of social pressure. In spite of her strong concerns she harnesses the benefits of the platform. Her way to use it indicates a minimum damage strategy, which reflects in her fairly low number of ad preferences. CP is exemplary of the platforms influence and power to draw people inside its web and the social consequences of opting-out. She would be one of the first to jump the ship, if a viable alternative comes up, but until then she tries to make the most out the platform.

Although CP has the lowest amount of ad preferences (190) as well as the lowest time spent on the platform (12 min) per day, she is quite efficient in terms of her productivity. With a li of 43.38% she is considered a 'wholesome laborer'. CP's deception of Facebook, being a necessary evil, demonstrates the strongest effects of cultural hegemony within the sample. Although the basic idea of the economy behind the system opposes her, she is not willing to give up the benefits of the system.

9) The 'Habitual Pragmatist' (HB)

Male, 279 ad preferences, 5 years on Facebook, 16 minutes per day, li: 57.33%

The habitual pragmatist has a very pragmatic view on Facebook, the platform offers the easiest way to stay in touch with his environment and therefore he uses it. Averagely five times per day he takes a quick look to check for updates, which amounts to 16 minutes totally, which is distinctly beyond average, therefore his self-description as rather inactive seems adequate. He enters the platform mainly out of curiosity to get updates from his peers and to reply to private messages. If HB sees updates in his newsfeed, which he pleasures, he does not mind to like them, but he hardly ever publishes something himself.

 In addition he is generally not very interested in the field of social media and also data protection is hardly of concern to him. He uses Messenger and the Facebook app, sometimes also Facebook Connect and logs on to the platform on his mobile phone, as well as his laptop equally.

However, his lack of interest in privacy protection does not make HB unconcerned towards his own private data: He tends to log off on devices, which do not belong to him, has altered his privacy setting slightly and is fairly delighted with the update on privacy settings in 2015. He rejects the idea of targeted advertising, but feels unaffected due to his ad block software. He is not very concerned with Facebook as a business, but aware that it is financed by advertising which is based on user data.

Interpretation:

HB uses Facebook for his benefit, which is nurturing his relations. Anything else does not really concern him, because he feels unaffected by it. Facebook would probably not be his personal choice of service, but since his network is already established on the platform, he is comfortable with using it and has adopted it in his communication routine.

HB's concern for his own privacy and lack of interest generally keeps him low profile, which results in his below average amount of 279 ad preferences, however given the fact that he is not interested all too much in social media generally, his daily use makes him a productive force in his limited form, with a li of 57.33%, which can be explained by his distinctly below-average time spent on the platform.

10) The Early Adopter (EA)

Male, 2210 ad preferences, 9 years on Facebook, 45 min per day, li: 87.75%

EA is working in the online advertising business and is therefore well aware on the processes of the data mining industry. He is an early adopter in the field of social media and joined Facebook right away and has been using it fairly active since then, which results in 2210 ad preferences. Although Facebook is a part of his professional live, this part is not included in his description of an average day in Facebook, in which he enters the platform 10 times and spends a total amount of 46 minutes, mostly as a source of quick entertainment. He tends to use it as a distraction while in transit and at home, most of the time using his phone on which he has installed Facebook, Pages and Messenger applications. Facebook is also a source of communication as well as interesting information (also professionally), which EA is inclined to share on his own timeline.

EA consents with the practices on social networks and seems not overly concerned with privacy issues. He has a neutral attitude towards online advertising in general. He has adjusted his privacy settings and is also aware of the possibilities to control privacy on

the platform. Because he has advertised on Facebook himself, he is very well aware of the business model and is fine with it and would not be willing to pay for the service.

Interpretation:

EA is not sceptic but confident about social media and therefore rather open than concerned. Although he is well aware about privacy issues he does not let them interfere in his playground, which he is exploring with curiosity. His enthusiasm makes him a valuable asset for the platform, which is reflected by his high number of ad preferences, but he does not really mind. His consent combined with his willingness to share and his general openness makes him the perfect user, who sets a positive and optimistic example for other users, besides creating value of his own.

