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Communication as Capital and Audience Labor Exploitation in the Digital Era

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COMMUNICATION AS CAPITAL AND AUDIENCE LABOR EXPLOITATION
IN THE DIGITAL ERA

by

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Find that both the content and the form meet acceptable presentation standards
Of scholarly work in the above mentioned discipline.

Nixon, Brice (Ph.D., Journalism and Mass Communication)

Communication as Capital and Audience Labor Exploitation in the Digital Era

Thesis directed by Professor Janice Peck

This dissertation analyzes processes of digital communication as processes of capital accumulation, examining what I describe as the exploitation of audience labor in the era of digital communication. Through an empirical study, guided by a development of political economic theory and informed by a historical investigation, I consider efforts on the part of communication companies to control audience activities of cultural consumption in order to profit from that control. I examine the activities of the newspaper company MediaNews Group and Google as efforts to control cultural consumption. Through a development of political economic theory, I demonstrate that controlling objects of cultural consumption is a means by which companies extract value from audience activities as audience labor. My empirical study shows that both MediaNews Group and Google profit most directly from their control over digital objects of cultural consumption, MediaNews Group through its control over access to digital news and Google through its control over access to various objects on the web. By doing so, both companies turn audience activities into audience labor over which they have control and from which they can extract value. In that way, both companies exploit digital audience labor. Through an investigation of the history of communication industries' efforts to control cultural consumption in order to profit from audience activities, I demonstrate that there is a long history of audience labor exploitation. My empirical study of MediaNews Group and Google shows that,

in the digital era, there is a basic continuity of the long history of controlling audience activities as audience labor: Although consumers of digital culture are also often capable of being producers and distributors of digital culture, it is still audience activities of cultural consumption that companies seek to control, either to charge money for access to the objects of that consumption or to give advertisers access to audiences by turning those objects of cultural consumption into advertisements. This dissertation demonstrates that the exploitation of audience labor is an essential process by which capital is accumulated through communication processes in the era of digital media and the Internet.

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INTRODUCTION

The goal of this dissertation is to analyze processes of digital communication as processes of capital accumulation. This dissertation is specifically aimed at making a contribution to the field of the political economy of communication by analyzing what I describe as the exploitation of audience labor in the era of digital communication, or simply the exploitation of digital audience labor. The exploitation of digital audience labor, of the work of digital cultural consumption, is one of the primary ways communicative processes are treated as processes of capital accumulation, since the companies that have the power to control audience activities are thereby able to treat those activities as means to circulate capital and generate profit. That is what I mean by “communication as capital” in the title of this dissertation.

The capitalists who accumulate capital specifically through control over processes of communication I refer to as communicative capitalists. In this dissertation, I do not address the relationship between those communicative capitalists and their employees, who I refer to as cultural laborers because they are involved in the work of cultural production. In relation to the audience activities of cultural *consumption* — such as reading, listening, or watching — communication is treated as capital and labor is exploited in specific ways that present a challenge for political economic theory and that have not been adequately explained in the existing scholarship. For that reason, I will first be concerned with issues of political economic theory in order to contribute to a deeper understanding of the relationship between audience activity and capital accumulation at the level of theoretical abstraction, which I call a political

economy of audience labor. In order to analyze the exploitation of digital audience labor as a process in which communicative capitalists treat digital communication as capital, I will then put that theoretical understanding to work analyzing specific, ongoing efforts to exploit digital audience labor. My aim in doing so is to provide an insight into what I argue is an important but relatively neglected aspect of contemporary relations of communicative power in the United States and, to some extent, globally.

I also hope to demonstrate that there is something essential in those contemporary relations of communicative power, and in the way in which communication is treated as capital in the digital era, that is not new at all. I argue that an understanding of the political economy of audience labor makes it possible to see that the exploitation of *digital* audience labor is one aspect of the digital era that is a continuation and an extension of a longstanding relationship that has defined the treatment of communication as capital since the early development of the book publishing industry: the relationship between communication industries and their audiences, which I refer to as communicative capitalists and audience laborers, as a relationship of control over cultural consumption. It is a relationship of communicative power that should also be seen as a class relationship. The communicative capital-audience labor relationship is at the core of what I term the capitalist mode of communicative production, and it is a class relationship because it is defined by control over means of communicative production used in activities of cultural consumption.

In this dissertation, I consider communicative activities as labor, focusing on audience activities of cultural consumption as audience labor. At a more general level, I consider communication, including cultural *consumption*, as communicative *production*, with cultural consumption being a specific kind of communicative production in which audiences “make

meaning” through their cultural consumption, a process I refer to as audience signification. The generalized treatment of communication as capital I refer to as the capitalist mode of communicative production. However, conceptualizing the audience activity of cultural consumption as labor and as production has been a longstanding and unresolved issue within the field of the political economy of communication, in part because of the difficulty of grasping how audience activity produces anything. The result has been an undeveloped theory of the relationship between audience activity and capital accumulation. I discuss previous efforts to deal with that issue in the first chapter of this dissertation.

In the two chapters that follow, I develop a political economy of audience labor that describes the specific ways in which communication is treated as capital in relation to audience labor, and how that labor is exploited, by which I mean how a social relation of power enables capitalists to extract value from audience activities. My basic claim is that audience activities of cultural consumption are also productive activities of signification or meaning-making, and that, in the first instance, communicative capitalists exploit audience labor by controlling the signified objects of that labor, which are the meanings signified in cultural products, or what is often called “content,” and what I will refer to as, simply, culture. Those signified objects are worked on in audience labor processes of signification, hence they are also more generally a means of communicative production. Since access to the meaning signified in cultural products is dependent on access to those products, communicative capitalists can exploit the audience labor of signification through cultural consumption by controlling access to cultural products, with copyright being the most obvious means of doing so. In some instances, capitalist control over access to cultural products is also ensured by the fact that those products are created by the cultural laborers employed by communicative capitalists, and copyright is then the legal basis for

control over those products as a property right. That is not the only basis for such control, however, and in the digital era it is increasingly the case that communicative capitalists control access to objects of audience labor that are “user-generated content,” with contractual “terms of service” often being the legal means by which such content is appropriated and controlled by communicative capitalists.

There is, then, a long history of communicative capitalists exploiting the labor of audiences by controlling access to cultural products, and a history that continues in the digital era in which audience members can also more easily produce and distribute their own cultural products. In order to analyze the exploitation of *digital* audience labor as both part of that long history but also a practice specific to the development of digital means of communication — specifically, digital means of cultural consumption, which I will refer to as digital media — I provide a brief overview of key aspects of the development of means to extract value from audience activities prior to the digital era. That brief history of audience labor exploitation, which I address over two chapters, is also an essential aspect of the history of communication as capital, or of the capitalist mode of communicative production.

I then describe the results of a theoretically and historically informed analysis of efforts on the part of communicative capitalists to exploit digital audience labor. This dissertation is motivated, in part, by a belief that the crucial importance of the reproduction of the communicative capital-audience labor class relationship in the digital era has not been sufficiently recognized, that even as the mass of people that has long been called “the audience,” because it was generally in a position to consume culture but not produce it, is now increasingly also a mass of people with the means to produce and distribute culture, the exploitation of the work of cultural *consumption*, or audience labor, remains the core process by which capital is

accumulated through communication processes. My hope is that a theoretical understanding of the exploitation of audience labor, an understanding of the historical development of audience labor exploitation, and an empirical analysis of specific efforts to enable such exploitation in the digital era can contribute to a wider recognition that the social relation between communicative capital and audience labor, which is also a relation of communicative power and a class relation, has been reproduced in the digital era, although not without significant tensions in that ongoing process of social reproduction.

While my analysis suggests that, to this point in time, the capitalist mode of communicative production has been reproduced in the digital era, as the core relationship of communicative capital and audience labor has been reproduced, it has by no means been a smooth process. That fact is more concretely demonstrated by my empirical analysis of the activities of two seemingly contrasting communicative capitalists (in the form of corporations): MediaNews Group, the second-largest newspaper chain in the U.S., and Google, which primarily provides “platforms” for web-based communication. While MediaNews Group and Google appear to be engaged in quite distinct businesses, since the former produces and distributes news and the latter produces freely accessible “platforms” rather than content, the companies are in reality united by the fact that their means of generating profit is, most directly, extracting value from cultural consumption, or audience activities.

In this dissertation, I seek to provide at least a partial answer to one overarching question: What is the role of audience labor in the era of digital capitalist communicative production? Numerous academics, journalists, writers, commentators, industry executives, and others have claimed that a significant process of change is occurring in relation to the development of digital media and the Internet, to the point that such a claim is now commonplace and essentially

unquestioned, even though there remains disagreement about the consequences of that change, what should be done in response, or even if anything can be done. There is a powerful, and perhaps dominant, discourse that includes the disappearance of the audience and the rise of the “user”; the end of mass audiences of cultural consumers and the beginning of “interactive” communication and “user-generated content”; the “convergence” of old media into the new digital media connected to the World Wide Web through the Internet; the death of the “the culture industry” and the birth of “the creative industries”; a time in which we can speak of “the people formerly known as the audience.” Rather than countering with the obviously false claim that nothing has changed, I seek instead to understand exactly how the relationship between communication industries and their audiences — a social relation between communicative capital and audience labor — is changing, and whether that relationship is being undermined or recreated: whether *the capitalist mode of communicative production* is being fundamentally dissolved in the digital era or simply reproduced with a new technological basis.

More specifically, my research is guided by these questions: Considering how important audience labor has been to the profit-making ability of the communication industries for centuries, how are those industries responding to changes in their relationship to audience labor since the advent of digital media and the Internet? What strategies are communication industries using in the digital era to generate control over audience activities by reproducing the one-way, mass media process of communication, i.e. by controlling digital cultural production and access to digital cultural products, thereby maintaining a mass of audience members and cultural consumers? What strategies are communication industries using in the digital era to produce a two-way, “interactive” process of communication while still generating control over audience activities, i.e. by enabling their “users” to both produce and distribute culture as well as access

and consume culture through digital media and the Internet, thereby maintaining a mass of audience members and cultural consumers that is at the same time not limited to that position? How are communication policies playing a role in the communication industries' response to their changing relationship to audience labor?

In order to answer those research questions, I first have to develop a theoretical framework, a political economy of audience labor that explains the core aspects of the relationship between communicative capital and audience labor and the processes by which audience labor is exploited in order to facilitate capital accumulation. The reason it is necessary for me to first delve into issues of political economic theory is that, in the course of doing research for this dissertation and trying to analyze the relationship between audience activities and capital accumulation in the digital era, I found the explanations of that relationship offered in the available theoretical frameworks to be unsatisfactory. I refer to that body of scholarship as the political economy of digital labor.¹ Much of it can be grouped more specifically as what I label the new political economy of the audience commodity, since it is an explicit attempt to further develop the political economy of the audience commodity initially developed in the late 1970s and 1980s by Dallas Smythe (1977; 1978; 1981), Bill Livant (1979; 1982), Sut Jhally (1982; Jhally and Livant 1986), and Eileen Meehan (1984) into a theory adequate to communication and capitalism in the digital era. Smythe, Livant, and Jhally had considered audience activity as audience labor and attempted to explain the relationship between that labor and capital accumulation with the concept of the audience commodity, and the new political economy of the audience commodity considers digital communicative activities as digital labor in its attempt to explain the relationship between that labor and capital accumulation.

¹ Terranova (2000) is perhaps the first contribution to that scholarship.

In my preliminary research for this dissertation, I discovered that the new political economy of the audience commodity put forward in the past decade (e.g. Andrejevic 2002; 2007a; 2011; Fuchs 2010; 2012) had not simply altered the theories of Smythe, Livant, Jhally, and Meehan to make them applicable to digital communication, but actually seemed to have lost sight of the specificity of *audience* labor as a matter of political economic theory. In the process of attempting to provide a critical perspective on the supposed digital liberation and empowerment of audience members — who could now also produce and distribute culture on a larger scale than was previously possible — by demonstrating instead how they were actually productive for capital in a new way, the new political economy of the audience commodity had abandoned the focus of the initial group of scholars on the ways in which the consumers of culture were actually productive for capital through their consumption or could be sold as a commodity specifically because they were cultural consumers. The new political economy of the audience commodity essentially seemed to have (unintentionally) accepted what might be called the ideology of the digital era, in which the old mass media audiences are now the new digital media users who can produce culture in addition to consuming it and, thus, can no longer be understood *as audiences*. The specificity of audience labor, as the activity of cultural consumption and audience signification, was abandoned as an issue of political economic theory, just as the ideology of the digital era proclaimed that the audience members of the previous era were empowered as “users” or “prosumers” (producer-consumers) in the digital era.

It seemed to me that control over audience activities — control over cultural consumption and audience signification — as audience *labor* that could be exploited remained a priority for communication industries in the digital era, even in situations like social networking sites where users produce the cultural content of the site itself. I use the term *digital audience labor* to

describe the activities of cultural consumption using digital media that are the object of communication industry control in the digital era. Since that issue seemed to have been mostly ignored by the new political economy of the audience commodity, and the political economy of digital labor more generally, I returned to the theories of Smythe, Livant, Jhally, and Meehan — which I refer to collectively as the old political economy of the audience commodity — in an effort to determine how their differing versions of the audience commodity and audience labor might provide a means to explain aspects of digital communication as capital accumulation that were being ignored. I discovered that the old political economy of the audience commodity also offered what I found to be an unsatisfactory explanation of the relationship between audience activity and capital accumulation, with the concept of the audience commodity being particularly unsatisfactory. Therefore, it was necessary for me to develop a revised theory of the relationship between audience activity and capital accumulation, which I call a political economy of audience labor because I place audience labor at the core of the theory (for reasons I explain in the first three chapters of this dissertation). In the course of that theoretical development, I critique the political economy of the audience commodity in order to identify areas of it that seem to be problematic and to take from it the aspects that seem to be useful.

After that theoretical work, a second step is then necessary before I can answer my research questions. In order to determine how the role of the audience in the process of communication as a process of capital accumulation is or is not changing in the digital era, I have to provide historical context for the exploitation of audience labor by communicative capitalists. I use the theoretical perspective of the political economy of audience labor in a historical analysis of communication as capital that describes some major developments in the history of audience labor exploitation within the capitalist mode of communicative production. My method

for gaining an understanding of the history of audience labor exploitation before the digital era is to draw on key works of media history, communication industry history, and communication policy history and reinterpret the histories they tell as a history of audience labor exploitation. By doing so, I am able to provide a historical account of the production and reproduction of audiences within the capitalist mode of communicative production, tracing only some of the major developments in that history that seem most relevant to understanding the digital era.

I am then able to answer my research questions through specific analyses of aspects of digital communication. In order to answer my questions about the role of audience labor in the digital era, I use the theory and concepts of the political economy of audience labor I develop to analyze the role of audience labor exploitation in two seemingly contrasting cases of communicative capitalists: the newspaper company MediaNews Group and Google. I examine recent and ongoing activities of each company in an effort to determine how the creation and exploitation of audience laborers plays a role in capital accumulation in each case.

I use the activities of the MediaNews Group newspaper chain as a means to explore how newspaper capitalists have attempted to cope with what has been called a “newspaper crisis” in the U.S.: the newspaper industry’s falling profit rates, and consequent cutbacks, firings, and closures, as the industry has transitioned from print media and circulation networks to digital media and circulation via the Internet. Using conceptual insights from the political economy of audience labor, I interpret MediaNews Group’s activities in relation to its need to continue to exploit audience labor — in this case, digital audience labor. I look at how the company has attempted to reproduce the social relation of communicative production between newspaper capital and audience labor in a digital context in order to create a mass of consumers of digital news, or digital audience laborers who could be exploited. I examine efforts to control an object

of digital audience labor — digital news content. I concentrate on the period 2006-2013. I track the activities of MediaNews Group through company press releases and blog posts from company executives, news reports (particularly in the *Denver Business Journal* and *Vegas Inc.*), media watchdog reports, trade publication reports, and analysis from the Nieman Journalism Lab at Harvard University.

I use the activities of Google as a means to explore the extent to which a now-dominant communicative capitalist born in the digital era is dependent on audience labor in order to accumulate capital even though, by appearance, the company is primarily one that does not provide digital content but rather provides free “platforms” for people to produce and distribute cultural content or access information. I look at how Google creates digital audience labor by making cultural consumers out of its users and how that process differs from the way MediaNews Group creates digital audience labor. I concentrate on the period 2006-2013. I track Google’s activities through information on the company’s website and news reports in the *New York Times* and *Wall Street Journal* as well as technology-focused online news sources.

This dissertation is divided into three parts. In Part I, which contains three chapters, I critique the political economy of the audience commodity in order to produce the outlines of an alternative political economy that can account for the exploitation of audience labor by communicative capitalists — a political economy of audience labor, as an aspect of the political economy of communication.

In Chapter 1, I examine the development of the political economy of the audience commodity, beginning with Smythe in 1977 and continuing through the work of Livant, Jhally, Meehan, and scholars of the new political economy of the audience commodity (particularly Andrejevic and Fuchs). I focus on the place of audience labor in that theoretical development and

conclude that audience labor — and particularly the audience labor process — has received and continues to receive inadequate attention as a matter of political economy, resulting in errors in the theories of the relationship between capital accumulation and audience activities put forward in the old political economy of the audience commodity and the unjustified disappearance of audience labor in the new political economy of the audience commodity.

In Chapter 2, I focus on audience labor as the key insight from Smythe that must be further developed in order to produce a more accurate theory of how communication functions as capital and how audience labor (including digital audience labor) is exploited. I explain that the first obstacle to such a theory is a problem of the method of the political economy of communication. I return to the “blindspot” debate between Smythe (1977; 1978), Graham Murdock (1978), and Livant (1979) to describe how Smythe identified a problem of method that was not resolved by that debate or the ensuing political economy of the audience commodity that was produced. I then reconsider the “historical, materialist, dialectical” method Smythe (1978, 126) argued for in order to develop the methodological basis for theorizing audience labor. I also turn to Marx’s discussion of method, including the method of political economy, as well as David Harvey’s commentaries on Marx’s method (Marx 1973; 1978a; 1978b; 1978c; 1978d; 1978e; 1990; Harvey 2006; 2010; 2012), in order to determine the method of the political economy of communication necessary to more fully theorize audience labor.

In Chapter 3, I outline the core aspects of a political economy of audience labor that provides a revised theory of the relationship between audience activities and capital accumulation to that offered by the political economy of the audience commodity. I first develop insights from Raymond Williams’ work on “communicative production” and the “means of communication as means of production” (Williams 1977; 1980a; 1980b; 1981), which provide a

useful basis for more fully theorizing audience labor. Next, I extend the theory of audience labor beyond what is present in the political economy of the audience commodity by reconceptualizing the audience labor process as one kind of labor involved in signification and, therefore, one aspect of communicative production. I use Marx's theory of the labor process as the basis for developing a political economic theory in relation to the audience labor process and the exploitation of audience labor by communicative capital. I conclude with what I term a political economy of audience labor that describes the exploitation of audience labor as a process occurring in the distribution of surplus-value and involving communicative capitalists' extraction of rent from audience laborers through control over their cultural consumption and, on the basis of that relationship, communicative capitalists' extraction of interest from advertisers.

In Part II, which contains two chapters, I provide a brief history of audience labor exploitation as the process on which the capitalist mode of communicative production is based. I address key aspects of the historical development of the treatment of communication as capital in relation to the communicative activity of cultural consumption.

In Chapter 4, I describe the origins of the capitalist mode of communicative production as the process of creating audience labor and a means to exploit it through control over cultural consumption — specifically, through copyright. I describe early communication policy decisions in England and the U.S. regarding copyright as the use of state power to create a means for communicative capitalists to exploit audience laborers or extract value from control of activities of cultural consumption. First, I draw an analogy between land as capital and culture as capital in order to provide a basis for interpreting the control of cultural property before legal copyright as the “primitive accumulation” of communicative capital. I then examine the history of copyright's origins in England as the transformation from the Stationers' Company's monopoly control over

cultural property and monopoly power over audience labor to a more liberalized capitalist mode of communicative production with the creation of modern legal copyright through the Statute of Anne. That modern copyright created the necessary conditions for the emergence of a class of communicative capitalists who accumulate capital through the exploitation of audience labor, appropriating value in the form of rent from audience laborers. Finally, I consider the creation of copyright in the U.S. as the origin of the capitalist mode of communicative production in the U.S. As in England, copyright in the U.S. provided communicative capitalists a means to exploit audience labor in order to accumulate capital through the extraction of rent.

In Chapter 5, I continue with the history of audience labor exploitation in the U.S. I examine two major developments in the capitalist mode of communicative production in relation to the exploitation of audience labor and the communication policy decisions involved in creating or strengthening communicative capitalists' power over audience laborers. First, I look at the commercialization of news as the introduction of advertising as a means for newspaper capitalists to *indirectly* exploit audience labor. Advertising is another means to appropriate value through power over audience activities. Newspaper capitalists treated space in their newspapers as a financial asset to be loaned to advertisers, with advertising revenue being interest on fictitious capital. I also describe how the communication policies of the U.S. government enabled newspaper capitalists to exploit audience labor. Second, I look at the development of broadcasting and the twin issues of capitalist control over the radio spectrum as control over the networks of, or means of circulating, communicative capital and the transformation of radios into radio receivers in order to create radio consumers. I describe how, because broadcasting as a process of the circulation of communicative capital was a process in which rent could not be extracted from audience laborers since distribution to audience laborers could not be controlled,

radio capitalists could only accumulate capital through one process: exploiting audience labor indirectly through advertising. I also describe how the communication policies of the U.S. government enabled radio capitalists to exploit audience labor.

In Part III, which has two chapters, I present the results of two studies of digital communication as a process of capital accumulation through the exploitation of audience labor.

In Chapter 6, I analyze the recent and ongoing newspaper crisis in the U.S. in relation to the ability of newspaper capitalists to continue to exploit audience labor in the digital era. First, I recount the explanations of the crisis that describe the role of the Internet and the decrease in advertising revenue, and I explain the insight into the crisis that can be gained by an understanding of the political economy of audience labor, the processes of audience labor exploitation, and the ways in which digital media and the Internet are potential disruptions or contradictions in newspaper capitalists' ability to exploit audience labor. Then, I examine some of the ways in which MediaNews Group has attempted to deal with the newspaper crisis by trying to secure the means by which it can exploit digital audience labor, including paywalls and digital advertising.

In Chapter 7, I analyze Google's power as a communicative capitalist in relation to its reliance on the exploitation of digital audience labor. First, I review the existing theories of the political economy of Google and they specifically miss the importance of the exploitation of digital audience labor to the company's success. I then examine three aspects of Google's still-expanding domain as a communicative capitalist: its web search engine, Google Books, and YouTube. In each case, I describe how Google's ability to accumulate capital is based on its ability to exploit audience labor.

In the Conclusion, I reflect on how my theoretical and historical work and my empirical analysis have demonstrated the centrality of the exploitation of audience labor in the digital era of the capitalist mode of communicative production and highlighted an issue of class struggle within communication that had previously received inadequate attention.

