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THE FOURTH INDUSTRIAL REVOLUTION AND LABOUR: A MARXIAN THEORY OF DIGITAL PRODUCTION

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Abstract

In recent years the birth of ‘digital production’ has spurred a lively theoretical debate in political economy, seeking to understand the implications of ‘immaterial labour’ for the labour theory of value. These discussions have identified a number of theoretical challenges pertaining to the conceptualization of capitalist production in digital space. In particular, scholars have been puzzled by the question of how the notion of ‘abstract labour-time’ applies to immaterial labour, how the ‘free use’ of websites/applications is compatible with ‘commodity production’, what role ‘users’ play in the production process, and whether digital firms can be simply seen as rent-seekers disengaged from value-production altogether. In this paper I present an answer to these questions using Marx’s Circuits of Capital model which allows a clear understanding of ‘commodity production’ and ‘labour-processes’ to be drawn in any microeconomic arrangement. I then complement this theoretical analysis with case examinations of the actual revenue processes of two major firms: *Facebook* and *Google*. Using this model, I demonstrate how digital production in these firms can be theoretically modelled as *capitalist* production, and how the monopoly profits of these mega corporations can be seen as ‘unpaid labour’ extractions from spatially segregated people all across the globe. Thus, in contrast to celebratory accounts that posit digital profits as ‘returns to innovation’, the analysis presented here reveals how surplus-value ‘exploitation’ and the ‘law of uneven development’ plays itself out in the whole process, allowing the immense benefits of advancements in digital technology--- like other technological advances under capitalism--- to remain confined within a tiny elite that is *physically* located in a few advanced capitalist economies. The paper concludes that the latent possibilities of what has been termed the “Fourth Industrial Revolution”, despite its socializing and democratizing *potential* to connect millions of workers to consumers *directly*---without the aid of capitalist intermediaries--- remain untapped as long as capitalist relations of production predominate the *physical*, and consequently the *virtual* economic and political milieu.

Key words: Digital Economy, Technology and Capitalism, Facebook Business Model

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