EA is exceptional in the way he uses Facebook. Although he uses Facebook less than average in terms of time spent he has gathered nearly five times more ad preferences (2210) than average, which results in a li of 87.75%. Technically EA can be considered a 'wholesome laborer', but he exceeds this segment by far. Unlike the other probands EA seems unconflicted about his Facebook use.

5.2.2 Summary

The 10 portraits are obvious proof that Facebook use is very individual and may vary strongly. Whilst effects of hegemony address every user, some of them encounter personal struggle between ideals and attitudes and compensatory effects of Facebook use. It can be suggested that the input (engagement) and output (benefits) are directly related to each other, however 'activity' and productivity must not correlate directly like it is the case with the Pleasure-seeking Realist.

It would have been utterly interesting to analyze the correlations of time spent on the platform with the generation of ad preferences, considering use-modalities like passivity, mobile use, app use, etc. However, the sample is too small to conclude any significant information. This could be included in consecutive quantitive researches with representative samples.

It is noticeable that all participants use a form of ad block software on their private computer to regulate the ads they see, but only the Early Adopter and the Misguided Beneficiary use it additionally on their mobile phones, despite users like the Amenable Sceptic or the Compensated Semi-professional access Facebook more often from their mobile phone than with their laptops.

Nearly anyone of the 10 participants is concerned about private data and most of them have a critical attitude towards Facebook's business model, however this does not always directly reflect in their behavior, as it can be seen with the Concerned Engager (CE). Unlike the Crowd Pressured (CP), whose negative attitude results in minimal use, CE's concerns are less significant in comparison to the benefits of the services. The relation between attitude and engagement of all participants indicates generally strong consensus, since even strong negative attitudes do not result in opt-outs. The positive feedback on the privacy rework of January 2015 is plainly visual demonstration of the effects of passive revolution.

The fact that Facebook is used privately as well as professionally by 3 out of 10 participants indicates the omnipresence of the platform and hereby effects of real subsumption. Numerous participants stated that they initially have joined Facebook to connect and share with friends and use it now for numerous different purposes.

'Activity' on Facebook obviously has various meanings: To the Amenable Sceptic and the Indifferent Passivist it refers to the visible presence on the platform, to others the time spent. This misconception also stretches to the idea of data generation in a sense that keeping a low profile on the platform also creates a low amount of visible data. It seems that the participants confuse 'social' with 'institutional' privacy and hereby underestimate the amount of data they share with Facebook, but not publicly (Netchitailova 2012, pp. 686).

Targeted advertising and data mining seem to be vague concepts to most of the participants, who are not involved with it professionally. The Misguided Beneficiary, the Habitual Pragmatist as well as the Compensated Semi-Professional indicate a form of immunity towards targeted advertising, which could possibly be explained by effects of the Third-Person Effect (Phillips Davison 1983).

Although privacy and data protection were generally considered important concepts and the majority of the participants is fairly to well acquaint to the possibilities of privacy controls, none of the participants indicated that he/she harnesses the options to protect one's private data fully. It can be deduced that privacy controls as a manifestation of passive revolution is a successful tool to raise the consensus of users, while only compromising the capitalist interest to a minimum. A hypothesis to explain this phenomenon could be, that privacy is either too complex as a construct for the uninvolved user to understand or that privacy controls are intelligible and confusing and therefore not easy to configure. Another hypothesis would be that the public perception of privacy is distorted by the effects of a Social-Desirability-Bias.

It is obvious to all participants that their private data is being used to generate profit through advertising, however most of them see this as a form of payment or compensation for gaining access and agree with that system. Except the Concerned Engager nobody expressed is concerned with possible consequences of data mining and perceive Facebook as a form of surveillance or even threat to their privacy.