PART I:

A CRITIQUE OF THE POLITICAL ECONOMY OF THE AUDIENCE COMMODITY

CHAPTER 1

AUDIENCE LABOR AND THE POLITICAL ECONOMY OF COMMUNICATON

In this first chapter, I am interested in the concept of audience labor and its place in the political economy of communication, which is to say that I attempt to trace the intellectual history of the subfield that I refer to as the political economy of the audience commodity. Audience labor was first put forward as a concept for the political economy of communication in 1977, when Dallas Smythe claimed that “western Marxist analyses” had not asked “what economic function for capital” mass communication systems serve; they had only asked what “ideological” function those systems serve (Smythe 1977, 1). Smythe examined the “economic function” and concluded that “the threshold question” becomes “What is the commodity form of mass-produced, advertiser-supported communications?” (2). His answer to that question was the audience as a commodity. He then asked a follow-up question: What is the audience commodity? His answer to that question was audience labor-power, or audience members’ capacity to “pay attention” (4). Advertisers buy audience commodities from media companies, and audience members then work for advertisers by learning “to buy particular ‘brands’ of consumer goods, and to spend their income accordingly,” i.e., “to create demand” (6).

Smythe thereby attempted to simultaneously reorient the political economy of communication toward consideration of the audience commodity rather than other media or cultural commodities and communication theory toward consideration of audience labor or audience workers rather than the audience as a mass of consumers. He claimed that Western

Marxists had an inexcusable “blindspot” to the audience as a commodity and only saw the audience as an object of ideological manipulation, and he claimed that non-Marxist theorists were similarly, though understandably, unable to see that the audience is a commodity. That argument promptly induced a reply from another political economist, Graham Murdock (1978), a response to Murdock from Smythe (1978), a reply to both from Bill Livant (1979), a later comment from Sut Jhally (1982), and another reply from Livant (1982).

Livant and Jhally called the discussion prompted by Smythe “the ‘blindspot’ debate,” but I argue that debate should be seen as having ended with Livant’s first reply, which followed the exchange between Smythe and Murdock. The debate about the blindspot was a debate about how communication had been theorized — specifically, whether Western Marxism had considered what Smythe called the “economic function” of mass communication, which for Smythe meant paying attention to how mass communication industries create audiences whose labor is sold to advertisers rather than how those industries create ideologically loaded cultural commodities that are sold to audiences. The blindspot debate was a debate about method: how to understand the social processes labeled “mass communication.” The debate that Livant and Jhally actually continued in 1982 was a debate within political economic theory: how the audience commodity and audience labor are involved in the production, circulation, and accumulation of capital.

I consider the blindspot debate in greater detail in the next chapter, in which I argue that it raises an important methodological issue that requires further attention. In this chapter, I concentrate on two issues of political economic theory: the audience as a commodity and audience labor. I will attempt to demonstrate that in the 36 years of scholarship of the political economy of the audience commodity the specificity of *audience* labor has been lost. The result, I claim, is that one of the primary aspects of communication *as capital*, i.e., processes of human

communication as processes of capital accumulation, has gone unexamined: the exploitation of audience labor. I begin my political economic critique, which comprises the first part of this dissertation, by tracing the development of the existing political economy of the audience commodity from Smythe to the present.

Smythe and the Audience Commodity

Some preliminary comments on Smythe's political economy are necessary here in order to set up the review and critique that follows. Smythe (1977, 1) declared his intent to consider the "economic" function of mass communication, but he considered only its economic function "for capital," thereby separating the processes of mass communication, advertising, and audience labor from the general process of the circulation and accumulation of capital by making communication a subsidiary process. Smythe asked a question that he did not, ultimately, try to answer: What is the political economy of communication from the perspective of audience labor? To ask that question is to pose the problem of understanding communication as capital — specifically including what has often been called "mass communication" as capital. The capitalists are those who own the means of mass communication, including mass-produce culture, and the laborers are the audience members who consume that culture for the benefit of the capitalists.

To understand cultural consumption in terms of a capital-labor relation, audience activities must also be understood as being part of a process of production, but Smythe stopped well short of making that move even though he conceptualized audience activity as labor. Smythe opened the way to consider how capital circulates and accumulates through the exploitation of audience labor, but he did not pursue that path because he did not move beyond the perspective he directly criticized: theorizing mass communication (including advertising) as

having only an “ideological” function. Smythe’s probing into the political economy of communication, audience labor, and the audience as a commodity occurred within an approach that “locate[s] the significance of mass communication systems in their capacity to produce ‘ideology’ ” (Smythe 1977, 1). It is precisely that perspective — more specifically, the method behind that perspective — that Smythe claimed produced a “blindspot” about communication, but Smythe did not succeed in moving beyond that perspective and, ultimately, continued to have the same blindspot he described and sought to make visible.

For Smythe, the activity of audiences was a kind of labor, a type of communicative labor. What was typically seen as audience members’ consumption of cultural products — e.g. watching television shows or reading newspaper articles — was for Smythe a kind of work or labor. He referred to it as audience work or audience labor and described it as the work of ideology or signification (Smythe 1978, 121, 125). But Smythe did not go any further in elaborating on audience labor. He claimed that audience members’ cultural consumption should be seen instead as the work of ideology or signification and then proceeded to theorize how that capacity for audience labor had been commodified, i.e., he proceeded to construct a political economy of the audience commodity. I will argue in this chapter that Smythe’s undeveloped theory of audience labor resulted in fundamental errors of political economy in his theory of the commodification and exploitation of audience labor. I will argue further that the first group of scholars that followed Smythe — Livant, Jhally, and Meehan — did not advance much beyond Smythe in considering the specificity of audience labor, which also left them with an inaccurate picture of how audience labor is commodified or exploited. I will also argue that the focus on “digital labor” in the new political economy of the audience commodity has not included a reconsideration of the specificity of *audience* labor.

Smythe himself remained blind to the “economic” function of mass communication, which I refer to instead as an understanding of communication as capital (i.e. a political economy of communication). Smythe proposed that audience members marketed to themselves and created their own ideas about what to buy rather than have their thoughts directly manipulated, but that theory makes the process of communication, including audience labor, significant for capitalist production as a whole only as a facilitator of the accumulation of capital without considering how capital is circulated and accumulated through communication itself and what role audience labor has in that process. The question Smythe asked about that “economic” function of mass communication is one that must be reconsidered, and it must be answered by constructing a political economy of communication focused on the relationship between audience labor and capital accumulation. To do that more than three decades after the question was first asked requires clarity about the answers given by Smythe and others after him.

Smythe (1977, 2) first asked, “What is the commodity form of mass-produced, advertiser-supported communications?” His answer was audiences — more specifically the capacity of individuals to perform audience activities, or audience labor-power. The audience commodity is produced by “the mass media of communications” and sold to advertisers (3). It should already be obvious that Smythe was working toward a concept of the audience commodity that resembles Marx’s concept of the labor-power commodity: the capacity to labor as a commodity that is sold by the laborer for a specific period of time and purchased by the capitalist who wants the laborer to do specific work (see Marx 1990, 270-273). Smythe claimed that the audience commodity is produced by the mass media, not the audience members. Smythe found that audience members do not have the control over their audience labor-power that wage laborers have over their labor-power, which is that it is a commodity that they can sell. For that

reason, audience members receive no wages for the work they do. Since, in Smythe's political economy, mass media produce and sell the commodity and advertisers buy the commodity and put it to work in a production process, the money paid by advertisers for the commodity goes to the mass media companies and the unpaid work of audience members amounts to "mind slavery" (Smythe 1978, 121, 125). I argue that conclusion should have been a clue that Marx's labor-power commodity was the wrong model for creating a political economy of audience labor exploitation.

Smythe (1977, 4) also asked, "What do advertisers buy with their advertising expenditures?" He answered that they bought "the services of audiences ... who will *pay attention*" (4, emphasis added). In a footnote, he declared that the purpose of the production and sale of the audience commodity and the work of audience members is "demand management" (22n1). In Smythe's political economy, then, the audience commodity is audience members' capacity to spend time performing services for advertisers — specifically, "paying attention" to advertisements. Audience activity, or audience labor, is valuable to both "the mass media of communications" and advertisers because of the nature of that activity.

Smythe considered the specific character of audience labor, or "the service performed for the advertiser by the members of the purchased audiences" (Smythe 1977, 6). The work of "paying attention" for advertisers is part of marketing, he claimed: "[A]udience members ... *learn to buy* particular 'brands' of consumer goods, and to spend their income accordingly" (6). Audience labor is the act of "paying attention," by which audience members "learn to buy," and thus the product of audience labor is demand. Smythe also described audience labor as "*learning cues* which are used when the audience member makes up his/her mental shopping list and spends his/her income" (14, emphasis added) and "*learning* the theory and practice of

consumership” (20, emphasis added). He concluded that audience labor amounts to “performing the ultimate marketing service for [advertisers]” (1977, 6) as “a do-it-yourself marketing agent” (1978, 121): Audience members do the work of marketing to themselves. That work of producing one’s own demand for consumer products clearly involves what could be labeled “mental” activities (“learning” by “paying attention”), and in a restatement of his theory of the audience commodity and audience labor, Smythe ([1981] 2006, 23) described the work as “taking place in the heads of audience members.” But that was the extent of Smythe’s conceptualization of audience labor. He seems to have been more interested in what he saw as the centrality of the audience *commodity* to a critical understanding of communication industries. I argue it is actually audience *labor* that provides a conceptual foundation for critical investigation into the industries that treat communication as capital.

For Smythe, however, the significant connection between audience activity and capital accumulation was in the realm of consumption in general, hence his concern for advertising and demand management. He claimed that mass media companies facilitate demand management because they produce and sell audiences as commodities to advertisers. In Smythe’s political economy of mass communication, “demand management” rather than communication is the real process that is occurring when audience members consume media content and advertisements. Starting from the question of communication as capital, rather than Smythe’s concern for how mass media facilitate monopoly capital “economically” rather than “ideologically,” makes “the threshold question” not, “What is the commodity form of mass-produced, advertiser-supported communications?” (Smythe 1977, 2), but rather, how do capitalists appropriate value from communication processes? Audiences are only one part of that story, although they are an important part — the most essential part, in my view.

Although Smythe employed the framework of Marxist political economy and relied on several of its concepts while adding his own concept of an audience commodity, he approached mass communication and audience labor as a processes occurring at the margins of the circulation and accumulation of capital. Smythe theorized the process of communication in which masses of individuals are involved as audience members as a process of creating demand — a process that occurs *at the end* of the total circulation process of capital, where the system is held together and reproduced by the fact that audience labor has produced consumers demanding the things that monopoly capitalist production supplies. For Smythe, audience labor, mass media, and advertisers are not involved in a process in which capital is circulated and accumulated *through communication itself*. While Smythe criticized others for theorizing communication by locating “the significance of mass communication systems in their capacity to produce ‘ideology,’ which is held to act as a sort of invisible glue that holds together the capitalist system” (Smythe 1977, 1), Smythe himself produced just such a theory of communication. As Smythe described his own accomplishment, he “abolished the simplistic model of *direct* [ideological] manipulation . . . in the pursuit of a more realistic if more complex and presently obscure process by which consciousness industry produces ideology” (Smythe 1978, 125). Still, his insight into audience activity as labor is an insight that remains largely unexplored.

Building on Smythe: The Political Economy of the Audience Commodity

Two scholars who explored the concept of audience labor and the value of that labor to capital are Sut Jhally and Bill Livant, who offered one of the two major alternatives to Smythe’s political economy of the audience commodity published in the decade following Smythe’s initial article in 1977. The second alternative political economy was that of Eileen Meehan. I first focus on Jhally and Livant’s political economy before moving on to Meehan’s, and in the process I am

particularly concerned with tracing the trajectory of audience labor within the development of the political economy of the audience commodity beyond Smythe.

Livant was involved in the debate about the political economy of the audience commodity even prior to the publication of Smythe's 1977 article, commenting on a draft version of the paper in 1975 (Smythe 1977, 22n7). Livant also replied to Murdock's criticisms of Smythe's 1977 article by defending Smythe's core ideas and putting forward some of his own ideas about the political economy of the audience commodity. In that comment on the debate between Smythe and Murdock, Livant said "Smythe's main point" is that "the audience *itself* is the *main commodity* of communications," thus "the central problem for analysis" in the study of communication is "[h]ow *this* commodity is made, unmade, bought and sold" (Livant (1979, 92). Livant also distinguished the direction he wanted to go in constructing a political economy of the audience commodity from the direction Smythe went: He claimed Smythe focused on the place of the audience commodity "in the economy as a whole" "as a market for the purchase of commodities-in-general" — an accurate description of Smythe's political economy, as I explained in the previous section, and as Smythe himself said — while Livant said he was interested in the audience commodity itself (106n15).

Livant said Smythe's main insight begs the questions of precisely what the audience commodity is and what it does. Livant agreed with Smythe that the audience commodity is "the capacities of audiences to do things," or audience labor-power, as a commodity (99). Therefore, he also agreed that the audience labors, and he claimed that *that* point is the most important insight from Smythe's political economy (102). However, Livant did not try to answer the question of what kind of work the audience does despite declaring that, unlike Smythe, he was interested in the audience commodity itself. He insisted further theorizing of audience labor was

the immediate theoretical task now that Smythe had opened the path, and he made his contribution in the next round of debate about the political economy of the audience commodity, in a reply to Jhally.

In 1982, Jhally, then a doctoral student in Smythe's department at Simon Fraser University, renewed the critique of Smythe's political economy of the audience commodity with an article in the same *Canadian Journal of Political and Social Theory* in which Smythe's original article, Murdock's reply, Smythe's rejoinder to Murdock, and Livant's reply to the debate between Smythe and Murdock were all published. Jhally's contribution was a theory of audience labor as labor that produces surplus-value for mass media companies. Livant replied to Jhally in the same issue of the journal, elaborating on the specificities of audience labor. That debate between Jhally and Livant led to a co-authored article in which an alternative to Smythe's political economy of the audience commodity was elaborated.

Jhally (1982, 204-207) confirmed Smythe's main claim that the audience is a commodity by asking and answering several questions that he said Smythe should have asked in order "to establish sufficient theoretical support" for the claim and to determine if the audience commodity was a useful concept within Marxist political economy.² Jhally then briefly elaborated on his

² The "wrong" primarily political economic questions that Smythe (1977) did ask were: "What do advertisers buy with their advertising expenditures?" "How are advertisers assured that they are getting what they pay for when they buy audiences?" "What institutions produce the commodity which advertisers buy with their advertising expenditures?" "What is the nature of the content of the mass media in economic terms under monopoly capitalism?" "What is the nature of the service performed for the advertiser by the members of the purchased audiences?" "How does demand-management by monopoly capitalism, by means of advertising, relate to the labour theory of value, to 'leisure' and to 'free time'?" "Does the audience commodity perform an essential economic function?" Smythe also asked a primarily historical question (16). Jhally poses these questions of political economy: "Does the audience commodity have a use-value?" "Does the audience commodity have an objective existence and does it have an exchange-value?" "Is the audience commodity produced by value-adding labour?" "Is the audience commodity owned by specific capitalists?"

own political economy of the audience commodity by considering the issue of audience labor. He rejected Smythe's theory of audience labor as work for advertisers that consists of "learning to buy" the specific commodities that are advertised, labor that is productive *toward consumption* because it is the production of demand (207). Jhally replaced Smythe's theory of audience labor within consumption with a theory of audience labor within production: Audience labor contributes to the production of the audience commodity itself, thus it is work done for mass media companies, not advertisers (208).

Without clearly saying so, Jhally insisted on a theoretical distinction between the audience commodity and audience labor³: Audience labor for Jhally is, in agreement with Smythe, the work of "paying attention" to media content (Jhally's theory is specific to television watching), but for Jhally, that work is done for the mass media, not advertisers as Smythe claims. Audience *labor* for the mass media helps produce the audience *commodity*, which is the commodity mass media companies sell to advertisers. That commodity is not audience labor-power, as it is for Smythe, but rather the representation in audience ratings of a group of individuals as an audience with specific characteristics (e.g. income level, gender, age) collected through market research. Again, audiences work to produce that audience commodity. The final point of Jhally's political economy is that, in return for the work done for the mass media, audience laborers receive wages in the form of media content (208). Jhally indicated that in the course of private correspondence both he and Livant reached the conclusion that audiences work for the mass media to produce the audience commodity and receive media content as wages,

³ This can be seen early in the essay, before Jhally has elaborated his political economy of the audience commodity, when he insists that finding the "objective existence" of the audience commodity requires distinguishing "the audience for 'Happy Days' " from "the demographic and psychographic specifics of that audience," with the implication that the latter is the audience commodity (204-205). "[M]odern systems of market research (numbers, demographics, psychographics)," Jhally explains, facilitate the production of audience commodities (205).

although he was more tentative than Livant (210n16). But there was a more significant difference between Jhally and Livant at that time: Jhally pushed audience labor to the margins of the political economy of the audience commodity, while Livant made it the focus.

Livant (1982, 211) replied to Jhally's article by insisting immediately that "*watching, listening itself* was the new thing within the media that needed attention" and that the concept of the audience commodity is directly related to that audience activity. "Watching time, and no other, is [the] primary material" of a theory of the audience commodity (212). Like Jhally, Livant focused on television as the mass medium in question, thus he discussed audience labor as "watching." Livant differentiated his political economy from Smythe's by asking "questions about economic value, surplus value, accumulation *within [watching] time itself*" (212), questions Smythe did not ask because, for him, audience labor was only indirectly connected to capital accumulation through its contribution to the production of demand. Livant revised his political economy from its earlier agreement with Smythe: The audience commodity is not audience labor-power, as Smythe theorized, but rather audience *time*. Contra Jhally, Livant returned audience labor to the center of the political economy of the audience commodity, although he also ended in agreement with Jhally's basic political economy. Like Jhally, Livant also ultimately separated audience labor from the audience commodity, or more specifically, he considered only some audience watching as labor that is commodified while he considered the rest of audience watching as consumption and not labor.

Rather than audience labor-power, Livant theorized audience "watching-time" as the commodity in question. Mass media produce content — "program time" — in order to produce an audience. In the case of television, the time of the program is time sold to the audience as a commodity (presumably a "media" rather than an audience commodity). It is time that, once sold

to audiences, becomes watching-time, or audience labor-time, as audience members watch during the specified time (213). For that reason, Livant agreed with Jhally that audience labor is work done for the mass media, not advertisers. He also agreed that audience labor contributes to the production of the audience commodity (213-214). However, he disagreed that the audience commodity is distinct from audience labor. Instead, Livant theorized the audience commodity as audience labor or “watching-time,” but it is specifically “extra” or “surplus” watching-time. When the mass media sell program time to the audience, thereby turning that time into watching-time, they also buy *extra* watching-time from the audience. By buying that extra watching-time from the audience, mass media can then sell it as a commodity to advertisers. “If the audience did not watch *extra*, the media would have nothing to sell” (213). All the time under consideration, then, is watching-time. The first time, the program time sold to audiences, is “*necessary*” watching-time, while the second time, the time purchased from audiences and sold to advertisers, is “*surplus*” watching-time (213).

Thus, Livant took a different aspect of Marx’s theory of surplus-value than Smythe and tried to use it as a model to construct a political economy of capital accumulation in relation to audience labor. Smythe used the model of labor-power as a commodity that is useful as a creator of value (through the labor process) within a process of production that is also a process of producing surplus-value (a valorization process) that can be realized as profit (Marx 1990, 270-272, 283, 291-293, 300-304). Livant used the model of value being equal to socially necessary labor-time and surplus-value, or profit, being equal to surplus labor-time (Marx 1990, 300-301, 325-326). Both Smythe and Livant relied on aspects of Marx’s labor theory of value — i.e. labor as the source of value — as a model for theorizing audience labor, but they both also relied on the model of surplus value production and capital accumulation presented in Volume I of Marx’s

Capital, which focuses on production (Harvey 2010, 10). Hence, they viewed labor as the only source of surplus-value production, and the exploitation of labor in production as the only basis for the appropriation of surplus-value and the accumulation of capital, the partial view of capitalism presented in *Capital* Volume I. However, I argue that the political economy of communication in which labor is *audience* labor⁴ does not fit that model of surplus-value appropriation and capital accumulation. It is for that reason that the first section of this dissertation is a critique of the political economy of the audience commodity. In chapter three, I argue that rent is the fundamental category necessary to construct that political economy, making media capitalists more like landlords than industrial capitalists.

Furthermore, Livant did not explain why mass media have to both sell something to audiences and buy something from audiences, nor did he explain why audiences are compelled to buy anything from mass media companies even though that compulsion is presumably the basis for the mass media's ability to buy "extra watching-time" from audiences and then sell it to advertisers. To explain, in terms of the political economy of the audience commodity, audience members' compulsion to "buy" "program-time" from mass media companies would have required Livant to consider how copyright fits into that political economy. He did not mention copyright, nor did Smythe or Jhally. In chapter three, I show how a consideration of copyright in relation to audience labor leads to a political economy that differs significantly from Smythe's, Jhally's, and Livant's.

⁴ The paid labor of workers involved in the production of cultural commodities appears to more clearly fit the Volume I model of exploitation in the commodity production process, but the number of workers exploited in that manner pales in comparison to the number of audience workers exploited in the process of "consuming" cultural products. However, because Smythe, Jhally, and Livant rely on the Volume I model, their political economy incorrectly describes the way in which audience labor is exploited so that surplus-value can be appropriated and capital can be accumulated.

Livant left audience labor in a tenuous position within the political economy of the audience commodity. He separated in theory the laboring activity from the laborer in terms of the commodity media companies sell to advertisers in exchange for advertising revenue. By doing so, Livant also lost the ability to describe the power relations (i.e. the unequal social relations) between media companies and audience members: Livant could not account for media companies control over audience labor, while it is precisely the actual labor of real audience members that Smythe first put into focus as somehow being alienated from those audience members for the benefit of media companies and advertisers. This subtle sidelining of audience labor within the political economy of the audience commodity was extended when Jhally and Livant combined their political economies into a more detailed alternative to Smythe's political economy.

After debating each other in 1982, Jhally and Livant co-authored an article in 1986 that drew attention to what they called "the valorization of audience consciousness." In their co-authored article, they combined Jhally's claim that audience labor is work done for media companies with Livant's claim that the commodity in question is watching-time. They claimed, as Livant previously did, that audience members are only working during the time they are watching advertising, and that only a portion of that working time is surplus watching-time, which equals surplus-value or profit (136). They also claimed, as Jhally previously did, that watching programs is not work because the programs are wages in exchange for the watching-time that is work (136).

While Smythe's political economy put the audience commodity in the sphere of consumption, Jhally and Livant's (1986, 125) political economy put their "watching-time" commodity in the sphere of circulation: "Through advertising, the rapid consumption of

commodities cuts down on circulation time and storage costs for industrial capitalists.” Thus, although Jhally and Livant differed from Smythe in their conception of the commodity in question and the beneficiaries of audience labor, and in their situating of audience labor in circulation instead of consumption, they did not differ from Smythe in their focus on advertising as the most fundamentally important aspect for understanding the relationship between capitalism and the communication system of media companies and audiences because, like Smythe, they saw communication processes as being secondary, facilitating processes to the basic processes of the circulation and accumulation of capital. Theorizing communication *as capital* was not the intent of their political economy; rather, they situated media companies’ production of culture and audiences’ consumption of culture *within* the supposedly more fundamental process of capitalism that “advertising-supported” mass-mediated communication supports — they described it as “the role of media in advanced capitalism” (128) — instead of considering it as one aspect of the fundamental process of capital circulation and accumulation. In other words, they did exactly what they criticized Smythe for doing: “deflect[ing] the specificity of the analysis away from communications” (129) despite the fact that they insisted that “the blindspot needs to be located more firmly *within* the media industries rather than focusing on their wider role” (129).

