



Cyberspace ground rent, surplus value extraction, realization,
and general surplus value apportionment.

COST Action IS1202

Marx's Labour Theory of Value in the Digital Age
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What I'm not discussing

- “Rent theories of the Internet substitute categories like class, surplus value, and exploitation by the notion of rent.”
 - The renting of audiences, cognitive rent (Pasquinelli, Caraway)
 - The idea that only the coercive power of the state creates the rent situation as the law of value goes bankrupt, the rent being the exploitation of the commons by financial capital (Negri et al.)
- Types of digital labor
 - ~~User content generation~~
 - Clickwork
 - Labor of being watched

Achilles' heel

- “With this astounding dexterity, Loria solves by sleight of hand the same question that he had declared insoluble ten years before. Unfortunately he did not disclose to us the secret of what it is that gives this ‘unproductive capital’ the power not only to pinch from the industrialists this extra profit above the average, but also to hang on to it for themselves, in the same way as the landowner confiscates the surplus profit of the farmer as ground-rent. If this actually were the case, the merchant would in fact extract a tribute from the industrialist completely analogous to ground-rent and thereby establish the average rate of profit. Commercial capital is of course a very important factor in the formation of the general profit rate, as almost everyone knows. But only a literary adventurer, who at the bottom of his heart simply thumbs his nose at all economics, can permit himself to maintain that this commercial capital has the magic power to absorb all excess surplus-value over and above the general rate of profit, and moreover, even before such a rate is established, to transform it into a ground-rent for itself, and all this without needing anything like landed property”. Engels’s preface to Capital vol.3.

Marx's concept of rent

- 1. A mechanism distributing surplus value arising in total social production in relation to the relative advantages presented to capital through the specific attributes of different qualities of land (*differential rent 1 and 2*)
- 2. A mechanism which reflects the effects of the class monopoly of land ownership :
- the landowning class' political capacity to raise the market prices of commodities (*monopoly rent*) "vineyards and building sites in large cities"
- Linked with the tendency of the existing value of land to inhibit the flow of investment into agriculture, preventing the full capture of value flowing to that sector by the capital setting labour in motion in that sector: difference in the organic composition of farming capital (*absolute rent*).

The importance of shelf / screen space

- Shelf space under globalization conditions
 - Globalization puts retailers in power position (“tribute from the industrialist”) in the global value chain (“Retail Revolution”, “Walmart capitalism”) because of their monopoly position.
- “Just as 19th century cotton houses could switch their source of supply from Mississippi to India or Egypt, so too can cell phones, sweat shirts, and tennis shoes find their manufacturing home in Honduras, the Pearl River Delta, Ho Chi Minh City, or Bangladesh.” (Lichtenstein 2014).
- Same switching possibilities of advertising expenditures among various medias thanks to the appearance of a new medium
- Screen space (all media): time/space
 - Permanent underconsumption at the macro level makes advertising and credit (linked) indispensable, all the more so since neoliberal policies have broadened the gap between the value of wages and that of produced commodities
 - Industrial capital’s resistance to distribution’s concentration (push pull)

Screen space



Monopoly rent

- The cyberspace monopolists' capacity to raise the market price of ads (bidding)
 - “part of cyberspace” appropriated
 - Each screen is a “virtual billboard”
 - “Share of brain time”
- “There are many ways of talking about television. But, from a business perspective, let's be realistic: basically TF1's job is to help, say, Coca-Cola, to sell its product. For an advertising message to be perceived, the viewer's brain must be available. The purpose of our broadcasts is to make it available, that is, to divert it, to relax it in order to make it ready between two ads. What we are selling to Coca-Cola is available human brain time.” Le Lay 2004

Differential rent

- Identify more “fertile” audiences
- Better segmentation and targeting, the ideal being customization + economies of scale
- Usage occasion through observation and localization
- This “fertility” comes
 - partly from the prosumer’s labor as clickworker,
 - partly from the labor of the Internet companies waged workers,
- Element of primitive accumulation: expropriation of actual ground rent (cookies v. AC Nielsen meters \$12/48 year)

Conclusion

- Prosumer labor enables Internet companies to save on market research costs.
- That gives them a competitive edge on other media, which translates into higher market share / profit margin depending on pricing strategy
- i.e. within the 2/3% advertising share of general surplus value