6. Conclusion & Further Questions

The central question of this thesis asked, "Who (or 'what') governs sharing"? And the answer seems to be 'capital'. According to Karl Marx' Theory of Value capital is nothing but value in motion. Value in motion like it can be found in the platform's Terms of Service, stating that their finance mission is to "create value for people, marketers and developers" (Facebook 2014a).

Value in social media has different appearances. It is data, which can be sold to advertisers. It is content, which is shared by users. It is personal information, which is a byproduct of engagement. It is general intellect, which is applied to create discourse. It is also social benefits, which functions as compensation. Hence, what Facebook does is transforming value in a form that is monetarily utilizable in the sense of Marx's rate of exploitation.

The second research question asked, "How sharing is governed?" If the participants in this study would be asked if, they were exploited by Facebook, they would likely decline. Not only did none of the participants indicate the idea of double exploitation in their role of producers as well as consumers, but the exchange of data in order to gain access to the network was widely perceived as a fair bargain amongst the participants. The empirical research has shown that most users feel well compensated. This immaterial compensation is the benefit that outweighs the user's privacy issues and keeps them consent and opt-in. Therefore, what's governing sharing is the balance between value for advertisers and value for users, in the form of compensation – cultural hegemony.

As Gramsci describes it, cultural hegemony is an invisible force. However, appearances of cultural hegemony could be found within the structure of Facebook through a case study, as well as in the attitude and awareness of the platform's user.

By establishing different labor portraits of social media users, based on a conducted survey, the political economy of social media has been approached from a user perspective to validate the effects of the theoretical constructs in the practical daily use of social media. Whilst Marx's and Gramsci's concepts appear very abstract and general in the theoretical discussion the portraits reveal profane and accessible manifestations of those concepts in the words and actions of users. The fact that 2 out of 10 people

describe social media as a habit, which is part of their daily routine and even 3 of them work with Facebook professionally prompts that social media has spread beyond its initial use as a networking platform and suggests the idea of advanced Real Subsumption, as Marx has described it.

At the beginning of this thesis was the assumption that hegemony appears in the form of misinformation, a lack of literacy or simply ignorance, on which the platform could capitalize. This assumption resembled Engels' and Marxs' idea of 'false consciousness', which allows capitalists to apply an exploitative system. The results however have proven that none of the probands was unaware of the business model of Facebook and on how targeted advertising works. On the contrary few of the participants showed not only a great interest but also a certain expertise in the field of social media network economy. Indications of cultural hegemony instead were found in the inconsistency of action and attitude. Multiple probands described inner conflicts and most of them uttered at least issues and discontent with the way that private data is handled on Facebook. One of the portrayed participants (The Crowd-Pressured) even was opposed by the concept of Facebook, but preferred to remain opt-in due to the cultural and social importance of the platform. This suggests that hegemony does not appear in the form of blindness and misconception, but as a constant effort of the platform to balance out concerns by becoming of indispensable value to its users. However this does not imply that misconception does not occur. It appears in the form of complicated and often non-transparent privacy concessions the platform makes towards its users or as Gramsci frames it: steady 'Passive Revolution'.

The discrepancy surrounding the 'Theory of Rent' from the user's point of view based on the portrait suggests that users seize the role of the landowner, who receives rent in the form of immaterial compensation and allowing social network providers to harvest on their privacy. Statements of the Indifferent Passivist and the Self-determined Communicator indicate a sense of control in this bargain, by regulating the amount of 'enclosure' of their privacy through the way they engage with the platform. This perspective puts advertisers in the role of laborers, working for social media networks and delivers a possible explanation on why the feeling of exploitation, which is suggested by Marx's contemporaries, does not occur within the sample of this study.

Further Questions

Whilst exploring the political economy of social networks numerous important aspects of social media use had to be neglected, because they did not primarily affect the user's function as social media laborer. The most relevant of these neglected aspects has been privacy. In the social media industry privacy is the value that content inherits from the perspective of the user in its formal state as Marx's use value, which becomes exchange value for the capitalist, by employing the user. Privacy is a good, which is transformed through social media exposure. It is the user's land, which is enclosed by social media capitalists.