From that limited approach to the political economy of communication they created for themselves, as Smythe did for himself, they were still able to gain a crucial insight that I build upon in the next chapter: What they called “industrial capital” or “capital-as-a-whole,” as advertisers of all the commodities it has produced, pays “media capital” *rent* for access to audiences (Jhally and Livant 1986, 125); hence, “[m]edia capital ... receives a portion of surplus value (profits) of industrial capital” (125). However, they did not pursue the category of rent into

the realm of distribution, in which rent is one category of the division of surplus-value, presumably because they believed that theorizing watching as working or laboring required them to work within the bounds of production (i.e. *Capital* Volume I), in which surplus-value accumulated by appropriating it after it has been produced by labor. They did not consider the possibility that the *appropriation* of surplus-value by “media capital” does not occur through production, and that media capitalists in their relation to audience laborers⁵ are not like industrial capitalists but rather are similar to landlords, even though they implied as much by using the concept of rent.

Jhally and Livant also produced another insight that I build upon in the next two chapters. It is an insight that was only implicit in Smythe: audience labor involves the production of “audience consciousness.” Jhally and Smythe did not formulate it quite so directly, but they went further than Smythe in specifying what kind of labor audience labor is and what it produces. Smythe, as noted above, described audience labor as work that takes place “in the heads of audience members,” work consisting of “paying attention” and “learning to buy.” Jhally and Livant stated in the title of their article that they were concerned with “the valorization of audience consciousness.” They described audience labor as the work of watching, which involves “capacities of perception” and is “guided by our attention” (Jhally and Livant 1986, 126). Watching is the creation of meaning (142), or “the process of consciousness” (143).

That more detailed elaboration of audience labor and seeming emphasis on the exploitation of audience labor did not prevent Jhally and Livant from continuing to push audience labor to the margins of the political economy of the audience commodity, even if that

⁵ But not in their relation to the cultural laborers they employ to produce cultural commodities, a relation of production that does resemble the relationship between industrial capitalists and their workers, with the latter creating surplus-value in the production process and the former appropriating that surplus-value and realizing it as profit.

was not their intent. The reason they did so is clearly stated by Jhally and Livant (1986, 139): They claimed that watching and labor are not identical activities because “watching has no formal contract for the exchange of watching-power, and there can be no enforcement of the informal contract.” Instead, watching only “reflects in a spectacular way the workings of the real” (139). Although they claimed to use watching as working as both a metaphor and a description of a real process (124), they ultimately used it only as a metaphor.

Jhally and Livant’s political economy can be summarized thusly: “Media capital” produces “extra watching-time,” and it is only that time that is audience labor. That “extra watching-time” is a commodity that “media capital” sells to “industrial capital” in exchange for rent (advertising revenue), thereby valorizing “audience consciousness.” At the same time, as advertiser, “industrial capital” benefits from audience labor because “audiences create meaning for capital,” thereby “speed[ing] the realization of value.” Audience labor, however, is not really labor.

While Jhally and Livant ultimately pushed audience labor to the margins of the political economy of the audience commodity, Meehan completely eliminated it in her theory of the audience commodity as a ratings commodity. In 1984, Meehan returned to the question Smythe had asked at the beginning of his inquiry, which she phrased as, “what commodity is produced by mass communications industries?” (Meehan 1984, 216; cf. Smythe 1977, 2). Like Smythe (as well as Jhally and Livant), she sought to shift emphasis away from considering the message, or content, as the answer, but she also found Smythe’s answer, “the audience,” unsatisfactory. Instead, Meehan offered a third answer: the audience ratings. She developed a political economy of the audience commodity in which audience ratings is the commodity that is related to the activity or labor of the audience and that is exchanged by media companies and advertisers. In

the process, she completely removed audience labor from the political economy of the audience commodity.

Meehan ignored Smythe's insight into audience labor — an insight that I claim Smythe did not develop in any depth and that Jhally and Livant treated in a contradictory manner and ultimately undermined — and instead focused on what Smythe described as the way the audience commodity is measured: ratings. Meehan accepted Smythe's theory of the audience commodity, but in the form that Livant described as, "Yes, yes, of course ... but what about ..." (Livant 1979, 93). She described Smythe's theory of the audience commodity as a "truism" (Meehan 1984, 220) but critiqued that theory for making "a crucial assumption" about the ratings industry that political economists cannot make: the process of creating ratings does not affect the audience commodity itself (221). She countered that ratings are produced; they are commodities (221). Ratings are produced in order to specify the commodity to be exchanged by media companies and advertisers so that they can "move to the real business at hand — the buying and selling of audiences according to a rational price structure" (222). She took that as reason to see a political economy of the audience ratings commodity as the really significant theoretical development necessary, more essential than Smythe's political economy of the audience commodity. She claimed that the ratings commodity should be privileged, i.e. is the first or most important answer to the question of the mass communication commodity (223). More importantly, Meehan went even further, and claimed that, "[f]or all practical purposes," *the ratings commodity*, "the fixed sample, shaped and limited by economic constraints within the ratings industry and across the these three intertwined industries" — mass media, advertising, and ratings — "*becomes the commodity audience*" (223, emphasis added).

Meehan constructed a political economy of the audience commodity as ratings commodity that distinguishes the “commodity audience” from the “actual audience” (Meehan 1993) and thereby removes audience activities — audience *labor* — from that political economy. Ratings, as a description of the audience commodity, are only ever a representation of the number and characteristics of members of the actual audience, based on a small sample of the audience, thus the audience commodity is not the same as the actual audience, as Smythe claimed. Ratings are “the tangible ‘proof’ that the networks’ intangible commodity — the audience — exists” (Meehan 1986, 450). Neither content nor audiences (as audience labor-power or watching-time) are exchanged by media companies and advertisers: The common commodity exchanged is the ratings commodity, although media companies seem to sell content time or space to advertisers and advertisers seem to buy the audiences attracted to the content in that time or space.

Meehan accurately described the audience activities that I consider as audience labor when she said, “members of the actual audience *work* hard to transform mass-mediated messages into meaningful visions, statements, and ideas ... to literally make sense out of media artifacts” (Meehan 1993, 393, emphasis added), but she did not consider it relevant to the political economy of the audience commodity since the audience commodity is not the actual audience commodified but only a commodified representation in ratings of the portion of the actual audience in which advertisers are interested. Because of that, Meehan was unable to see how audience labor could be central to the accumulation of capital through the process of communication: “Our analysis of the commodity audience suggests that this [audience] labor has no value in the market, where advertisers buy audiences from media firms. There, only the commodity audience has a value” (393). What is perhaps more troubling for me is that her

political economy is a theory of the exchange and distribution relations between capitalists and with no seeming consequence for actual audience members and their very real labor: “At the level of cross-industrial analysis, neither messages nor audiences are exchanged; only ratings” (Meehan 1984, 223).

Digital Labor and the Disappearance of Audience Labor

The revival of the political economy of the audience commodity at the beginning of the twenty-first century has generated significant attention to the issue of communicative labor using digital media — “digital labor.” The political economy of the audience commodity has received attention from a greater number of scholars in the decade since its twenty-first century revival than in the twenty-five years prior to that, but, paradoxically, that increased attention in terms of both theoretical critique and analytical implementation of audience/user activity as work has occurred precisely by removing audience labor from consideration. The extension of Smythe’s theories of audience labor and audience commodities to the activities of individuals communicating through digital media has also been the disappearance of audience labor from the political economy of communication.

Terranova (2000) was perhaps the first scholar to offer a detailed consideration of the political economy of digital labor, which she described as “free labor,” but Mark Andrejevic (2002) was the first to revive the political economy of the audience commodity in an effort to develop a means to understand how audience labor is exploited in the digital era of “interactive media.” He did so by building directly on the political economy of Jhally and Livant (1986), deriving a theory of “the work of being watched” from their theory of “the work of watching.” Christian Fuchs has been the other major contributor to the new political economy of the audience commodity. He has looked at the audience commodity in digital communication, which

he conceptualizes as the “prosumer commodity” (Fuchs 2010). A number of other scholars have also contributed to the new political economy of the audience commodity and the broader political economy of digital labor by elaborating on the perspectives of Smythe, Livant, Jhally, and Meehan or following Terranova in integrating theories of immaterial and affective labor developed within Autonomist Marxism.

I first consider the work of Andrejevic. While Jhally and Livant, inspired by Smythe, theorized the productivity of audience labor, or “the work of watching,” Andrejevic has noted that “the emerging online economy increasingly seeks to exploit the work of *being watched*” (Andrejevic 2002, 231, emphasis added). Comprehensive surveillance of audience labor is productive; the work of watching and being watched “complement each other” with respect to “the rationalization of viewing and consumption in general” (231). I note immediately that, at the core of Andrejevic’s political economy, as in the political economy of Smythe and Jhally and Livant, communication is treated as a contributory process to a more basic process within capitalism. For Andrejevic, that process is the consumption of commodities: “[T]he work of being watched comes to serve as a means of rationalizing not just what Jhally and Livant call the work of watching, but the process of on-line consumption in general” (232). Communication as capital is not the starting point, as I argue it should be in order to understand how power over audience activities enables capital accumulation by communicative capitalists.

In Andrejevic’s (2002) theory, audience members perform the labor involved in monitoring their own audience labor, or cultural consumption. Interactive media are promoted as “inherently democratic and empowering (233), but they “compel personal disclosure by replacing non-monitored forms of consumption with monitored interactive transactions” (232). Surveillance is a condition of digital media use. Surveillance of labor in general is productive

because it is a means to increase the productivity of that labor (233); by rationalizing audience labor, the process of consumption is rationalized through “the multiplication of consumption categories: the endless sub-categorization and specification of individualized sets of tastes and preferences” (234) to which advertisements can be targeted. Surveillance of *digital* audience labor, however, is self-surveillance as part of a cybernetic loop of control through feedback (Andrejevic 2007b, 19-20). Digital media users do the work of monitoring their own activity, communicative and otherwise, by generating data about their activity as that activity is done. That data is commodified as a kind of digital audience ratings commodity. “The labor of *being* watched goes hand in hand with the work of watching: viewers are monitored so advertisers can be ensured that this work is being done as efficiently as possible. Ratings, in this context, are informational commodities that generate value because they help to rationalize the viewing process” (Andrejevic 2002, 236). While users do the work of monitoring their own activity — at least to the extent that information about their activity is produced in the process of that activity — users do not own or control the information produced by that self-monitoring. It becomes the property of digital communication industries, market researchers, and advertisers. And all of that is made possible by what Andrejevic describes as a process of “digital enclosure.”

The use of “interactive” digital media carries “the condition of surveillance” (Andrejevic 2007b, 2), and a process of “digital enclosure” creates that condition, which is also the means by which digital labor is exploited, in Andrejevic’s view. Digital enclosure is “the creation of an interactive realm wherein every action and transaction generates information about itself” (2). In such an interactive realm — which is most clearly discernable as a virtual space but can also be a physical space enclosed by digital interactive technology — access to the resources of digital communication are granted with the requirement that use of those resources is monitored,

whether digital media users know they are being monitored or not. Thus, there is an imbalance of power — a class divide — between “those who control privatized interactive spaces” and “those who submit to particular forms of monitoring in order to gain access to goods, services, and conveniences” (3).

That class divide and Andrejevic’s theory that the work of creating information about users’ activities is done by the users themselves are the basis for his claim of the exploitation of digital labor.

[W]ithin the digital enclosure those who control the resources — in this case, information-gathering technologies and databases — can lay claim to the value generated by those who enter ‘freely’ into the enclosure. When submission to monitoring becomes a condition of access not just to work, but to goods and services (from food to telephony), relations of unequal access to and control over resources structure the terms of entry.

(Andrejevic 2007a, 315)

Users of digital media produce information about their activities that, by virtue of the power of digital capital within the digital enclosure, “becomes the property of private companies that can store, aggregate, sort, and, in many cases, sell the information to others in the form of a database or a cybernetic commodity” (Andrejevic 2007b, 3). In Andrejevic’s political economy, the exploitation of digital labor occurs only in a very specific sense that makes it clear how audience labor disappears from view.

The only digital labor that is clearly exploited in Andrejevic’s political economy is “the work of being watched” by which users create data about themselves (Andrejevic 2011, 285). It seems that Andrejevic has attempted to combine a concept of enclosure that follows Marx in describing the closing off of access to a resource by making it private property — in this case,

information — and a concept of enclosure that follows Foucault in describing the closing in of people in a defined space for the purpose of monitoring their activity. But the latter as employed by Andrejevic is not a panopticon; it is an Orwellian telescreen with no Big Brother watching because we operate it ourselves, while the goal is not to discipline our actions but rather to encourage us to do exactly as we please, as long as we allow our actions to be monitored so that advertisers can develop a better sense of what and how to advertise to us. By enclosing people within a physical space defined by the virtual space of the Internet or a private, closed network, the use of digital media that send and receive information through a network as they are used and about *how* they are used is an exploited activity because it produces information that is valuable but that is enclosed as private property. The value of the information is produced by “the work of being watched” but that work is exploited as “a form of active participation in the processes of marketing to and policing oneself” (315).

There is no way in Andrejevic’s political economy to see audience labor as exploited within the process of communication as a process of capital circulation. When Andrejevic (2009a) considered YouTube, he pinpointed the importance of audience labor without realizing it, moving right past it to the appropriation of data *about* audience labor: “The ideal model pursued by marketers in the interactive era is one in which the same commercially generated, professionally produced content is served up in an environment that allows for the capture of increasingly detailed information about viewer behavior and response” (416). Before information about viewer behavior and response can be captured, there must be viewers. There must be an audience doing the work of cultural consumption before information about that work can be captured and transformed into a digital ratings commodity. Andrejevic looked past digital audience labor.

Andrejevic has claimed, using YouTube as an example, that digital media users are forced to exchange the data they generate about themselves for access to digital means of communication and that this can be seen as a process of exploitation because the private ownership of the means of communication structures that exchange and compels “submission to detailed forms of monitoring and information gathering” (Andrejevic 2009a, 418). But private ownership of the means of communication first compels the exchange of audience labor for access as a consumer of videos and advertisements on YouTube, and it is through *that* relation to audience labor that YouTube accumulates capital. Submission to monitoring as an additional condition of access is, as Andrejevic has argued, a feature of digital media, but it is motivated by the existence of audience labor exploitation on YouTube or within digital communicative capital in general. Andrejevic, however, claims that surveillance is the real basis for the exploitation of digital labor. The appropriation of the content created by YouTube’s users is also a process of the exploitation of digital cultural labor, but, again, that is not the primary process of labor exploitation by which YouTube accumulates capital. YouTube appropriates user-generated content to attract and exploit cultural consumers as audience laborers in order to generate advertising revenue. But YouTube also uses content from the culture industry to attract and exploit audience labor in order to generate advertising revenue. The foundational form of digital labor exploitation through which YouTube generates advertising revenue is audience labor exploitation, just as it was for the mass media culture industry.

The other scholar who has made a major contribution to the new political economy of the audience commodity and the broader political economy of digital labor is Christian Fuchs. His political economy is much more straightforward than that of Andrejevic, in part because it follows more directly in line with Smythe. Fuchs has considered the exploitation of digital

communicative labor within communication as capital, but he has also contributed to the disappearance of audience labor from political economic theory by conflating the two aspects of digital labor — audience and cultural labor — into the category of “prosumer” labor. Fuchs’ attempt to develop Smythe’s theory of the audience commodity as audience labor into a theory of the digital or Internet audience commodity as digital labor ultimately extends the errors of political economy made by Smythe and demonstrates the urgent need to rethink the political economy of the audience commodity as it has been developed from Smythe to the scholars currently working on it. While that collective body of scholarship has provided important insights into the involvement of audiences and users in the accumulation of capital by communication industries, the missteps in dealing with (or, worse, simply ignoring) audience labor remain a significant issue. The fact that the exploitation of *audience labor* by the old mass media culture industry was, in my view, never correctly explained within political economic theory suggests that the more complicated exploitation of digital labor, which involves the appropriation of value from the cultural production *and* cultural consumption of digital media users, can only be accurately grasped if renewed attention is given to audience labor and the relationship between audience activities of cultural consumption and the accumulation of capital.

Fuchs, like Smythe, Livant, and Jhally, has relied on the model of appropriation of surplus-value through the direction exploitation of labor in a production process — the model of surplus-value accumulation presented in Volume I of Marx’s *Capital*. As such, Fuchs has claimed digital media users, as digital laborers, are productive because they produce surplus-value that is appropriated by capital, thus they are also exploited (Fuchs 2010, 191). Those users, like the audience of the mass media culture industry, are an audience commodity because their communicative labor is exploited and sold to advertisers (192). The difference, according to

Fuchs, is that as digital laborers they are also content producers, thus they are not simply consumers like the audience of the culture industry but are “prosumers,” or producer-consumers (also “producers,” or producer-users). Digital labor constitutes a “prosumer commodity” (192). The exploitation of Fuchs’ prosumer commodity occurs in relation to advertising, as it does for Smythe’s audience commodity: The labor-power of “prosumers” becomes a commodity owned by the communication industries and then sold to advertisers (192). Digital labor is exploited in order to generate advertising revenue. For Fuchs, the digital labor of producing user-generated content is only an aspect of the commodified “prosumer” labor-power that is sold to advertisers: “New media corporations ... give [users] free access to services and platforms, let them produce content, and ... accumulate a large number of producers that are sold as a commodity to third-party advertisers” (191).

Although Fuchs invokes Smythe’s audience commodity and the model of surplus-value accumulation through labor exploitation Smythe relied on, Smythe’s focus on audience labor has disappeared. Fuchs conflates digital *audience* labor — the work of consuming culture — with digital *cultural* labor — the work of producing culture, or what is often referred to as user-generated content — into the category of “prosumer” labor. For example, Fuchs has claimed that “the users who ... upload or watch videos on YouTube ... constitute an audience commodity that is sold to advertisers,” except that, since those users are also content producers, they are more accurately described as a “prosumer commodity” (Fuchs 2010, 191-192). Fuchs has missed the fact that uploading and watching videos on YouTube are two different kinds of productive labor from the perspective of YouTube as a digital communicative capitalist.

Users who watch videos on YouTube are sold to advertisers (although that formulation is problematic, as I have argued above) because it is their “work of watching” that advertisers want

to direct toward watching advertisements. Users who upload videos to YouTube are doing the work of creating user-generated content. Those users and that work are not sold to advertisers. YouTube appropriates the product of that work — the user-generated content — and uses it to attract other users as cultural consumers who will do the work of watching. Thus, uploading and watching videos on YouTube are two distinct labor processes that are related to YouTube's accumulation of capital in different ways. Since YouTube only generates revenue from advertising, it is the work of watching, or digital audience labor, that is the primary labor exploited by YouTube. However, it is also possible to see the work of uploading, cultural labor, as being directly exploited by YouTube. But it is only possible to understand the specific ways YouTube exploits different kinds of digital labor if audience labor and cultural labor are considered distinct labor processes in terms of political economic theory. In this dissertation, I attempt to specify audience labor, including digital audience labor, as a crucial category for political economic theory.

To conclude this chapter's intellectual history of the political economy of the audience commodity and the exploitation of audience and user labor, I consider a political economy of digital labor that also draws on Smythe's political economy of the audience commodity. Terranova's (2000) theory of "free labor," which draws inspiration from Autonomist Marxism, is a primary source of inspiration in this version of the political economy of digital labor. Terranova described the labor of producing culture on the Internet as "free" in a dual sense: "simultaneously voluntarily given and unwaged, enjoyed and exploited" (33). Terranova followed in the general Autonomist theoretical thrust in considering such labor, which is characterized as "immaterial" (e.g. Lazzarato 1996), as an increasingly central aspect of capitalist production in general as production has shifted to the "social factory" (i.e. beyond the

places typically understood as workplaces to society in general) and the accumulation of capital has become dependent on the “general intellect” as a productive force (i.e. knowledge made social through the labor process that depends on machines, but also knowledge made subservient to the machines in the production process (Terranova 2000, 44-45)). But, for the Autonomists, reliance on the “general intellect” is also reliance on “mass intellectuality,” which is to say that collective, social knowledge is also always a mass of specific individuals’ knowledge, hence individual laborers have an inherent power because they *are* the prime productive force of “post-Fordist” capitalism (45). However, as she followed the general Autonomist approach as she looked at digital cultural labor as “free labor” and, thus, as an aspect of the “social factory” in the era of digital media, Terranova did not use “free labor” as a category through which to construct a political economy of the accumulation of capital specifically in communication, but rather to examine the accumulation of capital in general, as did all the theorists discussed so far other than Fuchs. As such, Terranova conflates the two aspects of digital labor into the “free labor” of digital cultural production.

Cohen (2008) has combined the perspectives of Smythe and Terranova to develop a much-cited “political economy of Facebook.” As a contribution to the political economy of digital labor, Cohen repeated what I claim is the central error of that political economic theory by making audience labor disappear as she claimed that Facebook accumulates capital through the exploitation of “free” cultural labor that also constitutes the digital audience commodity sold to advertisers. Cohen repeated what I claim is the mistake of conflating the labor of cultural production (cultural labor) and cultural consumption (audience labor). She skipped right past the exploitation of audience labor, linking “free” cultural labor directly to advertising revenue: “Facebook generates revenue predominantly from advertising that, thanks to personal

information provided in members' profiles, is precisely targeted to selective groups" (10). She described cultural labor quite clearly: "By uploading photos, posting links, and inputting detailed information about social and cultural tastes, *producer-consumers provide content* that is used to generate traffic, which is then leveraged into advertising sales" (7, emphasis added). However, like the other theorists of the political economy of digital labor considered in this chapter, Cohen misunderstood how that labor is related to capital accumulation for a company like Facebook. Cohen completely missed the importance of audience labor to the capital accumulation strategy of Facebook. The same is true of Côté and Pybus' (2007) political economy, which used MySpace as an example.

Cohen turned to surveillance as the key link between "free labor" and capital accumulation through advertising revenue. She described the process as "the valorization of surveillance":

Not only is surveillance the method by which Facebook aggregates user information for third-party use and specifically targets demographics for marketing purposes, but surveillance is the main strategy by which the company retains members and keeps them returning to the site. ... [I]t is the unpaid labor of producer-consumers that facilitates this surveillance. ... Facebook is engaged in the commodification of what can be understood as free labour. (8)

Cohen's political economy is similar to Andrejevic's in that she has described the relationship of exploitation as based on the appropriation of information in the form of user-generated content through surveillance (14). But the advertisements connected to that appropriated content are there to be worked on by the audience laborers who might consume them. The accumulation of capital as advertising revenue does not occur directly through the exploitation of the cultural

labor of Facebook's users; the exploitation of digital *audience* labor is the process through which capital is accumulated.

The growing body of work on the new political economy of the audience commodity has yet to take notice of the centrality of digital audience labor. Surveillance has received a significant amount of attention as one way companies can profit from digital communication by collecting data about communicative activities, which the scholarship views as digital labor. Social networks like Facebook have been a primary focus (e.g. Cohen 2008; Fuchs 2011a; 2011b), but research has also focused on online advertising as a surveillance-based process that occurs across the web (e.g. Andrejevic 2007b; 2011; Kang and McAllister 2011; McStay 2011) and on the surveillance of mobile communication, including real-time location (e.g. Andrejevic 2007b; Manzerolle 2010). The basic political economic theories put forward involve the sale to advertisers of the data gathered through surveillance. Andrejevic, the most prolific scholar in this area, has characterized that as the exploitation of "the work of being watched" since it is the activity of digital laborers that creates the data (Andrejevic 2002; 2007a; 2011). The relationship between digital audience labor, surveillance, and communication as capital has not been addressed. Surveillance in that "economic" sense addressed by the scholars noted above is ultimately done to facilitate digital advertising, making surveillance a derivative (but by no means less important) issue of the issue of digital advertising. Digital advertising, however, is itself a derivative issue of the fundamental relationship between communicative capital and digital audience labor: control of the means of communicative production used by audience laborers in the consumption of culture.

Within the new political economy of the audience commodity, the supposed selling of users, prosumers, or digital laborers (or their attention) to advertisers — an update to Smythe's

original idea — has also been the subject of a significant amount of research (e.g. Fuchs 2010; 2011; Kang and McAllister 2011; Manzerolle 2010; Napoli 2010). Fuchs, the most prolific scholar in this area, has described that political economic theory as the selling to advertisers of “Internet prosumer commodities” (Fuchs 2010; 2011a; 2012). I argue that this scholarship suffers from many of the same errors of political economy that are present in Smythe’s original theory and the work of others in the old political economy of the audience commodity. And here, too, digital *audience* labor is not addressed or understood to be a specific kind of digital labor: Digital cultural labor and audience labor are completely conflated into digital labor, which makes it impossible to understand the different ways digital media users are exploited in order to enable capital accumulation by digital communication companies. Attention to digital audience labor requires an understanding of the relationship between cultural consumption and capital accumulation by communicative capitalists, who control of means of communicative production and signification — means of producing what Jhally and Livant (1986) termed “audience consciousness.”

The appropriation of the user-generated content created by digital labor has also been a focus (e.g. Cohen 2008; Fisher 2012; Fuchs 2010; Terranova 2000). I have defined that as the exploitation of digital cultural labor. The basic political economic theories put forward claim that digital cultural labor is exploited, although there is no clear link presented between such exploitation and capital accumulation. One claim is that the products of that digital cultural labor are freely appropriated by sites like Facebook and used to attract other users who are sold to advertisers, thus extending Smythe’s theory of the audience commodity (e.g. Cohen 2008; Fuchs 2010). The actual work of consuming advertisements — thus, the role of digital audience labor — is not addressed. I argue that doing so would make it possible to link the appropriation

of user-generated content to capital accumulation, since, when that accumulation occurs through advertising revenue, it is digital audience labor that is exploited. Again, this requires an understanding of the relationship between audience labor and communicative capital, which I call a political economy of audience labor.

As Chen (2003) and Caraway (2011) have pointed out, Smythe's political economy of the audience commodity was fundamentally erroneous in its conception of the commodification of audience labor-power. Building on Smythe, then, as much of the new political economy of the audience commodity does, only compounds that error. In their critiques, however, both Chen and Caraway pushed audience labor even further from the view of political economy. My aim is to put the focus squarely on audience labor. Chen and Caraway do put forward the concepts of rent and fictitious capital as necessary to explain capital accumulation in digital communication, and I agree those concepts are essential to a political economy of audience labor that explains the processes of capital accumulation through the direct or indirect exploitation of audience labor. Pasquinelli (2009; 2010) has also argued for the importance of the concept of rent. Fuchs (2012, 732), however, explicitly rejects the idea that the concept of rent has any applicability to an explanation of the process of capital accumulation through digital labor exploitation. He claims that "using the category of rent for describing commercial media and Internet practices and their outcomes means to assume that activities on the corporate media and Internet ... are not exploited and are no form of labour." I argue in this dissertation that rent is the essential category necessary to understand the relationship between communicative capital and audience labor as one in which surplus-value is appropriated in its distribution rather than its production.

The lack of recognition of that fundamental relationship between communicative capital and digital audience labor has also prevented an accurate understanding of the relationship

between digital advertising and the exploitation of digital audience labor that is derivative of the former relationship. That is true despite all the attention that has been paid to digital advertising, attention that is necessary since advertising is the primary process by which capital is accumulated in much of digital communicative production, in which access to digital culture and use of digital media are free. The control of the means of communicative production that defines the relationship between communicative capital and audience labor, even in the digital era, is the basis for the ability of communicative capital to generate advertising revenue. That is where the concept of fictitious capital and the category of interest are useful: Digital culture is treated as fictitious capital and loaned to advertisers, who place advertisements in the digital cultural space they borrow and, in turn, pay interest on the loan. That interest is advertising revenue for the communicative capitalists who make the loan. I discuss the issues of rent, interest, and related issues of political economy theory relevant to the exploitation of digital audience labor in chapter three.

The work that Smythe first drew attention to as audience labor and that Jhally and Livant further considered as “the work of watching” and the production of “audience consciousness” seems to continue to be the most difficult labor process to grasp within the political economy of communication. Neither Smythe nor Jhally and Livant were sufficiently specific in their conceptualizations of audience labor, while the theorists of the new political economy of the audience commodity have made audience labor completely disappear from the view of the political economy of communication. None of the scholarship of the new political economy of the audience commodity noted above addresses the fundamental relationship between communicative capital and digital *audience* labor — the relationship that defines digital media users as consumers (although they are often also producers) and thereby enables the direct or

indirect exploitation of digital audience labor. That relationship is the control of the means of communicative production used in the process of cultural consumption, including, most importantly, control over the object of audience labor, or culture. In the next chapter, I suggest means by which the relationship between communicative capital and audience labor can be explained in terms of political economic theory. I discuss the method of a political economy of communication that enables the theorizing of audience activities of cultural consumption as labor in such a way that capital's control over those activities can be clearly understood as a matter of exploitation.

CHAPTER 2

THE ‘BLINDSPOT’ AND THE METHOD OF POLITICAL ECONOMY

In the previous chapter, I argued that audience labor had been given insignificant attention in the political economy of the audience commodity. In this chapter, I probe deeper into that issue by considering the methodological adjustments necessary for the development of a political economy of audience labor as a theory of communication as capital and cultural consumption as labor within communicative production. The continued appeal to what I argue is misleading and counterproductive concept of the “audience commodity” after more than three decades, and the continued inattention to audience labor in the political economy of communication, suggests the need to renew the “blindspot” debate — a debate about the method of theorizing. I return to that debate in order to develop my own answer to the problem of method identified by Smythe, thereby articulating the method of a political economy of communication that can account for audience labor exploitation.

It seems that the specificity of audience labor was never been fully conceptualized in the political economy of the audience commodity, as I argued in the previous chapter. It is significant that it was only when audience labor/cultural consumption seemingly gave way to digital labor as user *cultural* production that Smythe’s theory was revived and developed into a widely used perspective within political economy: The insight into audience activity as labor was lost at the same time that the “audience commodity” concept was given a new life. The “audience commodity” in the digital era is a modified version of Smythe’s mass media era

concept, but none of the scholarship on the digital audience commodity has recognized how that conceptual shift has altered the very labor in question. That problem would seem to stem from the fact that audience labor was never adequately specified in the theoretical discussions that followed the first appearance of the concept in Smythe's 1977 article. The published research that dealt with the concept in the 1970s, 1980s, and 1990s did not significantly address audience labor in terms of the audience labor *process* and the *product* of audience labor.

It seems that is partly due to the fact that the political economy scholars who dealt with the concept of the audience commodity were less interested in that supposed commodity as the audience labor-power Smythe thought it to be than in how the audience as commodity functioned in the exchange of money between the “culture industry” of communicative capital and advertisers. The focus was on a reified culture industry, which meant the position of “audience member” was also reified. The social relation between the culture industry and its audience members, and the reality of audience labor, was outside the scope of theoretical vision. To focus on audience labor within political economic theory requires a consideration of what audience activity is and how that activity is exploited by communicative capitalists — a consideration of the audience labor process and the way in which that process is related to capital accumulation. The recent work on digital labor exploitation is not focused on the question of audience labor exploitation. It essentially takes the communicative capitalists at their word and proceeds from the fact of digital media users as the reality and audiences — cultural consumers — as a thing of the past. In that way, the specificity of audience labor as the work of consuming culture and producing audience consciousness is missed, as is the continuing importance of audience labor as an aspect of digital labor.

This chapter begins by describing the original “blindspot” debate and discussion of method initiated by Smythe and involving Graham Murdock and Bill Livant in order to contribute to a deeper consideration of the relationship between a historical materialist dialectical method and political economic theory in the context of communication, culture, and audience activity. An attempt to renew the debate about the method of the political economy of communication follows, returning to Marx’s discussion of his method and his critique of the method of classical political economy as a foundation for the method of the political economy of communication.

Audience Labor, the ‘Blindspot’ Debate, and Problem of Method

With his 1977 article, “Communications: Blindspot of Western Marxism,” Dallas Smythe attempted to start a debate about what he considered a significant theoretical blindspot: “the economic and political significance of mass communication systems” (1). In addition to putting forth a political economy of the audience commodity and a theory of audience labor in an effort to describe exactly what previous theorizing HAD been unable to see, Smythe put forward an argument about why there was a blindspot: He claimed the *method* of theorizing mass communication had left “the economic and political significance of mass communication systems” out of view. Smythe insisted the necessary method was “a materialist approach to communications” (2). That point was debated by Graham Murdock (1978) and Bill Livant (1979), and it is that specific debate about the method of theorizing communication that I consider to be the “blindspot” debate, rather than the debate within political economic theory about audience commodification and audience labor that I outlined in the previous chapter. Focusing on the “blindspot” debate as a debate about method makes it possible to consider the method of the political economy of communication in detail, and the methodological issues

raised by the “blindspot” debate that remain unresolved and mostly unexamined in the political economy of communication more than three decades later (Nixon 2012).

The “blindspot” debate occurred in the pages of the *Canadian Journal of Political and Social Theory*. Smythe (1977, 1) began the debate by declaring that “western Marxist analyses have neglected the economic and political significance of mass communications systems.” He characterized as “idealist” and “pre-scientific” the method of theorizing communication that had produced the “blindspot” and made it impossible to see “*what economic function for capital*” mass communication systems serve (1). He claimed the product of that method is a theory of ideology in which ideology is an “invisible glue that holds together the capitalist system” and “the proof of its existence” is “the necessity for it to exist so that other phenomena may be explained” (1). Smythe insisted there had been “a failure to take a materialist approach to communications” (2) and that the result was a theory of ideological manipulation through mass communication that is “unsatisfactory” for Marxists because it does not explain how ideology is produced but only assumes it exists based on observed social realities of which ideology is presumed to be the cause (1).⁶

Smythe argued for the need for a theory of mass communication as an economic process: “a materialist analysis” of “the consciousness industry from the standpoint of its historical materialist role in making monopoly capitalist imperialism function through demand management (concretely through the processes of advertising and mass communications” (Smythe 1977, 1, 22n1). While it might seem as though Smythe posed a theory of “economic determinism” to counter the theory of ideology by which, he claimed, Western Marxism had

⁶ One example — significantly, from two scholars identified with the political economy of communication — is Murdock and Golding’s relatively early call “for a political economy of mass communications,” in which they describe the commodity nature of culture as creating a general ideological effect of reinforcing the status quo (Murdock and Golding 1973, 226-227).

erroneously understood communication, he actually developed an alternative theory of ideology. Smythe offered a “materialist” theory of ideology — a theory of “the *production* of ideology” (Smythe 1978, 121, emphasis added),⁷ of the role of mass communication systems in “the reproduction of capitalist relations of production” (Smythe 1977, 1). Smythe looked at ideology as having an “economic function.” The method for theorizing the production of ideology, which, for Smythe, is “demand management” in economic terms, is a “materialist” one. Smythe (1978, 126) later clarified that a “historical, materialist, dialectical method” is necessary.

Through what Smythe considered to be a “historical, materialist, dialectical” method, the “threshold question” became one of political economic theory: “What is the commodity form of mass-produced, advertiser-supported communications?” (Smythe 1977, 2). The answer — from the theoretical perspective of mass communication as the production of ideology — was audiences, not messages, content, meaning, or anything similar (3). From that starting point, Smythe developed a political economy of the audience commodity and a theory of audience activity as labor. Murdock responded to Smythe’s effort to start a debate (Smythe 1977, 1) by signaling that he understood the problem to be one of method (although he did not use that term): He noted that Smythe’s claim was that there was no “firm basis for [the] development” of a “materialist theory of mass communications” because “attempts at analysis made so far have been fundamentally misconceived” (Murdock 1978, 109). But Murdock immediately mistook Smythe’s attempt to develop a method for theorizing the production of ideology as a revival of the economic determinist position of the base and superstructure debate — an attempt to “return economics to the centre of Marxist cultural analysis” by treating mass media as part of “the economic base” (109). Murdock mistook Smythe’s argument as a refutation of the entire

⁷ The phrase “the production of ideology” and similar phrases, including the “consciousness industry,” are used repeatedly by Smythe, e.g. 1977, 1, 20, 22n1; 1978, 121, 125.

Western Marxist project of overcoming the errors of economic determinism in Orthodox or Soviet Marxism (110, 114).⁸ For that reason, Murdock titled his reply to Smythe, “Blindspots About Western Marxism.”

The “blindspot” debate, then, started as less a direct discussion of the “materialist” method of theorizing communication than two disparate claims about communication theory that were tangential only around the topic of Western Marxism. That was not without reason: Smythe did repeatedly state that the blindspot was the “economic” aspect of mass communication, and he insisted that, in contrast to the “idealist” view of the mass communication commodity as the “messages” or “meaning” of the “content,” the “materialist” view that can comprehend the “objective definition of the commodity produced” would see that the commodity is actually the audience (Smythe 1977, 1-3). Murdock’s reply made it clear to Smythe that his main point had been missed and the debate had gone off track. Smythe clarified that he was not refuting Western Marxism and advocating “a theory of economic process” over “a theory of ideology” (Smythe 1978, 120). While Murdock claimed Smythe had “abolished the problem of ideological reproduction entirely” (Murdock 1978, 113), Smythe insisted he had only “abolished the simplistic model of *direct* manipulation . . . in the pursuit of a more realistic if more complex and presently obscure process by which consciousness industry produces ideology” (Smythe 1978, 125). Smythe concluded that a realistic theory of the complex process of the production of ideology requires a “historical, materialist, dialectical method” (126).

Livant (1979) extended the “blindspot” debate by commenting on the exchange between Smythe and Murdock and attempting to refocus the discussion on the theoretical blindspot itself and the problem of method. Livant pointed out that lost in the debate was Smythe’s key insight

⁸ Regarding Western Marxism as an alternative to Soviet Marxism, see Lefebvre 2009; Lukács 1977; Sartre 1978; Williams 1977.

that the audience is a commodity and, more importantly, that the audience commodity is a *labor commodity* — the capacity of audience members to work is the commodity that is exchanged. Livant claimed that the specific theoretical blindspot described by Smythe was the production and exchange of audience commodities (92) and that the blindspot is a problem of method (92, 99). The method that produced the blindspot starts with “the *message* as the basis of everything else” and thereby treats the audience of the mass communication process as a naturally existing consumer of mediated messages (98-99, emphasis added). Smythe’s method, in contrast, brings into view the production and exchange of the audience as a commodity and the key point that “the audience labours” (102).

The historical materialist dialectical method, Smythe insisted, would eliminate the blindspot because it would enable understanding audience members as productive workers for the consciousness industry (Smythe 1978, 125). Marxist and other theories of communication were theories of audience members as consumers of ideological commodities rather than audience members as producers laboring for the benefit of capital (Smythe 1977, 2). Smythe attempted to bring into view the process by which ideology is produced by theorizing the activity of audience members as labor and the process of mass communication as the production and exchange of audience labor commodities and the creation of demand by the work of audience members who “learn to buy” (6) as they “pay attention” (4) to advertisements.

Although I argue that Smythe’s political economy of the audience commodity and the political economy of those who have followed him over the past few decades have insufficiently accounted for the exploitation of audience labor in the accumulation of capital through communication, as I attempted to demonstrate in the previous chapter, I seek to critique rather than simply reject that political economy. I draw inspiration from that body of scholarship, but I

seek to develop the basic elements of an alternative political economy that is a more accurate theory of the exploitation of audience labor in the process of communication as a process of capital circulation and accumulation. In light of the problems in the political economy of the audience commodity I identified in the previous chapter, a renewal of the “blindspot” debate is necessary: If the original theoretical blindspot is the product of a methodological error, and if audience labor is still missing from political economy after all the work done by Smythe and the numerous scholars who followed him, it is necessary to return to the problem of method identified by Smythe in order to resolve that problem and specify the method of political economy in relation to audience labor.

Renewing the ‘Blindspot’ Debate: The Method of the Political Economy of Communication

Since Smythe’s declaration of the need for a “historical, materialist, dialectical method” of theorizing communication, there has been little discussion of that method in scholarship on the political economy of communication.⁹ For that reason, in this section I attempt to renew the “blindspot” debate about method in order to develop a more explicit description of the foundation for, and process of, theorizing communication through the categories and concepts of political economy — specifically to be able to adequately account for audience labor. In this section, I turn to Marx, the source of the historical, materialist, dialectical method of political economy, in an effort to begin to determine how that method of political economy can be used to construct a theory of capital accumulation in communication through the exploitation of

⁹ A claim I first made in Nixon (2012), which was my initial effort to deal with the problem of method identified by Smythe by outlining some of the foundations of a historical, materialist, dialectical method but stopping short of developing the political economy of audience labor that I claimed is possible by means of that method. In addition to renewing and expanding my earlier description of a historical, materialist, dialectical method in this chapter, I also connect that method to a political economic theory of communication that is specifically concerned with audience labor through a discussion that concludes with a sketch of a political economy of audience labor as a theoretical subset of the political economy of communication.

audience labor. First, I briefly review what has been said about the method of the political economy of communication.

In the limited discussions of the method of the political economy of communication that have appeared within that collective body of scholarship — typically in works that have attempted to define the field — there has been almost no mention of method in terms of the method of *theorizing*, and specifically how to theorize communication using the categories and concepts of political economy. There has been even less discussion of the methodological specifics mentioned by Smythe: historical, materialist, and dialectical. When the method of the political economy of communication has been discussed, it has usually been in terms of analytical techniques, or the various aspects of what is recognized as political economy without clarifying the method of producing such a theory.

One example of the latter was expressed by Murdock and Golding in one of the first attempts to define a political economy of, specifically, communication: The political economy of “mass communications” is an understanding of the “basic features” that underpin and shape the economic context and political consequences of mass communications” (Murdock and Golding 1973, 205). It explains how ideology is produced by clarifying “the general and systematic constraints” of capitalist cultural production, which is supposed to explain how the status quo is continuously reinforced (223, 226-227).

Another example is Garnham’s ([1986] 2006) attempt to contribute to the development of a political economy of communication: While Garnham clearly draws inspiration from the Marxist method, his complex theoretical elaboration is not developed from a methodological basis that is made explicit. Garnham, like Murdock and Golding, ultimately describes the way to produce a political economic theory of communication as focusing on the “economic” aspect of

communication, which is something that is seen as having a distinct existence *in reality* that can thus be analytically separated and studied. For Garnham, then — again, like Murdock and Golding — a theoretical understanding of class and capital accumulation is the way to understand the production of ideology (203), which is itself *completely outside of political economic theory*.

Eileen Meehan, Vincent Mosco, and Janet Wasko (1993) claimed that the method is implicit and is chosen in a given case based on the specifics of that case (112). I contend the method must be made explicit, and that it is insufficient to say, as they do, that the method is a synthesis of the methods of sociology, history, and the “analytic methods” of political economists like Smith and Marx (113).

Mosco’s (2009) book-length discussion of the field of the political economy of communication is no exception to what I claim is a general lack of methodological discussion, even though he describes the “philosophical foundation” of political economy in general and of the political economy of communication in particular. Mosco does not address the “philosophical foundation” (i.e. methodology) as historical, materialist, and dialectical in the sense meant by Marx, and he describes the “critical epistemology” as based in the values of the theorist rather than having a specific methodological basis (10).

Dan Schiller (1996) does contribute to a discussion of the “historical, materialist, dialectical method” advocated by Smythe, although he does so indirectly, after a survey of the history of communication theory, by singling out the method by which Raymond Williams theorized culture and communication (e.g. Williams 1980a; 1980b; 1981). Schiller does not discuss the methodological foundations of Williams’ theorizing (i.e. historical, materialist, dialectical), but he advocates Williams’ approach as a way forward for theorizing

communication and concentrates his brief discussion on the means by which Williams' approach makes it possible to begin to theorize communication *as labor*. In his own works of political economy and political-economic history, however, Schiller has not pursued the "unified conceptual framework" for theorizing communication that he advocated.

Christian Fuchs (2011) has specifically addressed the Marxist historical, materialist, dialectical method. Fuchs describes "dialectical philosophy" as an essential foundation of communication theory, but does not go beyond describing it as a means to generate "complex technology assessment" (112-121). He does not describe the method of political economy.

In light of what I consider to be, at present, an insufficient description and development of the method of the political economy of communication — the evidence for which is the theory that has been produced, and, in particular, the fact of the continuing absence of audience labor — I claim that the problem of method first identified by Smythe remains. I turn to Marx as my primary source for the answer to the problem of method. What the scholars of the political economy of communication do not discuss, to begin with, is what Marx claims is *by necessity* the most basic aspect of the method of political economy: "the power of abstraction" (Marx 1990, 90). Thinking abstractly is the only way to analyze "economic forms." It is impossible to learn anything about those forms through direct observation as in the natural sciences, where both "the complete body" and "its cells" can be directly analyzed. But "the capitalist mode of production" cannot be understood as a whole by looking at the superficial appearance of it as a whole. Rather, it is necessary to examine the "economic cell form[s]." There are no microscopes that can aid in that process; "the power of abstraction" is the only way to deal with the "minutiae" of, e.g. the "value-form" or the "money-form" (90). That statement makes clear that, to the extent that it is useful to continue to use "political economy" as one specific scientific approach to producing

knowledge of human social life, political economy is a theoretical approach (see, e.g. Marx 1990, 95).

But on what basis is that power of abstraction used? Thinking abstractly — theorizing — is clearly not specific to “the analysis of economic forms,” i.e. political economy. How, then, is the power of abstraction specifically a means by which to produce political economy? How is the power of abstraction used as the basic method of political economy? To answer those questions, it is necessary to first determine political economy’s specific object of (theoretical) knowledge. It is then necessary to determine how that object can be known, i.e. the premises of the method of theorizing. Finally, it is necessary to determine the basic process by which knowledge of the object of political economy is produced, i.e. the process of abstraction that is specifically the method of political economy and that has specific methodological foundations, which thereby defines the limits of political economy. I address each of these three issues in order in what follows.