The 'labor indicator', which has been introduced in this thesis as a tool to measure productivity on Facebook could be seen, as the percentage of privacy exposure through Facebook interaction from a critical privacy point of view and could serve as a lead for broader researches in the future.

Surveillance whether it is out of security or capitalist purpose poses a natural threat to privacy, but especially on Facebook and other social media platforms, it is taken for granted. Proof of that can be found in the 'labor portraits', which have been conducted in the final part of this thesis. Whilst all participants are aware of the concept of privacy and the threat social media poses to it, its value is generally underestimated in comparison to the compensation of social media use. As long as privacy is not considered a valuable good by those who possess it originally the exploitation of it seems to be a logical consequence.

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8. Figures and Tables

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9. Appendix

9.1. Labor Portraits Questionnaire

Seite 1: Einleitung

Intro Text: Der folgende Fragebogen ist Teil einer Magisterthesis der Publizistik und Kommunikationswissenschaft an der Universität Wien. Um Ihnen kein Wissen vorwegzunehmen, finden Sie eine genauere Erklärung der Arbeit am Ende des Fragebogens. Generell thematisiert die Thesis die politische Ökonomie der Socialmedia Netzwerke. Die Ergebnisse der Umfrage dienen dazu um Einstellungen von Usern mit der vorab bearbeiteten Theorie zu überprüfen, die dabei erhobenen Daten werden diskret behandelt und die Teilnehmer selbstverständlich anonymisiert.

[AL08] Bitte geben sie ihre Initialien an, damit der Fragebogen der richtigen Ein-Tag-auf-Facebook Dokumentation zugeführt werden kann. Ihre Informationen werden nur zu diesem Zweck verwendet und streng vertraulich behandelt.

____

Seite 2: Allgemein

[AL01] Geben Sie bitte ihr Geschlecht an: [ ] Männlich [ ] Weiblich

[AL02] Seit wievielen Jahren verwenden sie Facebook? _____

[AL03] Geben sie bitte an wie aktiv sie ihrer Meinung nach auf Facebook sind? 1 – sehr aktiv, 5 – gar nicht aktiv, -9 – nicht beantwortet

[AL04] Würden sie von sich selbst sagen, dass sie am Bereich „Social Media" generell interessiert sind? 1- sehr interessiert, 5 – garnicht interessiert, -9 – nicht beantwortet

[AL05] Bitte schildern Sie ihre Motivation den Service in Anspruch zu nehmen, antworten Sie bitte in der Ihren Vorstellungen entsprechenden Länge und Ausführlichkeit. Ich benutze Facebook, weil...

_____

_____

[AL06] Facebook bietet Ihnen die Möglichkeit Ihre Werbepräferenzen nach Belieben einzustellen, um Ihre Präferenzen zu sehen müssen Sie sich einloggen und folgende Seite besuchen. (Leider konnte kein direkter Link implementiert werden, deshalb folgen sie bitte dieser URL: https://www.facebook.com/ads/preferences/edit/?__mref=message_bubble) Bitte addieren sie die Anzahl ihrer Präferenzen aus den verschiedenen Kategorien und nennen sie die Summe, wie im Bild unten dargestellt. _____

[AL07] Haben sie in der Vergangenheit etwas an ihren Werbepräferenzen geändert?