Political economy’s specific object of knowledge is obviously the capitalist mode of production (unless the aim is specifically to understand a previous mode of social production). Marx declares that his aim is “to reveal the economic law of motion of modern society,” the “natural laws” of the movement of capitalist society (Marx 1990, 92). Thus, political economy is, again, theoretical knowledge. It is a theory of production. As theoretical knowledge, political economy is, firstly, distinct from history. Marx makes that point on the first page of Volume I of *Capital* (125). Capitalist society is “an organism ... constantly engaged in a process of change,” but political economy is not knowledge of that process of change, rather, it is knowledge of the “law of motion.” Hence, political economy treats an ongoing process of production as something

that can and must be anatomized (Marx 1978a, 4) in order to know how it works, to know its laws of motion. But what does it mean to know the laws of motion of a “mode of production”?

The mode of production that is the object of consideration in Marx’s critique of political economy — and in the critique of the political economy of the audience commodity undertaken in this dissertation — is the historically specific capitalist mode of production. In the Introduction to the *Grundrisse* (the “rough draft” of the critique of political economy in *Capital*), Marx (1978e, 222) critiques “production” as the object of classical political economy. He declares that “*material production*” is the object of inquiry, and then immediately clarifies that “socially determined individual production” is “the point of departure” (222). Thus, Marx proceeds from the premise of classical political economy that production is the focus, but he transforms that focus in his own political economy into social material production. He further transforms the conceptualization of production into historically specific social material production by insisting that, contra classical political economy, “production” must always mean historically specific production in any theory of production (i.e. in any political economy). There are historically specific modes of production defined by their specific relations of production. While classical political economy treats production “as encased in eternal natural laws,” and therefore treats the historically specific “*bourgeois relations*” of the capitalist mode of production as “the inviolable natural laws on which society in the abstract is founded” (225), Marx highlights the centrality of “the specific quality” that makes production into *capitalist* production and makes the means of material social production specifically into *capital*, thereby focusing on specifically capitalist social relations: the relation of production between capital and labor and the property relation of private ownership of the means of production. The mode of production is the historically specific — but general, since it describes society as a whole — way in which

individuals produce *in society*, which is to say it is the way in which a given society produces itself. Political economy describes “the general characteristics of production at a given stage of social development” (224). Marx’s political economy is, then, a theory of the capitalist mode of production and capitalist relations of production.

The object of political economy can be further specified beyond the capitalist mode of production and Marx’s conception of production (material, social, historically specific). Political economy is, for Marx, the science of “the sum total” of “the material conditions of life” or the “relations of production” (also: “the economic conditions of production” (Marx 1978a, 4-5). Political economy, as a theory of production in the sense just described, is concerned with what Marx says classical political economy treats as the “generality” in relation to other aspects of the whole mode of production. Production creates the products that are divided up in distribution and formally exchanged between individuals who finally consume them.

[P]roduction, distribution, exchange and consumption form a regular syllogism; production is the generality, distribution and exchange the particularity, and consumption the singularity in which the whole is joined together. ... Production is determined by general natural laws, distribution by social accident ...; exchange stands between the two as a form social movement; and the concluding act, consumption, which is conceived not only as a terminal point but also as an end-in-itself, actually belongs outside economics except in so far as it reacts in turn upon the point of departure and initiates the whole process anew. (1978e, 227)

While Marx both critiques the “shallow” coherence of classical political economy’s “regular syllogism” from the generality of production to the particularities of distribution and exchange to the singularity of consumption, and he also puts forward a dialectical relation

between production, distribution, exchange, and consumption as “members of a totality, distinctions within a unity,” “moments” of an “organic” rather than syllogistic whole, moments between which “mutual interaction takes place” (236), David Harvey argues that, so some extent, Marx also attempts to adhere to that syllogism and its shallow coherence (Harvey 2012, 10) in his attempt to determine the laws of motion of capitalism. Since Marx’s aim is “to reveal the economic law of motion” of capitalist society, the “natural laws” of a capitalist mode of production (Marx 1990, 92), it is easy to see why Marx would have stuck to the level of generality. As Marx himself said in reply to those who criticized classical political economists for overemphasizing production: The task is “the grasping of real relations,” not “the dialectic balancing of concepts” (Marx 1978e, 228). It is production that “is determined by the general natural laws” (Marx 1978e, 227), that can only be understood theoretically through the power of abstraction. Even when the syllogism is instead thought of dialectically, with each category being a moment in an organic whole or totality, “[p]roduction predominates” over the other moments (236).

Unlike Harvey, who wants to figure out how to use the laws of motion in Marx’s political economy to make sense of specific historical developments, I want — in the first place, at least — to determine how to construct a political economy of communication that explains the laws of motion of capitalist *communicative* production, a theory of how capital is accumulated through communication. For that reason, I attempt to focus on the generality of production in the form of communicative production, but I also attempt to more fully integrate aspects of distribution and consumption into the political economic theory using what is useful from the syllogism described above as well as Marx’s own dialectical conception of the production-consumption and production-distribution relationships, and Harvey’s own development of those

relationships within political economic theory in *Limits to Capital* (Harvey 2006). In the second and third sections of this dissertation, however, I face the same problem as Harvey — trying to connect the political economic theory to history in order to produce knowledge of actual circumstances (both past and present) — and there I follow Harvey’s lead in attempting to discover what certain concepts or other aspects of political economic theory illuminate about those circumstances.

If the object of political economy is production — capitalist material social production and the (social) laws by which it operates — and the power of abstraction is the basic method of producing political economy as theoretical knowledge, on what methodological foundations should such a theory be constructed? Smythe claims the necessary method is historical, materialist, and dialectical and, indeed, Marx describes his method most directly as “dialectical” (Marx 1990, 102-103). His dialectical “method of inquiry” into the capitalist mode of production is “to appropriate the material in detail, to analyse its different forms of development and to track down their inner connection” (102). The method is to move from what appears as “real” and “concrete” and to abstract from it to determine the essence that is then the abstract determination of what appears concrete (Harvey 2012, 8). It is impossible to know the concrete in a mode of production without being able to first abstract from it to be able to discover the multiple determinations of which the concrete consists (Marx 1978e, 237). In the process of abstraction, the concrete as it appears is treated as “a point of departure” (237) and theorizing descends (logically) from the concrete to what are *particular* but also *abstract* determinations of the concrete — e.g. from the seemingly concrete “population” to the particular classes of which it is composed (Marx’s example on 237), such classes being abstractions because they are not observable when looking at “the population” — in order to be able to ascend back to the *general*,

or the *concrete* as a unity of diverse abstract determinations (1978a, 3; 1978e, 237). In the process, “the population,” to continue the example, goes from a “chaotic conception of the whole” to “a rich totality of many determinations and relations” (237).

That is the dialectical method: It does not produce simple one-way causal relationships but rather produces a complex totality of interrelationships. Marx seems to say that classical political economy actually employed that method in a way (237), with its error being only its treatment of the economic categories it thereby discovered as universal and eternal (225). By treating the categories and concepts of political economy, and the laws of motion they reveal, as historically specific, Marx is able to see contradictions in the laws of motion themselves, which provides a “critical and revolutionary” knowledge of the capitalist mode of production. Marx’s dialectical method

is a scandal and an abomination to the bourgeoisie and its doctrinaire spokesmen, because it includes in its positive understanding of what exists a simultaneous recognition of its negation, its inevitable destruction; because it regards every historically developed form as being in a fluid state, in motion, and therefore grasps its transient aspect as well; and because it does not let itself be impressed by anything, being in its very essence critical and revolutionary. (Marx 1990, 103)

Another foundation of Marx’s method of political economy is its materialist aspect. He describes how his dialectical method is a materialist method, in which “the ideal is nothing but the material world reflected in the mind of man, and translated into forms of thought” (Marx 1990, 102). He claims the method (as I discussed in the previous paragraph) of “rising from the abstract to the concrete is the only way in which thought appropriates the concrete, reproduces it as the concrete in the mind” while the concrete reality itself remains. In other words, there is a

material reality of existence that is capitalist production that is neither knowable only in appearance but not in essence (as Kant might have said) nor knowable because its existence resolves into a unity of knowledge (as Hegel might have said) but is, rather, knowable through the right use of human reason — a dialectical and materialist method of theorizing — and yet still “retains its autonomous existence outside the head” (Marx 1978e, 238). Political economy is knowledge of the reality of capitalist production; it is necessarily theoretical knowledge, but it is still knowledge of that real existence. Political economy is the science of “the sum total” of “the material conditions of life” (Marx 1978a, 4).

What, then, is the basis of a scientific method for producing knowledge of those material conditions? In *The German Ideology*, Marx (1978d) defines the fundamental premises of his method: actual human history, meaning human material social being, or human life, as it is comprehensible to humans. Thus the first materialist premise is “the existence of living human individuals” (149):

The premises from which we begin are not arbitrary ones, not dogmas, but real premises from which abstraction can only be made in the imagination. They are the real individuals, their activity and the material conditions under which they live, both those they find already existing and those produced by their activity (149).

Abstraction is possible — and, as I noted above, Marx argues it is the necessary method of political economy — but it is specifically abstraction from “real individuals, their activity, and the material conditions under which they live” (149). Marx’s materialism looks at the material activity that takes place under specific material conditions and also views the material conditions of life as the products of material activity.

As Marx indicates in the Preface to *A Contribution to the Critique of Political Economy*, the thing in which he is most interested is humans socially and materially producing their own lives under specific conditions. “*In the social production of their life,*” he says, “men enter into definite relations that are indispensable and independent of their will, *relations of production* which correspond to a definite state of development of their material productive forces” (Marx 1978a, 4, emphasis added). He adds that the “mode of production of material life conditions” the other aspects of life (4). A “true materialism” for Marx is one in which the basic principle is “the social relationship ‘of man to man,’ ” (Marx 1978b, 108) and which, thus, conceives reality as “human sensuous activity, practice” (Marx 1978c, 143). That materialism is a dialectical materialism in which the principle is that, although humans are the “products of [material] circumstances,” they are also the ones “who change [material] circumstances” (144). “Social life,” then, “is essentially practical,” which means knowledge of social life requires “comprehension of ... [human] practice” (145). When that dialectical materialism is applied to the method of political economy, it structures theorizing of “material production” to focus on “human practice.” And since human “essence,” the essence of human existence, is not an individual quality but is rather a social quality, Marx’s materialism focuses his method on “the ensemble of the social relations” (145) in which human practice is the historically specific material process of social production, i.e. the capitalist mode of production.

That materialist methodology is, thereby, also a historical methodology. The method of theorizing the social material production process as a specifically capitalist production process is necessarily a historical materialist method because it is a means to produce knowledge of something historically specific: capitalist production. While the method of political economy is a method for producing theory, not history, the theory is not a universal theory of human

production, as Marx claims classical political economy is. It is a theory of the *generality* of a historically specific mode of production (capitalist), a science of the laws of motion of the specific mode of production. The relations of production, or the conditions under which the process of producing human life is a process of producing capital (e.g. wage labor), are historically specific even though they are treated as general categories: They are only generalities within a capitalist mode of production. Those relations or conditions are themselves the product of material activity, of human practice. “All that exists, all that lives on land and under water, exists and lives only by some kind of movement. Thus the movement of history produces social relations” (Marx 1973, 106). Economic categories are ideas produced by humans; they are “historical and transitory products” (110). It is possible, therefore, to produce critical, revolutionary categories and critical, revolutionary political economy. Marx claims his method is a means to produce those kinds of categories and that kind of theory.

Harvey (2012) describes how Marx’s method works in practice as a method of political economy, which requires reconciling Marx’s historical, materialist, and dialectical principles of knowledge production with the “weak syllogism” and focus on the “generality” of production found in classical political economy. As Harvey points out, Marx wants to continue the “science” of political economy at the same time that he wants to construct a political economy that fundamentally contradicts the utopian vision of classical political economy by demonstrating the dystopian logic of the laws of motion of the capitalist mode of production (Harvey 2012, 6-7; 2010, 52-53). In that practice, Marx rigorously, and perhaps rigidly, sticks to the “regular syllogism” of classical political economy in which production is the “generality” and is, therefore, the object of theorizing if the goal is to produce knowledge of the laws of motion of the capitalist mode of production (6). In his process of abstraction, Marx seeks to look at the

generality of production as exclusively as possible while still using “organic thinking and dialectical relational analysis” to construct his political economy (10). Harvey explains, “[t]he exclusions are almost always justified on the grounds that they do not lie within the field of generality with which Marx is exclusively concerned” (11).

In the Introduction to the *Grundrisse*, Marx does not counter the “weak syllogism” of classical political economy — in which production is the generality from which the other categories can be deduced (as the term “syllogism” suggests) — with a claim that the categories are methodologically equal. Instead, he claims they are the categories of an “organic whole”: production, distribution, exchange, and consumption form “the members of a totality, distinctions within a unity,” “different moments” of an “organic whole” between which “mutual interaction takes place” (Marx 1978e, 236). In his political economy, however, Marx concentrates on the moment of generality that is production. In contrast to the classical political economists, Marx does not conflate that generality with “universality.” Universality for humans is “the metabolic relation to nature” in which general (but always historically specific) modes of production exist. In classical political economy, the generality of capitalist production is itself viewed as universal, which makes the laws of capitalist production natural laws. For Marx, however, the laws of capitalist production “are a product of human action” (Harvey 2012, 12). The laws of capitalism are thus social laws that can be isolated in the production of theoretical knowledge of capitalism. In fact, isolating those social laws is the only way to gain knowledge of a capitalist mode of production as the generality of the material conditions of life that are, in fact, conditions under which every individual lives even though they are socially produced conditions. “Production predominates ... over the other moments,” even though it does so as only part of a whole that includes those other moments (Marx 1978e, 236), thus the method of political

economy as a historical materialist dialectical method of abstraction can isolate production in the process of theoretical construction.

The specific way in which production predominates also determines the method of “the grasping of real relations” of a capitalist mode of production. Production predominates not only over the other moments but also “over itself, in the antithetical definition of production. The process always returns to production to begin anew” (Marx 1978e, 236). Harvey clarifies that seemingly strange relationship of the generality of production to itself: “The production that ‘predominates’ within a capitalist mode of production is *the production of surplus-value*. ... It is, after all, the production of surplus-value that is the fundamental focus of Volume I of *Capital*” (Harvey 2012, 15). I here extend Harvey’s elaboration of Marx’s cryptic statement. There are clearly two definitions of production: the thesis and the antithesis. As Marx asserts in the Introduction to the *Grundrisse*, the thesis of classical political economy is that production is the simultaneously universal and general process of material production. But, he says, material production cannot be understood as such by political economic theory because material production is always historically specific social production, or a particular mode of production. Capitalism is material production, but it is specifically *capitalist social production*, meaning it is production that occurs through specific social relations (relations of production that are also material conditions). In his statement about production predominating and “the process always return[ing] to production to begin anew,” the “process” that Marx refers to is capitalist production, the production of surplus-value, while “production” in relation to that process is simply material production. Hence, as Harvey explains, the process of producing surplus-value is the production that predominates over production as material production, and the production of surplus-value is the production of a social relation (15):

The production of surplus-value through the circulation of capital is, in short, the pivot upon which the law-like character of a capitalist mode of production turns. No surplus-value then, no capital. This was the fundamental break that Marx made with classical political economy. (15)

In the critique of political economy and development of an alternative political economy that I attempt in Part I of this dissertation, I follow Marx in attempting to reconcile the “weak syllogism” and the related focus on the generality of production with a historical materialist dialectical method of theorizing. But I also attempt to further enrich the political economy of communication as a theory of the generality of communicative production by integrating the particularity of distribution and even the singularity of consumption in a dialectical way and to whatever extent is necessary to grasp “the real relations” of capitalist communicative production rather than in a way that is aimed *a priori* at a “dialectic balancing of concepts” (Marx 1978e, 228). In order to do so, in the next chapter, I draw on Marx’s own discussion of the dialectical relationships between production and the other “moments” — distribution, exchange, and consumption. I also draw on Raymond Williams’ explorations of a materialist theory of culture and his project of theorizing communicative production, theories of audience activity as “meaning-making,” Horkheimer and Adorno’s theory of the relationship between commodified culture and consciousness, and Marx’s theory of the labor process.

CHAPTER 3

TOWARD A POLITICAL ECONOMY OF AUDIENCE LABOR

In the previous chapter, I defined aspects of a historical materialist dialectical method of political economy that, I claim, provides a way to theorize processes of capital accumulation in relation to audience labor. In this chapter, I work further toward a political economy of audience labor by looking specifically into how to theorize audience activities of cultural consumption and signification in relation to capital accumulation. I begin this chapter with an effort to renew Raymond Williams' project of theorizing communicative production and communication as labor. I continue with an effort to reconceptualize the audience labor process to develop a more detailed theory of audience labor as a process of communicative production. I conclude with an effort to outline a political economy of audience labor in its most basic form, a theoretical contribution that culminates my critique of the political economy of the audience commodity describes how communicative capital extracts value from the audience activities of cultural consumption.

Renewing Raymond Williams' Project: Theorizing Communicative Production

Williams is essential to the development of a political economy of audience labor because of his work to develop a method of theorizing communicative production. He conceptualized the "means of communication" as "means of production" and theorized communication and culture as human processes of production (Williams 1980a; 1980b; 1981), thereby providing a way to theorize culture and consciousness through the theory and concepts

of political economy. Most importantly, human productive activity is at the core of Williams' materialist method of theorizing: "A society is not fully available for analysis until each of its practices is included" (1980a, 44). Cultural practices are an aspect of "the general social process" (44). Within what Williams (1980b, 53) called "the whole historical social and material process," by which he meant human existence, both culture and consciousness are produced. Echoing Marx (1978e), Williams (1980a, 46-49) insisted on theorizing human activities primarily as processes of *production* rather than consumption, and he said there had been a particular failure to do so with respect to communicative and cultural practices.

Dan Schiller (1996) has found in Williams' work the basis for developing a "unified conceptual framework" for theorizing communication. Schiller concluded his history of communication theory by declaring Williams had provided a necessary way forward — a way to unify communication under the concept of labor, i.e. a way to theorize communication *as* labor. I attempt to build on Schiller's claim by demonstrating how a renewal of Williams' project is productive in the way Schiller claimed through an argument about how it specifically helps advance the project of developing a political economy of audience labor, both by helping to demonstrate the need for such a theoretical development and by providing essential means by which that development can be accomplished.

The first of what I consider to be Williams' most significant contributions relevant to the political economy of audience labor concerns the issue of "base and superstructure in Marxist cultural theory." Rather than approaching culture and cultural activities as an aspect of the superstructure that is determined by the base, as received Marxist theory does, Williams insisted it is necessary to reconsider the base in order to understand "the realities of the cultural *process*" (Williams 1980a, 33, emphasis added). Williams pointed out that Marx emphasized "productive

activities,” thus a process of production rather than a static “base” (34-35). Cultural production is, then, clearly not outside the general process of production, and the cultural practices that make of the cultural process of production cannot be seen as “superstructural” simply because they are cultural: “A society is fully available for analysis until each of its practices is included” (44). It is then possible to theorize culture as production rather than simply consumption by discovering “the nature of a practice and then its conditions” (47).

Theorizing culture by looking at “the conditions of a practice” (Williams 1980a, 48) is useful in relation to the method of political economy I discussed in the previous section. That materialist method of theorizing culture can be expanded in way that is directly productive for a political economy of audience labor by enriching it through Williams’ discussion of “productive forces” and, in particular, the means of communication as means of production. In contrast to the received conception of productive forces as “industrial” and by definition excluding supposedly superstructural aspects such as means of communication or other means of cultural production, Williams asserted that a productive force is “all and any of the means of the production and reproduction of real life” (Williams 1977, 91). It is then possible to understand the previously evaded or missed “material character of the production of a cultural order” (93) as “real practices, elements of a whole material social process ... many and variable *productive practices*, with specific *conditions* and intentions” (94, emphasis added). It is possible, finally, to see that it is necessary “to look at our actual productive activities without assuming in advance that only some of them are material” (94). It is in the precise spirit of that statement that a political economy of audience labor can be developed by means of a historical materialist dialectical method. A specific elaboration of the “means of communication as means of production” contributes further to that process.

Williams declared directly and simply that “means of communication are themselves means of production” (Williams 1980b, 50) and, by doing so, produced a powerful insight for the method of theorizing a political economy of communication (exactly the kind of “theoretical revision ... of the definition of productive forces” he said was necessary (1977, 136)). The concept of “means of production” is an already existing — and central — concept of political economy, but Williams did not attempt to determine how those means of communicative production should be integrated into a political economy of communication through a historical materialist dialectical method. Instead, he explored them historically and in the process generated a second insight for the political economy of communication: the category of “communicative production.” In the final section of this chapter, I attempt to integrate the means of communicative production into a political economy of audience labor. For the moment, I hold off further discussion of that simple but powerful insight because Williams did not discuss it further in terms of political economic theory.

Williams’ historical analysis of the means of communicative production is useful for political economic theory as a way to see that, while those means of communication are “subject to historical development” (50), they are also all means of production, whether “technological” (i.e. “media”) or “natural” (i.e. language) (51). His claim that the “main result” of his “restated theoretical position should be sustained historical inquiry into the general history of the development of means of communication” (54) is an issue I take up in chapters four and five, in which I attempt a very general rethinking of media history from the perspective of the history of the development of the means of communication as means of production within the history of capitalist communicative production in relation to audience labor.

While Williams (1980b) suggests the need for a “history of ‘communicative production,’ ” (53-54), I take it as necessary to also theorize communicative production, i.e. to develop a political economy of communication by means of the materialist method suggested by Williams. As I want to specifically develop a political economy of audience labor, I want to be able to theorize audience labor within capitalist communicative production. By doing so, I aim to answer Smythe’s call for a historical materialist dialectical method of theorizing communication by appropriating Marx’s method and using it to theorize communicative production and audience labor with the help of Williams’ insights, thereby theorizing communication as capital and determining the nature of the exploitation of audience labor. Williams is a useful resource for one final, but necessary, development: theorizing communication as labor.

I return to Schiller’s explanation of how a “unified conceptual framework” for theorizing communication as labor can be derived from William’s project. Williams generally used the term “practice,” but “labor” is the term for what Williams described as practice — human material and social activity — that is useful within political economic theory. Schiller has defined labor more specifically as “the species-specific capacity for human self-activity to which speaking and thinking, as well as action and energy, are alike integral” (Schiller 1996, xi). Schiller has found, in the emphasis in Williams’ work on cultural practice as just one kind of practice within the whole social process, the basis for theorizing communication as labor, which, importantly for this dissertation, enables an understanding of what Schiller has described as “the successive twin ‘moments’ of media production” — “media production” and “media consumption” (xvi), the latter being what I conceptualize as audience labor. In Williams’ late work, Schiller has said, he moved toward the idea that “labor constitutes the comprehensive category of human self-activity, operative at once across the whole range of ‘intellectual’ pursuits ... as well as within more

familiar precincts of directly ‘economic’ production” (191) — i.e., toward “a single historical continuum of practice ... [that] made no concessions to the reification of ‘intellectual’ labor” (192). Schiller added that is specifically necessary to move “against the familiar dichotomy between ‘production’ and ‘consumption’ ” and toward a unified conception (i.e. labor, thus production) (194). To that end, he concluded that “we must spend significantly greater effort in cultivating the study of audience members not simply as viewers or readers ... but rather as persons whose labors including paying attention to the media” (194). This dissertation is an attempt to contribute to that effort. To do so, it is now necessary to focus specifically on the audience labor process.

Reconceptualizing the Audience Labor Process:

Signification through Cultural Consumption

Smythe described a theoretical “blindspot” to “the production of ideology” (Smythe 1978, 121) and traced that blindspot to a methodological error. He insisted that a historical materialist dialectical method was necessary to bring into view a theory of “the production of ideology,” and he insisted that method would lead to a theory of audience members doing the work of producing their own consciousness as a *consumer* consciousness, thereby producing “demand” for commodities, while their capacity to do that work is exchanged as an audience commodity that is produced and sold by communication industries and purchased by advertisers (Smythe 1977; 1978). Putting aside, for the moment, my critique of that political economic theory (and the political economy of the audience commodity as a whole), I argue Smythe provides an important starting point that can be further developed as the basis for an alternative political economy that corrects the errors of the political economy of the audience commodity: the connection between audience labor and the production of ideology.

Audience labor is a kind of labor involved in that production. Smythe provided only a vague description of it as paying attention, “learning to buy,” and “learning the theory and practice of consumership” (Smythe 1977, 4, 6, 20). Jhally and Livant described it a little more specifically as the creation of meaning and “the process of consciousness” (Jhally and Livant 1986, 142-143). Building on Williams’ (1980) notion of “communicative production” and what Schiller (1996) derives from Williams as the basis for theorizing communication as labor, it is possible to think of the audience labor process as a process within communicative production, thus a process that *produces* something. The question that must be answered, then, is what is the nature of that audience labor process?

The process I describe as audience labor is also often described as cultural consumption, which suggests that it is necessary to take seriously the “singularity” of consumption, as it is described in the Introduction to the *Grundrisse*, in order to theorize the audience labor process. In order to then develop that theory of the audience labor process into a political economy of audience labor, it is then necessary to connect the “singularity” of consumption to the “generality” of communicative production, as well as the “particularity” of distribution. I attempt the latter two theoretical developments in the next section. Here, I attempt to develop a basic theory of the audience labor process by trying to determine, first, how theories of audience activity as the creation of meaning contribute to a reconceptualization of the audience labor process beyond the theory of audience labor in the political economy of the audience commodity; second, how Horkheimer and Adorno’s theory of the relationship between the commodification of culture and the production of ideology contributes to a theory of the audience labor process; and, finally, how Marx’s description of the labor process in Volume I of *Capital* can be used as a template for a theory of audience labor.

Stuart Hall's "Encoding/Decoding" essay provides a useful starting point for enriching the theory of audience labor through an integration of theories of the "meaning-making" audience, despite the fact that Hall's essay is directed precisely against the theoretical development for which I am using it, insisting as it does on the distinction between what Hall described as "discursive 'production' " and "other types of production" (Hall [1980] 2006, 163; Schiller 1996, 149). Hall offered a revised theory of the process of "mass communication" and the relationship between communication industries and their audiences, in the language of semiotics and through the method of structuralism (theorizing, e.g., "articulations" between "relatively autonomous" "determinate moments" (164)). Audience labor can be seen in the process Hall described as "decoding." Hall described what he called the process of "discursive production" this way: "In a 'determinate' moment the structure employs of code and yields a 'message': at another determinate moment the 'message', via its decodings, issues into the structure of social practices" (165).

Within the whole process of "encoding" and "decoding" in "discursive production," there is the possibility for a "struggle over meanings" (Hall [1980] 2006, 168) precisely because of the necessity for "signs" to be "decoded." Signs are by nature "polysemic" (169), and within the "connotative" aspect of the "decoding" process, signs are not fixed but are instead "more open, subject to more active *transformations*" (169). Since "decoding" "has its own conditions of existence" (170), there is "no necessary correspondence" between "encoding" and "decoding," and so the meaning for audience members is one they produce, although within certain structural limits determined by the "code" itself (169), although it is further always possible to "decode" a message with a "negotiated" or even "oppositional" code (172-173).

While, for Hall, the process of “encoding” in the production of messages is a “labour process” (164) and consists of “*interpretive work*” (169), the audience’s activity of “decoding” is not characterized as work at all. Furthermore, for Hall, “discursive production” itself is distinct from other types of production because its products (“sign-vehicles” containing meaning) take on different “discursive forms” as they circulate through the communication process, and since “discursive production” must operate within the “formal rules” of language (163-164), it is not like other kinds of production. Still, the attention Hall drew to the process by which audiences produce meaning using the “encoded” meanings they encounter in messages produced by communication industries opens up the possibility of focusing attention on the process by which audience members produce meaning through their activity of consuming culture. Hall took meaning out of the message itself so that an audience member is not merely the receiver of meaning contained in a message, a perspective that obviously leads to the pursuit of knowledge of the “effects” of that message on the audience, but is rather a decoder of meaning, which leads instead to the pursuit of knowledge of the meanings made by the audience. One such approach is the “active audience.”

It is possible to make further progress toward a reconfiguration of the audience labor process by enriching the concept of audience labor with aspects of the concept of “active audiences.” The connection to Hall’s theory of the “active transformations” of meaning possible in the process of “decoding” is evident in Fiske’s description of the theory of the audience as “active” in the sense of being a “social” rather than “textual” subject: “The actual television viewer is a primarily social subject. This social subjectivity is more influential in the construction of meanings than the textually produced subjectivity which exists only at the moment of reading” (Fiske 1987, 62). Further along those lines, Fiske stated that analysis has to

pay more attention to “the gaps and spaces that open television up to meanings not preferred by the textural structure, but that result from the social experience of the reader” (64). The theory of the “active audience” “making meanings” makes it possible to enrich the theory of audience labor by specifying the audience labor process and the product of that process. The basic theory of audiences making meanings is one that must be adapted to political economic theory in the form of a theory of audience labor. Fiske’s emphasis on “how meanings are made by the active reading of an audience” (67) is useful in that process of further developing the theory of audience labor. The product of audience activity is “meanings,” thus audience labor is the process of signification through cultural consumption.

Political economy cannot produce knowledge of actual meanings produced by individual audience members through their consumption of culture because it is not an empirical, historical approach, as is needed to understand the meanings produced by any individual person, nor is it even a theory of the production of those specific meanings. Political economy can only be a theory of the production of meaning as it relates to the treatment of communication as capital, thus dealing with meaning-making only abstractly. Political economy cannot provide any insight into the specific consciousness of actual individuals but can only explain how the process of signification through cultural consumption is related to a process of circulation and accumulation capital.¹⁰ In the development of that political economy, Horkheimer and Adorno (2002) are another useful resource.

¹⁰ A historical materialist dialectical method for producing knowledge of the actual consciousness individuals produce seems to be a continuing need for research in communication and other fields in order to replace all non-dialectical approaches (e.g. the behaviorist “effects” approach, the cultural studies “meaning-making” approach) with a method that views the production of consciousness as a material social process. Sartre (1968) seems to have developed such a method as a method of producing historical knowledge (rather than the theoretical knowledge of political economy) that he characterized as a “structural, historical anthropology”

Horkheimer and Adorno's (2002) essay on "The Culture Industry" makes a potential contribution to a political economy of audience labor through its discussion of the relationship between commodified culture and the production of ideology. Their theory of the production of consciousness is not a political economic theory, but it can be a source of developing the latter because it can be used to reveal something about the audience labor process from the perspective of political economic theory. Horkheimer and Adorno make no mention of audience activity as labor, and their focus is on how the culture industry produces ideology. As such, there is a danger of the audience being lost in the process they describe. But there is a crucial complexity to their argument that makes it a resource for a political economy of audience labor: It is not simply that the commodification of culture in itself produces "mass deception"; there is specifically a relationship between the content of culture and the consciousness that is produced by the consumers of that culture.

The culture industry — the industry that mass produces culture, i.e. the collective system of cultural production comprised by "mass media" industries — produces a certain kind of "sameness" (Horkheimer and Adorno 2002, 94). The sameness Horkheimer and Adorno are concerned with is suggested in the essay's subtitle: "Enlightenment as Mass Deception." They are concerned with what happens to the content of thought when culture is commodified, specifically when cultural production is the mass production of cultural commodities. Without a source for critical thought, as they assume culture can be, there is mass deception rather than enlightenment. The particular concern of Horkheimer and Adorno is not, in itself, the culture that

(xxxiv). Peck (2002) has used that method to analyze the "dialectic of signification" between signifying subjects and signified objects, which I term (in the language of political economy) audience labor and the cultural object of that labor. Political economy can explain, at the level of "generality," how that process of "signification" is also a process through which capital is accumulated (what I am calling a political economy of audience labor) but it cannot explain signification itself at the level of the "singularity" of individual signification.

is produced by the culture industry as a mass of commodities but rather how that culture relates to social consciousness, i.e. mass enlightenment or mass deception. The culture produced by the culture industry, they conclude, is the basis for the production of mass deception, of the “ideology” that reproduces the status quo under the name of freedom of choice, i.e., a dialectic of enlightenment.

The “insatiable uniformity” of cultural production by the culture industry impoverishes the “aesthetic material” of culture because the production process is that of industrial mass production, which unifies the content of the cultural products that could instead be individual cultural expressions (Horkheimer and Adorno 2002, 97-98). Cultural production prior to the culture industry was not unified in the same way. It did not present a “false identity of universal and particular” (95), so it allowed for details to be emancipated from the cultural products of which they were a part, which allowed for the particularity of every individual work as “the detail ... rebelled as unbridled expression, as agent of opposition, against organization” (99). Such details are subdued and subordinated to the totality of the formula of the culture industry’s cultural production: “the formula ... supplants the work” (99). The products of the culture industry thereby produce a “withering away of imagination and spontaneity” as the consumers of those products are prohibited from thinking if they are not to miss all the effects that are, however, parts of the formulaic totality (99-100). “Each single manifestation of the culture industry inescapably reproduces human beings as what the whole has made them. And all its agents ... are on the alert to ensure that the simple reproduction of mind does not lead on to the expansion of mind” (100).

Prior to the in the culture industry’s standardization of cultural production, it was possible for individual cultural producers to give “strength” to expression — “without which existence is

dissipated unheard” — through the use of style as “a negative truth,” “as a rigor to set against the chaotic expression of suffering” (Horkheimer and Adorno 2002, 103). The tension, the contradiction, between the particularity of the individual expression of truth and the universality of truth was made visible, with style as the site of a “struggle with tradition” and the “expression of suffering.” (103). The attempt and necessary failure to achieve an identity of the particular and the universal was the productiveness of the tension between style and individual expression, but the products of the culture industry are “nothing other than style,” which “divulges style’s secret: obedience to the social hierarchy” (103-104). The culture industry is “the irrefutable profit of the existing order,” sweeping aside “objections to itself along with those to the world it neutrally duplicates” (118). To be entertained by the products of the culture industry is only to escape “from the last thought of resisting” a “bad reality,” to be liberated “from thinking as negation” (116).

While the promise of mass enlightenment seems inherent in the increased availability of culture created by the culture industry’s mass production of culture — “The public should rejoice that there is so much to see and hear” (130) — the content of that culture, as described in the passages above, ensures that no such enlightenment is imminent. The unifying sameness of the culture produced by the culture industry effects a sameness in social consciousness. “All are free to dance and amuse themselves. . . . But freedom to choose an ideology . . . everywhere proves to be freedom to be the same” (135-136). It is clear that, for Horkheimer and Adorno, there is a relationship between culture and the consciousness produced through its consumption. Since audience labor is the consumption of culture, then culture is clearly a resource used in the audience labor communicative production process of signification, and control over culture is the means by which capital controls audience activities as a way to accumulate capital. In order to

see the contribution of Horkheimer and Adorno's theory, as well as the theories of active, meaning-making audience, make to the theory of audience labor and the political economy of audience labor, it is necessary to put those theories in the terms of political economy.

Marx's theory of the labor process in Volume I of *Capital* provides a template for translating the reconceptualization of the audience labor process developed above into a theory of the audience labor process that can serve as the basis for transforming the existing political economy of the audience commodity into a political economy of audience labor. The human labor process, in its simplest sense and independent "of any specific social formation," has three elements: "(1) purposeful activity, that is work itself, (2) the object on which that work is performed, and (3) the instruments of that work" (Marx 1990, 284). There are then three concepts: labor, object of labor, and instrument of labor. The audience labor process, similarly abstracted from the specific form it takes under capitalism, can also be first theorized as a process involving audience labor, the object(s) of audience labor, and the instrument(s) of audience labor.

Audience labor in that sense is simply the activity of audience members. The object of audience labor is the object that is typically perceived as being consumed by audience members: culture, or signified objects created to have their meaning consumed, which in this case includes advertisements. However, to speak of "audience labor" is actually to already presuppose labor in a specific social relation and, furthermore, to presuppose specifically capitalist communicative production. To treat audience labor as a fundamental human kind of labor apart from any "specific social formation" is to reify the culture industry that creates audience members out of individuals in the first place. The object of audience labor as "culture" assumes the existence of the production of something that can be identified as a distinctly cultural product; it assumes the

existence of the culture industry. It is necessary to abstract further from audience labor to see that it is more generally the labor of signifying, or producing meaning through the consumption of meaning. The object of that labor is then anything perceived by the senses and thus “consumed” in thought.¹¹

However, in order to avoid moving way beyond the bounds of a political economy of communication, I return to the already socially specific *audience* labor process and treat it as abstractly as possible, but with the necessary proviso I have just made. The object of audience labor, then, is what I refer to as culture, by which I mean any signified object that anyone might identify as a cultural product. I use “culture” in the same broad sense that Marx used “nature” in describing the human labor process in its most fundamental, and therefore abstract, sense:

“Labour is, first of all, a process between man and nature” in which man “appropriate[s] the materials of nature” (Marx 1990, 284); “The labour process ... is an appropriation of what exists in nature” (290). There is no “nature” in that abstract sense, but at the level of human knowledge of the “universality” of the “metabolic interaction between man and nature, the everlasting nature-imposed condition of human existence” (290), there is. In the process of abstraction necessary to theorize the audience labor process in the most general sense, I similarly use culture as a term that singularly encapsulates what is in reality an endless multiplicity.

¹¹ Furthermore, that labor cannot itself be understood as a truly distinct kind of human labor because it is, in fact, an aspect of all human labor. Humans produce their own consciousness in the process of living, not only when they are doing specific activities, such as consuming culture. It is for that reason that a political economy of *consciousness* is ultimately necessary, but that is a potentially enormous field that would encompass the consciousness producing aspect of every human activity and the conditions in which consciousness is produced in all of those cases. While that does seem like a necessary development of political economic theory, I limit my proposed contribution to it to the political economy of audience labor within the already defined bounds of the political economy of communication, which requires taking for granted the existence of communication as an activity that is treated as separate from other activities, which is to assume the existence of communicative capital.

A concrete labor process has as its object specific “materials of nature”; in the same way, a concrete audience labor process has as its object specific materials of culture, although it is better to say cultural materials because even at the most abstract level we cannot think of “culture” as something existing independently of humans since it is a distinctly human creation. As an object of labor, culture is never available “in nature”; it is always a product of other human labor, which I term cultural labor. As such, culture is what Marx referred to as “raw material”: It is an object of labor that has been “filtered through previous labour” (Marx 1990, 284). The contemporary discussion of “remix” culture demonstrates the ongoing process of producing culture from the raw material of existing culture (see, e.g. Lessig 2004, 29-30, 61; Gillespie 2007, 280). It is important to specify that the object of audience labor, as cultural raw material, is not, for instance, a book but rather what is signified through the visual representation of language printed on the pages bound together as a physical book. The raw material that is the object of audience labor is, in its most specific sense then, immaterial, but it is always material as part of the material audience labor process: It must always be objectified and materialized, in that it is an aspect of the consciousness of a cultural laborer objectified in a physical form, whether in spoken language, printed language, or even digitized language, which still requires a physical manifestation in order to be, e.g., perceived on a computer screen.

The instrument of audience labor is what is used by audience labor to work on the object of that labor. “An instrument of labour is a thing, or complex of things, which the worker interposes between himself and the object of his labour and which serves as a conductor, directing his activity onto that object” (Marx 1990, 285). The instrument of audience labor is a communication medium, which includes electronic and digital “technologies” but is more generally any and all means of communication used to *consume* culture. Paper is an instrument

of audience labor (e.g. a book, a newspaper), but so are a television, a computer, and a smartphone. Eyes and ears (and, potentially other organs of the body related to the human senses) are the simplest instruments of audience labor.¹² The “objective conditions necessary for carrying on the labour process” are also instruments of labor (286).

“[B]oth the instruments and the object of labour are means of production” (Marx 1990, 287). Within the audience labor process, it is necessary to add to Williams’ description of the “means of communication as means production” that culture is a means of production as the object of labor. That formulation allows audience labor and its means of production to be put into the basic model of surplus-value production in Volume I of *Capital*: A capitalist buys labor-power and means of production, employs them in a production process that produces a commodity that has more value than existed at the start of the production process, and can realize that surplus-value as profit through the sale of that commodity. But the audience labor process and the communicative production that occurs through that labor process do not fit into that model. And because of that, audience labor-power cannot be commodified in the way labor-power is in the model of surplus-value production. To return to the *Grundrisse*, audience labor, as an act of consumption, is a “singularity.” That is all the more obvious when it is understood that the product of audience labor is, in the most fundamental and abstract sense, individual consciousness.

The labor processed described by Marx is also a consumption process, but it differs from individual consumption:

Labour uses up its material elements, its objects and its instruments. It consumes them, and is therefore a process of consumption. Such *productive consumption* is distinguished

¹² In gathering fruits, for example, “a man’s bodily organs alone serve as the instruments of his labour” (Marx 1990, 285).

from *individual consumption* by this, that the latter uses up products as means of subsistence for the living individual; the former, as means of subsistence for labour, i.e. for the activity through which the living individual's consumption is the consumer himself; the result of productive consumption is a product distinct from the consumer.

(290, emphasis added)

Productive consumption is the consumption of the objects and instruments of labor to produce a product that is alienable from the producer, who is also necessarily a kind of consumer within the labor process. Individual consumption is the consumption of products in order to produce the consumer (e.g. the individual consumption of food as a means of subsistence), who is thereby the producer of him- or herself (Marx (1978e, 228-229) also referred to this as “consumptive production”). The audience labor process is a process of individual consumption, as it is the consumption of culture as a means of subsistence for the social subjectivity of individuals. Audience labor-power is not commodified, thus it is clearly necessary to look beyond the model of surplus-value production through the commodification of labor-power and the productive consumption of the labor process in order to understand how value is appropriated from audience labor.

And yet, the culture industry in the U.S. alone generates billions of dollars in profits from its control of access to culture and from seemingly “selling audiences” to advertisers, which suggests audience labor is exploited in some way in connection with the accumulation of capital by the culture industry. The existing political economy of the audience commodity does not explain that process, in large part because of its insufficient theoretical attention to the audience labor process. A political economy of audience labor must be developed in order to understand

the relationship between audience labor and capital accumulation, and the exploitation of audience labor. I outline that political economy in the final section of this chapter.

Contribution to a Political Economy of Audience Labor

It is possible to develop a general outline of the political economy of audience labor, as a theory within the political economy of communication, on the basis of the reconceptualization of the audience labor process undertaken in the previous section. To do so it also to use Marx's method of political economy as the method of the political economy of communication, and to draw on Williams in order to think of communication as communicative production and communicative activity as labor. It is, furthermore, to narrow that theoretical focus to audience labor within communicative production in order to look at the process of signification through cultural consumption as a process of capital accumulation. To produce a political economy of audience labor in that way is to see communication as capital.¹³

Communicative capital can only control the audience labor process of signification through cultural consumption, and extract value from that process, by controlling the objects of cultural consumption. Advertisers can only influence the actual consciousness produced through audience signification, which is their immediate aim, by turning objects of cultural consumption into signified objects designed to have a specific "effect" when they are consumed and worked on in audience labor processes of signification. The political economy of audience labor shows

¹³ Although, as I have already argued, it is not the only way to see communication as capital. Communication can also be seen as capital in the production of culture. I would then suggest that the political economy of communication should be seen as the overall theory of the circulation and accumulation of capital *in the communication process* and, further, that there are two branches of that theory, dealing with the two basic aspects of communicative production: one looking at capital accumulation in the consumption of culture and another looking at capital accumulation in the production of culture. It seems the political economy of media could be a sub-theory of either aspect of the political economy of communication, as a theory focused on the technology used in communicative production — a theory of media *as capital*.

the accumulation of communicative capital to be a process of appropriating value in its distribution. At the level of “generality,” surplus-value is produced; at the level of “particularity,” that surplus-value is distributed (Harvey 2006, 61, 69). Communicative capital cannot commodity audience labor-power and appropriate surplus-value through the appropriation of the products of audience labor, because the product of that labor is, in the immediate sense, immaterial and subjective. It is the meaning produced through cultural consumption, and when memory is taken into account, it can also be seen as being meaning that is produced at a later time than when the consumption activities occur. In relation to audience labor, communicative capital can only appropriate value in distribution. Communicative capitalists essentially seek to redistribute value from the wages of workers as well as receive a share of the distribution of surplus-value from other capitalists through advertising.

For that reason, it is necessary to integrate the “particularity” of distribution into the “generality” of production in the construction of a political economy of audience labor. As the labor involved is audience labor of individual cultural consumption, it is also necessary to integrate the “singularity” of consumption into the “generality” of production in order to construct a political economy of audience labor. I say integrate into production because political economy is a theory of the level of “generality” that is production, thus a more historical approach would be necessary to generate more complete knowledge of the “particularity” of distribution and, especially, the “singularity” of consumption. Political economy can only deal with those aspects as they relate to the “generality” of production. As the first section of this dissertation is an attempt to contribute to the development of the political economy of audience labor within the capitalist mode of communicative production, I will deal with distribution and consumption as they relate to capital accumulation through communicative production. In the

historical and empirical analytical chapters that follow in the next two sections of this dissertation, I will be primarily concerned with understanding the political economic history of audience labor in communicative production, i.e. how the generality of capital accumulation through the communicative production of audience labor can be used to understand as one aspect of the complex reality of capitalist communicative production, which involves actual companies seeking to accumulate capital through the exploitation of specific audience activities.

While advertising is a way in to the relationship between audience labor and capital accumulation, as it seems to be a situation in which the communicative capital “sells audiences” to advertisers, which lead Smythe to theorize audience labor-power as a commodity and Jhally and Livant to theorize concrete audience labor (time) as a commodity, the relationship between communicative capital, audience labor, and advertisers actually points to the necessity of uncovering a more fundamental relationship: the social relation that creates audience laborers in the first place, which is a social relation between communicative capital and audience labor. If communicative capital has the power to sell audience labor-power, labor-time, or something else related to audience activities that is as yet undefined, and thereby has the power to direct the audience labor process to work on advertisements so that it can accumulate capital through advertising revenue, then there is some social relation through which communicative capital has that power over audience labor. It is that relationship that defines audience labor as a specific kind of labor related to capital in a specific way. When that relationship has been defined, it is then possible to understand the relationship between audience labor, communicative capital, and advertising, in which communicative capital uses its power over audience labor to appropriate value not from audience labor but rather from advertisers.