[ ] ja [ ] nein

Seite 3: Generelle Ansichten:

[GE01] Beschäftigen sie sich in ihrem Alltag mit Datenschutz? [ ] häufig [ ] manchmal [ ] kaum [ ] nie

[GE03] Benutzen sie eine Form von Ad-Block Software? [ ] Ja, auf dem PC [ ] Ja, auf mobilen Geräten [ ]Ja, auf beiden Geräten [ ] Nein, weder noch

[GE04] Kreuzen sie bitte jene Facebook Apps an die Sie auf ihren Geräten verwenden: (Mehrfachantwort möglich) [ ] Facebook App, [ ] Pages/Seitenmanager, [ ] Groups, [ ] Messenger, [ ] Facebook at Work, [ ] Soundclips für Messenger, [ ] Stickered für Messenger, [ ] Werbeanzeigenmanager, [ ] Strobe für Messenger, [ ] Work for Chat, [ ] F8, [ ] Selfied für Messenger, [ ] Riff, [ ] Slingshot, [ ] Sonstige

[GE05] Loggen sie sich aus bevor sie Facebook beenden? (Mehrfachantwort möglich) [ ] Ja, immer [ ] Nur an Geräten die nicht mir gehören [ ] Wenn ich es nicht vergesse [ ]Nein, niemals

[GE06] Benutzen sie die Facebook Login Funktion für andere Services?

(zb. Instagram, Soundcloud, Spotify, Twitter, Deezer, etc.) [ ] Ja, [ ] Manchmal, [ ] Nein

Seite 4: Spezifische Ansichten über Datenmanagement

[Info] „Interessenbasierte Online-Werbung bedeutet, dass auf Basis deiner Aktivitäten auf Webseiten und Apps außerhalb von Facebook entschieden wird, welche Werbeanzeigen du möglicherweise sehen möchtest. Mithilfe deiner Aktivitäten auf Webseiten und Apps außerhalb von Facebook, die Facebook-Dienste und -Technologien nutzen, können wir erfahren, an welchen Werbeanzeigen du möglicherweise interessiert bist.“
(Quelle: Facebook)

[SP01] Wie ist ihre Einstellung gegenüber Werbeanzeigen auf Facebook? 1 – positiv (nützlich), 5 – negativ (störend), -9 – nicht beantwortet

[SP02] Stimmen sie mit den folgenden Aussagen der von Facebook befragten Personen überein?

„Wenn wir Personen zu unseren Werbeanzeigen befragen, teilen sie uns in erster Linie mit, dass sie Werbeanzeigen zu Dingen sehen möchten, die ihnen wichtig sind. Wir können diese Dinge vor allem anhand deiner Aktivitäten auf Facebook ableiten, beispielsweise durch die Seiten, die dir gefallen.

„(...)Angenommen, du möchtest dir einen neuen Fernseher kaufen und beginnst mit deiner Suche nach TV-Geräten im Internet und in mobilen Apps. Auf Basis dieser Aktivität könnten wir dir Werbeanzeigen zu Angeboten für TV-Geräte präsentieren, um dir dabei zu helfen, dein gewünschtes Produkt zum besten Preis zu erwerben, oder dir andere Marken zeigen, die infrage kämen. Und wenn wir der Ansicht sind, dass du dich für Elektronikprodukte interessierst, könnten wir dir zukünftig Werbeanzeigen zu anderen Elektronikprodukten (z. B. Lautsprechern oder einer Spielkonsole) präsentieren, die zu deinem neuen Fernsehgerät passen würden.

(Quelle: Über Facebook Anzeigen)"

[ ] Ja, sehe ich auch so [ ] Nein, empfinde ich nicht so [ ] Ich habe keine Meinung dazu

[SP04] Facebook bietet verschiedene Möglichkeiten die Einstellung bezüglich ihrer geteilten Inhalte, der gesammelten Daten und ihrer Privatsphäre generell anzupassen. Sind sie mit diesen Möglichkeiten vertraut? 1 – Ja, 5 – Nein, -9 – nicht beantwortet

[SP03] Haben sie ihre Privatsphären- und Datensicherheitseinstellungen auf Facebook individuell angepasst? [ ] Ja [ ] ein wenig / oberflächlich [ ] nein

[SP05] Facebook hat Anfang 2015 neue Optionen zur Kontrolle von persönlichen Daten und Privatsphäre eingeführt. Wie stehen sie zu diesen Änderungen? (Mehrfachantwort möglich)

[ ] War längst überfällig, [ ] Finde ich gut, ist mir aber nicht so wichtig [ ] Finde die Änderungen unnötig und kompliziert [ ] Ich habe keine Meinung dazu [ ] Ich habe die Änderungen bisher nicht mitbekommen

Seite 5: Eigene Statements

[ST01] Können sie in eigenen Worten erklären wie das Businessmodell von Facebook funktioniert?