Two critiques of the political economy of the audience commodity point out the issues of political economy generated by that body of scholarship and help direct the development of an alternative political economy, which I am calling a political economy of audience labor. Jhally and Livant (1986) first suggested rent as a useful category for the political economy of the audience commodity, but they did not then pursue an integration of the relation of distribution defined by rent into their political economy. The first critique I consider, Chen's (2003), did not deal with the fundamental relationship between audience labor and communicative capital. He followed Jhally and Livant in situating the audience commodity (as commodified audience labor) in the sphere of circulation, which implies that audience labor's relation to capital is that it is productive toward an acceleration of the rate of turnover and a faster realization of surplus-value for the commodities advertised.

In Chen's theory, industrial capitalists, as advertisers in relation to communicative capitalists, pay rent to communicative capitalists for access to audiences (Chen 2003, 9-10). Communicative capital appropriates a portion of industrial capital's surplus-value as rent, and industrial capital will pay that rent "to prevent a realization crisis" (11). Chen has concluded that the audience commodity constitutes a *fictitious* commodity, accepting Meehan's claim that the audience commodity is actually only the ratings commodity, a "constructed audience image" (13). Thus, communicative capital produces and circulates *fictitious capital* because it does not (and, I argue, cannot) actually purchase audience labor-power. The value of the fictitious audience commodity is constituted by *credit* generated through the ratings commodity (13). That credit is what he had described as rent: Communicative capital's fictitious audience commodity is purchased by advertisers/industrial capital, with the money paid constituting *fictitious capital* as credit since the exchange is a process of speculation on the part of industrial capital that

purchasing the (fictitious) audience commodity will generate more surplus-value through faster realization (12-13). For that reason, Chen has claimed communicative capital actually accumulates *debt* through the advertising money it receives as *credit* from industrial capitalists, a claim that seems to negate itself. But, he also claimed that “accumulation of debts can appear as an accumulation of capital as long as audiences/consumers/workers do not seriously challenge the circulation of the fictitious audience commodity” (15).

While Chen generated a useful insight by employing the concept of fictitious capital to understand the relationship between communicative capitalists and advertisers — an insight I will further explore below through Harvey’s development of the concept in relation to the capitalization of rent (Harvey 2006) — his depiction of a “credit-sustained television economy” does not hold up to close scrutiny. Like the political economy of the audience commodity, Chen claims there is no real audience labor performed (14) and so pays no attention to the audience labor process. I contend that audience labor is at the heart of the accumulation of capital through the consumption of culture. The commodity exchanged between communicative capital and advertisers is not a fictitious commodity at all; it is culture as the object of audience labor. Actually, it is access to culture, which is controlled by communicative capital through copyright and other means. I will return to that point after considering how another critique of the political economy of the audience commodity contributes to an elaboration of communicative capital’s power of audience labor.

The second critique I consider is Caraway’s (2011). Caraway proceeds from Chen’s claim that the concepts of rent and fictitious capital provide a means to correct errors in the existing political economy of the audience commodity (701). Caraway pointed to the centrality of rent in the exchange of what Smythe and others had called the audience commodity but took

that fact as evidence that there is no “audience labor” and there is certainly no exploitation of audience labor. Caraway claimed an *a priori* need for “a balanced approach to the class analysis of free labor” (694), meaning digital labor, because he assumed, along the general lines of the Autonomist Marxist view, an inherent process of liberating human labor in connection with the increasing significance of “knowledge and social cooperation for the organization of work” (693), i.e. the rise of “immaterial labor,” the “general intellect,” and the “social factory.” He argued that the political economy of the audience commodity “tends to overstate the realization of” capital’s efforts to exploit digital labor, which is always “contingent, contradictory, and contested” (694). While I agree with the latter point, a “balanced approach” as Caraway employs it leads to a conclusion that “class antagonism” is driving “the trajectory of capitalist development” in communicative production toward the liberation of communicative labor (706). For Caraway, Smythe’s theory of audience labor exploitation is inherently “counter-revolutionary” (702) by its very claim that such exploitation exists.

Contrary to what Caraway has claimed, Smythe’s theory does not dismiss “audience subjectivity” (Caraway 2011 705); quite the contrary, he insisted audience subjectivity is put to work in the production of ideology. Caraway also described audience subjectivity as “working-class subjectivity,” which makes clear that, as is true of the political economy of the audience commodity he critiqued, he considers the audience commodity and audience labor from the perspective of the circulation and accumulation of capital in general rather than *within communication*. For that reason, Caraway presented as an argument that undermines Smythe’s theory the claim that workers struggled to win the very leisure time that Smythe claimed was transformed into audience work time (702-704). But that debate about leisure time is beside the point of whether audience labor is exploited, which would necessarily be a process within

communicative production. What Smythe did not do was to look more closely at the audience labor process, which would have enabled him to see that audience members do not only work when consuming advertisements, when they produce the ideology of consumption that generates demand for commodities, but, more accurately, they work whenever they consume culture, i.e. whenever they are in the position of audience member and cultural consumer in relation to communicative capital. Unfortunately, Caraway also did not look closely at the audience labor process in terms of political economic theory. From the specific perspective of audience labor, and an understanding of the audience labor process and the process of signification through cultural consumption, it is clear that capitalist accumulation has not been disrupted by resistance from audience labor.

However, Caraway did pinpoint the fundamental flaw in Smythe's political economy: the theory of the commodification of audience labor-power (697). As Caraway has pointed out, and as I noted in the previous chapter, "the audience does not appear as a seller of a commodity in Smythe's formulation" (697), as the laborer does in Marx's formulation of labor-power as a commodity in Volume I of *Capital*. But Caraway then resorted *back* to the *Capital* Volume I model to show that Smythe's theory was wrong by insisting the exploitation of labor can only happen in a process that fits the Volume I model (697), while he claimed Smythe's theory was a theory of *rent*. Caraway then claimed rent is the correct way to theorize the relationship between what I call communicative capital and advertisers (701) and I think his basic formulation is correct, if "rents" is replaced by "lends": "The media owner rents the use of the medium to the industrial capitalist who is interested in gaining access to an audience. The rental may be either for time ... or space" (701). In the process, however, Caraway intentionally eliminated audience

labor from the theory. I argue to the contrary that the concept of rent actually helps clarify the process of audience labor exploitation.

Caraway was also correct in claiming that Smythe provided “no demonstration” that the audience labor process “is under the control of the capitalist; nor is there any attempt to show that the use value is alienated from the audience” (697). It is not possible to demonstrate either without a deeper interrogation of the audience labor process itself, as I argued in the previous section. Although Caraway made no effort to pursue that line of inquiry despite his repeated emphasis on “audience subjectivity” in the face of what he perceived as Smythe’s dismissal of that subjectivity, he concluded that audience members do *not* “work for capital when they interpret media texts” (701) — the audience labor that I describe as signification through cultural consumption — because the “meanings” that he views as the “use values” derived through that interpretation are “not under sufficient control by the capitalist” (701). In fact, copyright is precisely the property relation that puts the interpretation of media texts under capitalist control as audience labor that can be exploited, and is also a relation of distribution that is a “production-determining distribution” (Harvey 2006, 332) by which capital has enough power over communicative production to appropriate value and accumulate capital in relation to that production process. I will expand on that point below.

From the perspective of my critique of the audience commodity, it is curious that the critiques of that political economy by Chen and Caraway have only further driven audience labor beyond the view of political economic theory, i.e. they have only reinforced a tendency that already exists in the political economy they critique. I claim they have simultaneously provided insights that can be used to truly see audience labor and to construct a political economy that accounts for the exploitation of audience labor *and* pushed political economic theory away from

such a development. Furthermore, neither critique considered the audience labor process or the fundamental social relation that creates audience labor in the first place. Although they both looked beyond the model of surplus-value production through the exploitation of labor in the production process presented in Volume I of *Capital*, as I claim is necessary to understand the exploitation of audience labor, by not considering the reality of audience labor or the process and product of that labor, they were unable to see that they had actually opened up the possibility to develop a political economy of capital accumulation through the exploitation of audience labor at the level of distribution.

In order to proceed from that opening, it is first necessary to develop a theory of the social relationship that defines audience labor within the capitalist mode of communicative production: the relationship between audience labor and communicative capital. Audience labor, as individual consumption and a process of individual signification, is a “singularity.” For that reason, audience labor-power cannot be commodified. Its product, meaning — or, in the most general sense, consciousness — can never be alienated in the way other products of human labor can. That product is, in its most essential form, immaterial, but it can and must always be materialized not just to be “communicated” but also to be the “practical consciousness” of a living person, either as actions guiding thoughts, spoken language expressing thoughts, or cultural objects expressing thoughts in language, images, etc. It is not possible to own the capacity to signify, the audience labor-power, of another person in the way that labor-power as the general human capacity to create through conscious activities of material production can be commodified, but that does not leave audience labor free of social determination or even exploitation. It is possible to own the means of communicative production that are means of cultural consumption for audience labor, both culture as the object of audience labor and, in

some cases, media as the instruments of audience labor, and through that ownership of the means of communicative production the “singular” signifying labor of audience members can be brought into the process of capital circulation and accumulation. The same holds true for digital audience labor, and for that reason it is crucial that digital audience labor and digital cultural labor not be conflated in the political economy of communication.

The “particularity” of distribution is also a crucial aspect of capitalist communicative production: The social relation that defines audience labor is a relation of distribution. Ownership of the object of audience labor, culture, occurs most obviously through copyright. But culture is not a typical commodity. The ownership of culture is determined by the specific qualities of culture as an object of labor and a means of production: Culture is fundamentally immaterial in nature, when culture is considered the “meanings,” “ideas,” or “information” signified in a cultural product, as I define it here, rather than the material medium through which it is accessed. To be an object of labor, however, it must, of course, be objectified, and thus it must be materialized. But culture is, therefore, “non-rival”: the consumption of it by one person does not preclude the consumption of it by another person (Benkler 2006, 36). The consumption of culture is not like the consumption of commodities that are rivalrous. The ideas, meanings, expressions, etc., the consciousness objectified in it, is never fully consumed but is only *used* — it is used as the object on which audience labor works to produce meaning subjectively — and it remains available for use by another audience laborer or by the same audience laborer in a repeated use (e.g. re-reading a book), as long as it exists in an objectified form and can therefore be an object of labor.

The purchase of a cultural commodity is only ever payment for *access*. It is rent. The consciousness objectified and materialized in a book does not become the property of the book

purchaser. Ownership of the physical object that is the book is purchased, but ownership of the “ideas” expressed in material form as language printed on paper remains with the copyright holder. The copyright holder is a cultural “landlord” who does not accumulate capital through the sale of commodities but rather through the granting of access to a privately owned cultural resource in return for payment, i.e. through rent.

For capitalist communicative production, the process that appears as similar to the typical consumption of a commodity, and thus the completion of the process of capital accumulation in the realization of surplus-value through the purchase of the commodity that is then consumed, is actually the central production process for the accumulation of capital. Even at the origins of the capitalist mode of communicative production, in the book trade, audience labor, rather than the cultural labor of objectifying ideas in the physical object of a book, was the fundamental labor process by which the process of communication was a process of capital accumulation.

Ownership of culture as the object and raw material of audience labor is the basis for audience labor itself — it is the social (and property) relationship through which individuals are made into consumers of culture whose activities are a source of value to communicative capital because of its control of means of production. In that way, culture is like land, and the use of culture as a means of production in communicative production creates a process of exploitation that, like the process in relation to land, occurs in distribution, through the appropriation of (surplus-)value as rent.

“Monopoly power” through “private ownership of land is the basis of rent as a form of surplus value” (Harvey 2006, 73). The same can be said of culture. Crucially, Harvey adds that the power of private ownership of land “would come to nought ... were it not for the fact that land is an indispensable *condition* of production in general ... even a *means* of production” (73).

Again, the same goes for culture: It is precisely because culture is a condition and a means of social signification that private ownership of culture through copyright creates monopoly power for the copyright holder that can be used to appropriate rent. The appropriation of rent is a relation of distribution that also affects “the conditions of production” (69).

The communicative production of audience signification is affected by rent as a condition under which that production occurs: Access to culture is required for communicative production through the audience labor process, but the copyright holder controls that access. Distribution relations are also class relations: There is not simply “capital,” there are capitalists who appropriate surplus-value in different ways (as profit on productive capital, profit on merchants’ capital, interest on money capital, and rent) and, therefore, exist as “fractions” or classes: industrial capitalists, merchant capitalists, rentiers, and landlords (Harvey 2006, 73-74). The copyright holder, then, is like the landlord, but is also a kind of capitalist. The landowner in a capitalist mode of production does not use the land but instead treats the privately owned land as a pure financial asset (347): “in return for a straight monetary payment,” the landlord “confers all rights to the land as both instrument and condition of production” (343). The owner of culture operates similarly, granting the right to use culture in exchange for rent, thereby either appropriating value from the wages of a wage-laborer or surplus-value from the profit, interest, or rent of another capitalist. Any individual who wants access to culture owned by a communicative capitalist becomes an audience laborer, and that individual’s audience activities of signification through cultural consumption become a means by which communication is treated as capital. Cultural consumption becomes an exploited activity.

Harvey (2002, 98) argues the specific kind of rent that can be appropriated through copyright is monopoly rent. “All rent is based upon the monopoly power of private owners ... by

virtue of their exclusive control over some directly or indirectly tradable item which is in some crucial respects unique and non-replicable” (94). That certainly seems to describe culture as an exclusively owned resource. When there is no competition for ownership of the privately owned resource, monopoly rents can be realized (Harvey 2006, 350), and that is certainly the case with copyright, which is by definition a monopoly right rather than an ownership right that is subject to competition.

The instruments of audience labor, as means of communicative production, have existed in the form of ownership by communicative capital, as in the case of a movie screen in a movie theater (and also the theater itself). But audience laborers generally own the basic instruments of their labor in the form of a commodity they have purchased, as in the case of a book, a newspaper, a radio, a television, and a computer. Therefore, ownership of the instrument of audience labor is not a significant issue for the general relationship between communicative capital and audience labor, although it is a defining aspect of specific audience labor processes, such as watching films in a theater. The foundational relationship, however, and the relationship by which the capitalist mode of communicative production is defined, is the “production-determining distribution” relationship created by the private ownership of culture. That social relation of distribution conditions the communicative production process of audience signification.

Audience labor is exploited by communicative capital through a relation of distribution that conditions the production process so that audience labor is dependent on communicative capital for access to the object and “raw material” it needs as a means of signification through cultural consumption. Communicative capital can use its power over audience labor to appropriate value directly from audience labor by, e.g., charging a fee for access to its

monopoly-owned culture. That extraction of rent is a process of direct exploitation of audience labor by communicative capital, since value is directly appropriated from audience labor.

Communicative capital can also use its power over audience labor to appropriate surplus-value from advertisers while providing audience labor free access to culture. As ownership of culture provides the owner a power to appropriate a constant stream of rent (until the copyright expires), that rent can be treated as capital by being capitalized as “the interest on some imaginary, fictitious capital” (Harvey 2006, 347). This is the case of communicative capital renting culture to advertisers, which is not granting access for use, as it is when rent is appropriated from audience labor, but is rather the lending of a portion of the objectified form of culture itself, as in the lending of space in a newspaper, by which part of the space becomes advertising space, or the sale of time in a television program, by which part of the time becomes advertising time. In return for that loan of cultural space of time as fictitious capital, advertisers pay interest to the lender, a communicative capitalist.

That extraction of interest from advertisers is a process of indirect exploitation of audience labor by communicative capital, since the surplus-value is taken from the advertiser rather than the audience laborer. I argue that the process can still be seen as one in which audience labor is *indirectly* exploited because communicative uses its control over audience activities of cultural consumption to appropriate value and, in the process, directly modified the audience labor process by transforming part of the object of that labor process into an advertisement. The advertiser will pay the interest because it gains a portion of communicative capital’s power over audience labor by doing so. As the owner of culture and, consequently, the possessor of some power over audience activities (but never enough to make audience labor sell its labor-power), the communicative capitalist is in a dominant position in relation to the

advertiser, who seeks to gain power to affect the audience labor process. But, to the extent that communicative capital becomes reliant on the interest it appropriates from advertisers as its sole source of surplus-value, communicative capital is in a position of dependence in relation to advertisers.

When culture is exchanged as a commodity, lent by communicative capital and borrowed by advertisers, the process becomes one not simply of appropriation of interest but of the circulation of fictitious capital. It seems that here culture is quite different than land. Rent on land can be capitalized as fictitious capital by selling “title to the ... rent yielded. The money laid out is equivalent to an interest-bearing investment. The buyer acquires a claim upon anticipated future revenues, a claim upon the future fruits of labor” (367). It seems that advertisers, as borrowers of culture, do not seek ownership of the right to the rent that can be appropriated in the future through control of a specific cultural object. They do not seek to appropriate surplus-value from audience labor in the communicative process of signification through cultural consumption. Advertisers do seek a claim upon the future fruits of labor, but it is the specific fruits, or products, of *audience* labor.

That brings back the issue of “singularity” and the fact that the product of audience labor is, in the most general sense, consciousness. Advertisers are interested in that product. While the ultimate aim of advertising is to facilitate the sale of a commodity, that is not a process that occurs within communication as capital. It is not a process that directly involves audience labor. The only way to facilitate the sale of a commodity within communication is to affect the actual consciousness produced by specific individuals — what Smythe described as producing the ideology of consumer consciousness that creates demand for advertised commodities. While communicative capital seeks to appropriate value through ownership of the object of audience

labor (whether directly through payment by audience labor or indirectly through advertising revenue), and is only concerned with the specific consciousness produced through signification by it audience laborers to the extent that, e.g. popularity yields relatively higher rent or interest, advertisers are precisely concerned with the specific consciousness they can “effect” in specific individuals by making their advertisements the object of those individuals’ audience labor. It seems, then, that Smythe was correct on at least one count: *for advertisers*, audience labor is productive when it produces the specific consumer consciousness that creates demand for commodities.

Through this simple formulation of the political economy of audience labor, the “singularity” of individual cultural consumption and the “particularity” of the distribution of value through the appropriation of rent and interest by virtue of the monopoly ownership of culture are integrated into the “generality” of the communicative production of audiences as a process of capital circulation and accumulation. Audience labor is made visible to political economy, and one aspect of communication as capital can be understood as a matter of audience labor *exploitation*. In the next part of this dissertation, I demonstrate more concretely how the political economy of audience labor I have outlined in this chapter is a useful theoretical framework for understanding the complex reality of power of activities of cultural consumption and the treatment of communication as capital by using that theoretical perspective to examine key aspects of the history of audience labor exploitation with the capitalist mode of communicative production.

PART II:
A VERY BRIEF HISTORY OF AUDIENCE LABOR EXPLOITATION

CHAPTER 4

AUDIENCE LABOR AND THE ORIGINS OF THE CAPITALIST MODE OF COMMUNICATIVE PRODUCTION, c. 1450-1790

This chapter and the next comprise Part II of this dissertation. In these two chapters, I interpret aspects of media history as aspects of a history of audience labor exploitation. In this chapter, I interpret the history of copyright's origins in England and in the U.S. from the perspective of the political economy of audience labor outlined in Part I of this dissertation.

I argued in the concluding section of the previous chapter that, from the perspective of a political economy of audience labor, culture is the object of audience labor as the raw material audience members work on in their signification through cultural consumption. As an object of labor, culture is more generally a means of production. To the extent that culture as a means of production is similar to land in that it is a resource of which ownership is control over access to the resource and, thereby, the basis for the appropriation of value (as rent) in exchange for access, then a fundamental aspect of the origin of the capitalist mode of communicative production seems likely to be found in the process by which culture became private property and the capitalist audience was created as a class of individual audience laborers divorced from the means of production, just as the origin of the capitalist mode of production has been ascribed to the process by which land became private property (Marx 1990; Wood 2002). Copyright, as the property relation in which culture is private property, is clearly at the center of the process by which audience labor and communicative capital were created.

**The Secret of the ‘Primitive Accumulation’ of Communicative Capital:
Cultural Property and Audience Labor**

A useful starting place from which to think about how to determine the process by which capital is accumulated as culture and audience labor is produced is Marx’s description, in Part Eight of Volume I of *Capital*, of “the pre-history of capital” and the capitalist mode of production, which reveals the true “secret” of the process that initiated capitalism: the separation of the land from the individuals who work the land, “the historical process of divorcing the producer from the means of production” (Marx 1990, 875), a process in which “force” plays “the greatest part” (874). Marx describes a process by which land in England was turned into private property, first in an unorganized way until the state stepped in to make the appropriation of land a legal process (883). In the 18th century, “the law itself becomes the instrument by which the people’s land is stolen” (885). In land, the power of the state was used to enclose the commons and turn land that was communal property — and, importantly, commonly accessible for use — into private property (879, 885-886). The same can be said of the appropriation of culture through copyright, which was also codified into a monopoly right by state power in the 18th century with the Act of Anne in 1710.

The process by which common land as well as other land (e.g. Church property) was turned into private property was a method of the “primitive accumulation” of capital, one process of the creation of capital. Capital was accumulated through the appropriation of land, which turned an essential means of production into landed property and the owners of that property into landlords who also functioned as “a faction of capital” (Harvey 2006, 334, 343, 347, 351, 366). Landlords control access to the land they own and can demand rent payments for access, and they can also sell that land. The process by which culture was turned into private property was,

similarly, a method of the “primitive accumulation” of communicative capital: the accumulation of capital as culture. Capital was accumulated through the appropriation of culture, which turned an essential means of communicative production into cultural property and the owners of that property into cultural “landlords” who also function as a faction of capital. The owners of culture control access to the culture they own and can demand rent payments for access, as in the case of the price of a book that grants access to the ideas of an author, and they can also lend the culture they own, as in the case of lending cultural space or time to advertisers.

Although culture is always a product of human labor, it is no more inherently private property than is land. As noted in the previous chapter, the consciousness objectified and materialized in a cultural product is non-rivalrous as an object of labor: the use of the ideas expressed in a book (through reading, i.e., consumption) does not preclude their use by someone else. But the need to objectify and materialize those ideas into language printed on paper and bound together as a book in order for them to be available for consumption, thus to be accessible as an object of audience labor, makes the private control of access to those ideas an inherent potentiality. Access to culture is always a potential object of monopoly control; copyright provides that control as a property right.

The process by which land was turned into private property was also the process by which a social relation between capital and labor was created. It is a *class* relation: a class of owners of capital and a class of owners of labor-power. “The process ... which creates the capital-relation can be nothing other than the process which divorces the worker from the ownership of the conditions of his own labor” (Marx 1990, 874). That process turns land, “the social means of subsistence and production,” into capital (874). With land, the basic means of subsistence, owned as private property and access to it controlled by the property owner, the

mass of people is thereby forced to sell its capacity to work in return for money with which to purchase the means of subsistence. The creation of that social (and class) relation is a necessary condition for the capitalist mode of production (Harvey 2006, 358-359), which is a mode of production based on the exploitation of wage-labor. “The starting point that gave rise to both the wage-laborer and to the capitalist was the enslavement of the worker. The advance made consisted in a change in the form of this servitude ... into capitalist exploitation” (Marx 1990, 875). The transformation of land into private property was, therefore, a “revolution in the relations of production” (879).