—————————————————

—————————————————

—————————————————

[ST02] Können sie in eigenen Worten ihre persönliche Einstellung dazu formulieren? (Wünschen sie sich Veränderungen? Sind sie mit der momentanen Lösung einverstanden?)

—————————————

—————————————

—————————————

[ST03] Angenommen Facebook würde auf ein kostenpflichtiges Abonnementsystem umsteigen, wieviel wären sie bereit monatlich für den Service zu bezahlen?

———€

Seite 6: Ende

[EN01] Kennen sie das Sprichwort „If you don't pay for it you are not the customer, you are the product."? Bitte schildern Sie kurz was es Ihrer Meinung nach im Kontext von Facebook bedeutet:

—————————————

—————————————

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[EN02] Falls sie zusätzliche Anmerkungen, Beschwerden oder Kommentare zum Fragebogen haben, haben sie nun die Möglichkeit mir Feedback zu geben. Vielen Dank!

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[Epilog]

Im Rahmen meiner Magisterarbeit behandle ich die politische Ökonomie der Socialmedia-Industrie, im speziellen das Verhältnis von Plattform und User im Sinne marxistischer Kapitalismuskritik. Dieser Fragebogen dient unter anderem dazu eine Art Userprofil zu erstellen aus der Perspektive der politischen Ökonomie. Vielen Dank für Ihre Teilnahme und gerne beantworte ich weitere Fragen, welche Sie mir auf s_schallert@hotmail.com zusenden können.

Mit besten Grüßen,

Stefan, Schallert Bakk. Phil.

9.2 24-hours-of-Facebook Spreadsheet

	Duration (min)*	**activity: (r), (m), (s), (l), (p), (c)	Motivation***	environment ****	means of access (device)
Bsp. **1**	**12 Min**	**s, l, m**	**Entertainment, curiosity**	**Homeoffice**	**Private Laptop**
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					

Please document your visits to Facebook over the course of 24h on a regular day. This helps to examine how naturally the use of Facebook has sunk in our everyday life.

*the time you actually spent on the platform, not the full duration of the session

**(r)ead, (m)essage, (s)earch for something or someone, (l)ike an update someone makes, (p)ost something (share), (c)onnect with something or someone (like a page or have a new friend)

***briefly state why you have visited Facebook

****what were you doing besides visiting Facebook (general activities i.e. @ work, @ on the subway, @ at home, studying)

Curriculum Vitae

Stefan Schallert

Zur Person

Geboren	09. April 1989 in Feldkirch
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Studium

Seit März 2012 Wien	Magisterstudium Publizistik- und Kommunikationswissenschaften in
2008 – 2011 Wien	Bakkalaureatsstudium Publizistik- und Kommunikationswissenschaften in

Schule

2007	Matura am Gymnasium Bundesgymnasium Bludenz
1999 – 2007	Bundesgymnasium für Kultur und Sprache Bludenz

Praktika und Berufserfahrung

Seit 2014	Freelancing Content Editor bei Monopol Verlag und .kloos – SEO, Webdesign, Internet Marketing e.U.
Okt – Dez 2013	Redaktionelles Praktikum bei Monopol Verlag
Mai – Aug 2013	Social Media Consultant bei Purtscher Relations GmbH
Aug/Sept 2012	Praktikum Social Media Marketing bei Digital Affairs GmbH
2004 – 2012	Diverse feriale und geringfügige Tätigkeiten in den Bereichen Metallindustrie, Chemieindustrie, Landschaftspflege, Promotion, Bau und Gastronomie.
Nov 2007 – Aug 2008	Zivildienst als Rettungssanitäter bei Rotes Kreuz Bludenz

Abstract

English

Just because users don't pay for online services and networks does not mean that they are for free, but that there is a different kind of payment method: user data. The whole social network industry is driven by a byproduct of social media use and the collection, distribution and procession of private data has become a lucrative business.

Based on the idea of Karl Marx that value can only be created through labor, the social network industry is examined in this study to determine labor conditions on social media platforms like Facebook. By accepting the Terms of Service users engage in a form of labor relation with a provider, who is determined by capitalist forces in order to maximize effectiveness and production by encouraging the user to continuously engage and foremost share with the world, friends and foremost the advertising industry.

According to Marx's concepts which include the idea of unpaid immaterial labor by users, who have become consumers as well as producers, the political economy of social networks is highly exploitative. The first part of this thesis explains the processes of this economy with the example of Facebook use through a lens of capitalism critique.

The second part is determined by the question how this system is applied in society by visiting the thoughts of Antonio Gramsci and his theory of cultural hegemony. In terms of social media his theory indicates that the dominating class, who is in control of production is in a constant struggle of compromises in order to keep the laboring class content, which is a requirement for the system to work.

For an empirical approach portraits of social media laborers have been established based on a survey, which investigated the online activity, modus of use, productivity as laborers and opinion towards privacy issues of probands.

Deutsch

Nur weil die Nutzer nicht für online Dienste und Netzwerke bezahlen, bedeutet das nicht, dass diese deshalb gratis wären. Es gibt eine andere Art der Vergütung, nämlich User Daten. Die gesamte Social Media Industrie wird durch ein eigentliches Nebenprodukt der Social Media Nutzung angetrieben und das Sammeln, zur Verfügung stellen und Prozessieren von privaten Daten ist zu einem lukrativen Geschäft geworden.

Basierend auf Karl Marx' Idee, dass Wert nur durch Arbeit erzeugt werden kann, wurde die Social Network Industrie untersucht, um die Arbeitsumstände auf Social Media Plattformen wie Facebook zu beleuchten. Durch das Akzeptieren der Allgemeinen Geschäftsbedingungen begeben sich die User in eine Form von Arbeitsverhältnis mit einem Betreiber, der - von kapitalistischen Maximen angeleitet - versucht Effektivität und Produktion zu maximieren in dem er den User zu kontinuierlicher Aktivität und zum Teilen, mit der Welt, Freunden und vor allem der Werbeindustrie, anregt.

Nach Marx' Auffassung, welche die Idee von unbezahlter immaterialler Arbeit, verrichtet von Usern, die sowohl Konsumenten als auch Produzenten geworden sind, beinhaltet, ist die Politische Ökonomie von sozialen Netzwerken höchst ausbeuterisch. Der erste Part dieser Magisterarbeit versucht die Prozesse dieser Ökonomie an dem Beispiel von Facebook, durch eine Linse der Kapitalismuskritik, zu erklären.

Der zweite Teil wird bestimmt durch die Frage wie solch ein System in der Gesellschaft angewandt werden kann. Um dies zu beantworten werden Antonio Gramscis Gedanken zu kultureller Hegemonie herangezogen. In Bezug auf Social Media bedeutet dies, dass die dominante Klasse (welche die Produktionsverhältnisse kontrolliert) in einem beständigen Kampf um Kompromisse ist, um die Zustimmung der arbeitenden Klasse zum System zu bewahren, was überhaupt eine Voraussetzung für das Funktionieren des Systems ist.

Der Empirische Part beinhaltet Porträts von Social Media Arbeitern, welche basierend auf einer Umfrage, die online Aktivität, die Art der Nutzung, Produktivität als (Social media-)Arbeiter und die Einstellung gegenüber Schutz von Privatsphäre von Probanden ermittelte.