The same holds true for the capitalist mode of communicative production and the specific process of audience communicative production through cultural consumption, although there are also important differences. The process by which culture was turned into private property was also the process by which a social relation between communicative capital and audience labor was created, a class relation between owners of culture and owners of audience labor-power. Divorcing the consumers of culture from culture, which is a necessary means of (communicative) production, creates a class of audience laborers who need access to a means of production owned by copyright holders. As a “revolution in the relations of” communicative production, the transformation of culture into private property differs from the transformation of land into private property. Audience laborers cannot be forced to sell their audience labor-power and work for communicative capitalists. The only power communicative capitalists gain over audience laborers is the power to appropriate rent in return for access to their privately owned culture. Audience laborers retain a certain level of independence and autonomy from communicative capital by virtue of the fact that their labor is an act of individual consumption, a “singularity” that cannot be brought within the “generality” of the laws of capital accumulation but only into a

dialectical relation with those laws. The “particularity” of distribution remains the essential mediator, making the relation between communicative capital and audience labor a relation of distribution that bears directly on the relation of communicative production.

The accumulation process by which culture was transformed into private property, organized by copyright law, was a revolution in the relations of distribution, which is the only process by which the capitalist mode of communicative production could be originated. Communicative production through audience labor was (and continues to be) revolutionized by the creation of a property right in culture through copyright. The enclosure of culture, then, should not be seen as a “second enclosure” that is only occurring in recent decades with the expansion of copyright’s scope and term, while the first enclosure is the transformation of common land into private property, as Boyle (2008) claims. The enclosure of culture was the creation of copyright itself, and that process seems to have been just as central to the origins of capitalism as the enclosure of land. The history of copyright’s origins can be re-interpreted on that basis as the process by which culture was originally accumulated as capital in order to create a means to extract value from audience activities of cultural consumption.

The Early History of Copyright and Culture as Capital in England

Paul Starr’s interpretation of the history of the origins of modern copyright sees intellectual property as one of the bases for the development of “a new sphere of public information, public debate, and public opinion” (Starr 2004, 23). Rather than the “opening of the public sphere” (23) that Starr interprets the process being, I interpret it as the creation of the capitalist audience and of communication as capital. For Starr, the transition from a system of licensed printing monopolies to a system of copyright is the opening of the public sphere and “a landmark in the history of free speech” (35). While the copyright system surely offers greater

access to culture than the pure monopoly of the state licensing system in England in the 16th and 17th centuries (28-29, 34-36), the creation of the copyright system is also the transformation of control over access into a basis for appropriating surplus-value from consumers of culture through the exploitation of the audience labor process. It is the creation of the capitalist mode of communicative production.

As with the general transformation of the mode of social production from feudalism to capitalism, which for the mass of people is “their *emancipation* from serfdom and from the fetters of the guilds” but also the robbery of “their own means of production, and all the guarantees of existence afforded by the old feudal arrangements,” “the history of their *expropriation*” (Marx 1990, 875, emphasis added), the transformation from licenses to copyright and culture *as capital* is a liberating development at the same time that it is the organization of communicative production into a system in which the fundamentally necessary process is the circulation and accumulation of capital. The goal is not to increase access to culture, but rather to appropriate value and accumulate capital to the maximum extent necessary in relation to the activities of accessing and consuming culture. Capital accumulation is the end, and access to culture is a means to that end, so control over that access through the ownership of culture is the basis of a relationship of exploitation. The reasons given by stationers (as communicative capitalists who both appropriate rent for access to culture in books and exchange titles to the ownership of culture itself) in their petitions to the British Parliament for securing private property rights in books as monopoly rights to make copies make clear that their aim is capital accumulation, and the resulting Statute of Anne established copyright as the means to achieve that (Deazley 2008).

From the perspective of the process of the circulation and accumulation of capital that is at the core of capitalism, copyright as a property right that is itself saleable is the opening of a capitalist mode of communicative production, which requires culture to be treated as capital and communication to be a process through which capital circulates. While copyright itself is a monopoly right, a system of communicative production organized around copyright and private ownership of culture rather than exclusive license direct from the state is a system through which capital can flow relatively more freely. The state creates private property as a legal condition under which production occurs independent of the state rather than through the state, as is the case with direct licensing, and ownership of the means of production is the basis for capital accumulation. But, again, the production process in question is the individual process of signification through audience labor, which requires access to culture as a means of production (as raw material, the object of labor). Copyright is then a relation of distribution in which ownership of culture enables the extraction of value in exchange for access to that means of signification.

Starr (2004) does recognize the creation of modern copyright as the “rise of capitalism” (25), but the creation of “capitalism and democracy in print” in the U.S. (113) is, for him, a story of reciprocity between the two — a “politically driven transformation” in the Revolutionary era, “followed by an economic one” (111), and a “politically driven path of development in American communications” that then “paid off economically” (150) — a march toward freedom driven by “constitutive choices” (1, 83) and transforming the nature of social power, culminating in “the opening of the public sphere.” While not completely discounting Starr’s narrative, the story told in this chapter is a brief history of the creation and development of the conditions necessary for the exploitation of audience labor and the accumulation of capital *as*

communication. Starr's sphere of "openly *accessible* information and communication about matters of general social concern" (24, emphasis added) is also the sphere of *control over access* to culture in order to accumulate capital through the very process of communication Starr celebrates.

The printing press was simultaneously a revolution in the means of cultural production and the means of cultural consumption. "After the fall of Rome ... [l]ittle that might be regarded as similar to copyright was recognized until the Renaissance, when the innovation of the printing press stimulated the accelerated distribution of written knowledge" (May and Sell 2006, 55). Bettig (1996) explicitly links "the origin of intellectual property" to "the emergence of the printing press and the rise of capitalism" (9, 14). Culture could be produced as the objectification and materialization of an individual's consciousness in the text printed in a book much more easily than in a manuscript, while books were a radical transformation of the means of cultural consumption and signification that revolutionized the audience labor process. Assuming increased literacy to match the increased availability of access to culture, the development of book printing was the creation of a means to exploit audience labor on a scale that was not previously possible. Starr describes how the consumption of culture through books was precisely a means by which the producers of books accumulated wealth, since "from the time of Gutenberg, printing was organized commercially, and as the technology spread, so did a capitalist framework in the book trade" (Starr 2004, 26). Bettig (1996, 15) describes book printers as "merchant capitalists" who accumulated wealth through the sale of commodities (i.e., books).

It seems that ownership of the means of cultural production, the printing press, is the basis for the power to accumulate wealth as capital in communication through the production and

sale of a commodity, and that it is, therefore, ownership of a printing press that initially defined the capitalist mode of communicative production as the general process of capital accumulation through cultural *production*. Readers of books, it seems, are merely consumers who purchase commodities and realize the surplus-value in the commodity books as surplus-capital for book printers. However, selling a book is selling both access to culture and the medium through which to access it, or, in terms of the audience labor process, access to the object of audience labor (the “raw material” of culture) and the instrument of audience labor (the medium of a book). The circulation of capital does not end with the sale of a book being the appropriation of surplus-value as profit for the printer as bookseller. That exchange, in which an audience laborer as a reader purchases means of cultural consumption, is the beginning of a production process — signification through audience labor (i.e., consumption of culture through the reading of a book). But the circulation of capital does indeed reach an endpoint there, but only because the communicative production process through individual consumption of culture is a “singularity” that is a barrier to the flow of capital. Hence, the audience signification is beyond the limits of capital, which can only be accumulated through a process of exchange that in this case is primarily the exchange of access. For that reason, the book printer appropriates value not as profit but, rather, as rent.

Owning a printing press, which is a means of cultural production, is more akin to being a landlord than a merchant capitalist because it (potentially) provides ownership of the book that is produced, which provides the power to control access to the cultural content of that book. That implies the book producer owns the culture, not the author. While romantic notions of authorship and a Lockean theory of property as the product of one’s own labor have been central to the development of copyright and the idea of ownership of culture (May and Sell 2006, 20-21, 93;

Bettig 1996, 19-23), as a property right providing control over access to culture, copyright is a power belonging to the person (or company) who can accumulate capital by selling (renting) access to culture (or selling the property right itself). Thus, the printer as the producer of a book has a reason to claim ownership of the cultural content of the book, not simply the physical book the printer has produced. The early claims of copyrights made by (and granted to) the Stationers' Company before the English state altered the legal system of property rights in culture through the Statute of Anne demonstrate that fact. "As printing and bookselling developed, information itself increasingly became a commodity" (Starr 2004, 25).

Maintaining control over access to the cultural content of books was, therefore, a central concern to anyone wanting to accumulate wealth by selling books. "Once printers were producing books for sale, they sought some right to restrict copying to ensure that other printers did not copy their books, prompting the development of a form of legislated copyright" (May and Sell 2006, 56). It was in Venice in 1474, only about two decades after the development of the printing press, that "[f]or the first time a legal and institutional form of intellectual property rights established the ownership of knowledge" (May and Sell 2006, 58) — creating the legal basis for ownership of "knowledge" as a general property right rather than a *de facto* right gained through a unique monopoly privilege granted by the state to, e.g. print a specific work. Ownership was not sought simply over the book itself as the product of a cultural production process; ownership over the specific *content* of a book was sought in order to ensure a *monopoly power* to sell every copy of that specific book (May and Sell 2006, 65-69; Blagden 1960, 32-33; Starr 2004, 29) in individual processes of appropriating rent from readers as audience laborers. Such monopoly power existed in the state-granted monopolies of Europe, including the "*privilegi*" in Venice (May and Sell 2006, 58) and the licensing system in England.

But those licensing systems restricted the total wealth that could be accumulated through ownership of culture to the small group granted a monopoly privilege. Hence, the beneficiaries of those systems had an interest in their continuation, while the wealth of the nation stood to be increased by a more liberalized system in which capital could circulate more freely. That process of liberalization did not occur until the 18th century. Venice's patent statute of 1474 was a supplement to, rather than a replacement for, the *privilegi* system (59-60). Even the Statute of Monopolies enacted in 1624 in England, which generally worked "against royal monopolies" (Cornish, quoted in May and Sell 2006, 82), exempted royally granted printing patents (Walterscheid 2002, 61). Through the 17th century, the ability to exploit audience labor remained a power limited to those granted monopolies by royal decree. As long as the ownership of culture remained a property right confined to a limited group of royal beneficiaries, the accumulation of capital through the exploitation of audience labor could only occur on a relatively small scale.

In the 18th century, the efforts of the Stationers' Company to solidify its monopoly power in England contributed, instead, to a process that undermined that monopoly power: The social relation between communicative capitalist and audience laborer became generalized as ownership of culture became a liberalized property right, creating the conditions for a capitalist mode of communicative production. Through the licensing system in England, a system by which the crown granted exclusive, monopoly printing privileges (Starr 2004, 28; May and Sell 2006, 80-91; Bettig 1996, 17-22; Feather 2006, 26-27, 29-36, 41-50), the members of the Stationers' Company became a powerful oligopoly of communicative capitalists.

In 1557, the Stationers' Company, a trade guild for those trained in the crafts involved in book-making as well as those who sold books — and a guild that predated printed books

(Blagden 1960, 22-23) — received a charter of incorporation from the crown that granted it an almost exclusive right to own a printing press (Starr 2004, 28; Blagden 1960, 21). The Stationers' Company was one of the first (if not the first) corporations (Blagden 2006, 10 (The East India Company was incorporated in 1600)). Two years later, the company initiated a system of copyright registry that listed who owned the property right over a specific work and, thus, the monopoly power to print copies of that work (Starr 2004, 29; Feather 2006, 34). “The Stationers thereby turned the regulatory authority entrusted to them into a system of property rights” (Starr 2004, 29). In 1603, the Stationers' Company received a royal grant that completed its process of combining its copyrights with the “letters patent” (royal grants of exclusive right to print specific kinds of books) that had been held by other printers into the English Stock (Starr 2004, 29; Blagden 2006, 76). Culture (in the form of books) was then treated as “a pure financial asset” (Harvey 2006, 371) in the way that is necessary for capital to freely circulate as culture and as communication more generally. Culture could be both a source of rent and a kind of fictitious capital,¹⁴ but only for the Stationers, who collected a dividend payment and could use their

¹⁴ Similar to the way landed property becomes a kind of fictitious capital. The stocks are only titles of ownership, which are claims on future revenues, not the actual capital circulating. (Harvey 2006, 268). Copyright, as ownership of culture, is a title to a monopoly claim on the revenue generated from that cultural private property — title to future rent (268, 367), and “investment in appropriation,” rather than production, of surplus-value (269). The “real” capital circulates through the production and sale of a book, while the ownership right remains with the copyright (title) holder. In that way, ownership of culture is like ownership of land: Private property rights generate a monopoly power to appropriate rent, and that rent, as (surplus-)value, can be capitalized and then put into circulation in order to accumulate capital (367). Except, culture, unlike land, is a product of human labor, thus it has a value. It seems that the barrier to the realization of that value posed by the “singularity” of individual signification through individual cultural consumption is the reason capital must circulate as *fictitious* capital in this case. While culture has value as the product of human labor, the only value that can be appropriated by the communicative capitalist is the value that can be appropriated from audience labor as *rent*, just as the value of land, which is *not* a product of human labor, is the ground-rent that it yields to the landowner. The landowner can *capitalize* that value only as *fictitious capital*

shares of stock “as securities for loans” (Blagden 2006, 95). While there was clearly capital accumulation, there was no capitalist mode of communicative production.

The Statute of Anne in 1710 was a key moment in the development of the capitalist mode of communicative production. When the British licensing system lapsed in 1695 and the British Parliament set to the task of creating a copyright statute, the liberalized conditions necessary for the circulation of capital through communication were created: The Statute of Anne transformed a near-monopoly enterprise into a potentially competitive market, as the right to own a printing press was no longer a royal privilege and the right to own culture was, potentially, the right of anyone who could produce it. Furthermore, the right to own culture now expired, whereas previously it had been a perpetual right, thus copyright created a monopoly power that disappeared after a short time. The printing of books had been exempted from the 1624 Statute of Monopolies (Walterscheid 2002, 61; Feather 2006, 42), but now the monopolistic organization of book production was broken up, although the monopoly power was simply liberalized rather than eliminated.

Through the Statute of Anne, a property right over a work that was the product of “Learning” — or, the objectification and materialization of knowledge or consciousness — was granted to the author, who had a right to make copies of his or her own original cultural creation, i.e., a right to print that specific book. However, that property right was also a commodity that could be sold to someone who would treat it as capital: the “Purchasers” of that copyright. Hence, ownership of culture through copyright became the basis for the role of communicative capitalist. Now, however, it was not just the Stationers who could accumulate capital through the ownership of culture. While existing communicative capitalists — the stationers — continued to

(367), and the owner of culture, the copyright holder, can only capitalize the value of the rent that can be appropriated from a particular cultural property as similarly *fictitious* capital.

petition Parliament for the continuation of their monopoly rights in the early 18th century (Walterscheid 2002, 62; May and Sell 2006, 91), as the Stationers' Company had been doing since before its 1557 charter, "the strategy of the monopolists backfired" (Bettig 1996, 23). The 1710 statute opened registration of copyrights, as the claim to ownership of a particular cultural property, beyond the Stationers' Company: "Authors, or those to whom they assigned their rights, retained an exclusive right for a limited period . . . : twenty-one years for existing titles; fourteen years for new books, with an additional fourteen-year right of renewal" (May and Sell 2006, 91). The new copyright still had to be registered with the Stationers' Company.

While much is made of the emphasis on "Learning" in the Statute of Anne as the supposed reason for creating the monopoly power of ownership over culture through copyright, and of the similar emphasis on promoting the progress of "Science" in the intellectual property clause of the U.S. Constitution, the real story of what was being promoted seems to have been missed. It was, indeed, learning and scientific progress, but of a specific kind. The story of the change initiated by the 1710 Statute is not simply an attempt to balance a private interest (property and profit) and a public interest (knowledge) — a private economic incentive to produce books created by the monopoly power ensured through a limited-term property right, balanced against the resulting increase in the production of books that provided a means for the general increase in knowledge. First and foremost, the Statute of Anne was an attempt to provide what is *necessarily* a monopoly power, a private property right over culture, while preventing the complete monopolization of control.

By the late 17th century, the Stationers had an effective monopoly over the power to accumulate capital through the exploitation of audience labor. Copyright was a property right that was theirs almost exclusively, and by that point they had "neared completing the enclosure

of public domain works from classic and medieval times” (Bettig 1996, 18). Monopoly powers granted as exclusive privileges by the crown, like the patent and copyright power granted to the Stationers’ Company, had come under attack early in the 17th century (May and Sell 1996, 82), and in 1624 Parliament succeeded in curtailing the power of the crown to grant such monopoly privileges (Walterscheid 2002, 48). But the 1624 Statute of Monopolies “expressly exempted the printing patents from its ban on monopolies” (61). The 1662 Licensing act reinforced the monopoly power of the Stationers’ Company, and their monopoly power continued until the licensing system broke down with the “Glorious Revolution” of 1688 and the lapse in 1695 of what had become a Parliamentary licensing system.

During that same period, “a growing body of opinion objected to the Stationers’ monopoly on economic grounds and looked to competition as a way of bringing down prices” (Starr 2004, 35). John Lock, for one, attacked “the company of ignorant and lazy stationers” (Bettig 1996, 21). Locke contributed a memorandum to the Parliamentary debate on renewal of the Licensing Act that attacked “the monopolistic book trade” (21), and “argued it was ‘unreasonable and injurious to learning’ for anyone to have exclusive rights to print classic texts” (Starr 2004, 118-119). In the “opening” provided by the lapse of the licensing system, as Starr describes it, the Stationers’ Company lost its monopoly power (36), but it was an “opening” for other communicative capitalists at least as much as it was, as Starr claims, an opening for “a new sphere of public information, public debate, and public opinion” less bound by state control (23).

After all, it was not ownership of culture itself that was attacked by Parliament or commentators like Lock; it was the *monopoly power* of the Stationers’ almost exclusive control of copyright. That monopoly power consisted of both a property right that was their almost exclusively *and* the perpetual length of the copyright they could claim. Breaking up that

monopoly power in a way that created the most competitive conditions possible without eliminating the property right itself, which would have brought copyright in line with the general ban on monopolies and create the competitive market sought by numerous advocates without eliminating the power to own culture and to profit from that ownership, required establishing the conditions of cultural property (i.e., copyright) as a general rather than exclusive right and a right with a time limit. The 1710 Statute of Anne accomplished that: It established the conditions for the accumulation of capital through the exploitation of audience labor (enabled by the ownership of culture) as a power open to anyone who could succeed as a communicative capitalist. It established the basic conditions necessary for the development of the capitalist mode of communicative production. It encouraged “Learning” within the confines of the circulation and accumulation of capital in the process of communication.

The full title of the Statute of Anne is “An Act for the Encouragement of Learning, by Vesting the Copies of Printed Books in the Authors or Purchasers of such Copies, During the Times therein mentioned.” The impetus behind what became the Statute of Anne was the desire of a group of stationers to secure their property rights (Deazley 2008). The bill originally considered in Parliament was a “Bill for the Encouragement of Learning, and for Securing the Property of Copies of Books to the Rightful Owners thereof” (quoted in Deazley 2008). The stationers — the monopolistic group of communicative capitalists — complained that “divers Persons have of late invaded the Properties of others, by reprinting several Books, without the Consent, and to the great Injury, of the Proprietors, even to their utter Ruin, and the Discouragement of all Writers in any useful Part of Learning” (quoted in Deazley 2008).

The whole emphasis of the Bill as initially drafted lay behind the presumption that the “Copy of a Book” was a clearly recognisable form of property, equal in stature as with

any other chattel or estate. ... The preamble to the Bill had begun with a statement about the “[I]liberty frequently taken of late” in printing, without consent, the work of an author:

“[I]n whom the undoubted Property of such Books and Writings, as the Product of their Learning and Labour, remains; or of such Persons, to whom such Authors, for good Considerations, have lawfully Transferred their Right and Title therein, is not only a great Discouragement to Learning in general, which in all Civilised Nations ought to receive the greatest Countenance and Encouragement, but is also a Notorious Invasion of the Property of the Rightful Proprietors of such Books and Writings ... For preventing therefore such Unjust and Pernicious Practices for the future, ... and for the Preservation of the Property of the Rightful Owner thereof...”

The property in books and writings was apparently incontestable. (Deazley 2008)

As is evident in the original preamble to the bill cited by Deazley, the “Discouragement to Learning” was not the lack of available knowledge accessible to the reading public through books — it was not a problem of cultural production. Learning was discouraged by the inability of individuals who become learned to profit from that knowledge by selling books, i.e., by appropriating rent from audience laborers in exchange for access to culture and the necessary means to access it. An earlier petition to Parliament for a “Bill for the Encouragement of Learning” stated quite clearly whose learning was meant to be encouraged: “many Learned Men have been at great Pains and Expense in Composing and Writing of Books. ... It seems to be very reasonable, that when a Gentleman has spent the greatest Part of his Time and Fortune in a Liberal Education, he should have all the Advantages that may possibly be allow’d him for his Writings, one of which Advantages is the sole and undoubted Right to the Copy of his own Book,

as being the Product of his own Labour” (Reasons Humbly Offer’d 1706). The stated goal of “the Encouragement of Learning” was a not a social or public benefit, as the similar aim “to Promote the progress of Science and the useful Arts” in the U.S. Constitution is also now described (e.g. Starr 2004, 118-119). The encouragement of learning was the encouragement of individual learning that could then be profited from when that learning was the capacity to produce a book or other writing that was the property of its author as the product of his or her labor. It was not a private monopoly granted for a public benefit; it was a private monopoly for a *private* benefit that, secondarily, could result in a more widespread benefit.

Therefore, although the Statute of Anne undermined the monopoly power of the existing communicative capitalists, as “An Act for the Encouragement of Learning” it was, first and foremost, the use of state power to create the general conditions for the exploitation of audience labor. As the statute states, it was an act meant “for the encouragement of learned men to compose and write useful books” by providing monopoly ownership of the product of their learning through “the sole right and liberty of printing” those books, i.e., a copyright. Authors could be communicative capitalists if they had the capital to makes copies of their writing by producing books. “Purchasers” of that copyright enjoyed the same monopoly power as pure communicative capitalists who were not authors. While the 1710 act seemed to encourage as many individuals as possible to “learn,” it did so by creating the conditions to produce as many communicative capitalists as possible. The potential secondary and indirect result was the creation of the conditions by which the mass of (literate) people could also learn through their audience labor. But that mass of people was, first, the source of capital accumulation for copyright holders, who themselves were generally not the actual authors whose learning had been “encouraged” but simply capitalists treating the ownership of culture as a source of wealth.

Deazley (2008) is correct in claiming that “[t]he end result was not [...] designed to ensure ‘the control of production by a few wealthy capitalists ... [and] the continued dominance of English publishing by a few London firms’ ” because “what measure of protection the booksellers had secured, had come at a certain cost.” The 1710 statute did not ensure control of production “by a few wealthy capitalists”; it liberalized control to however many book capitalists could sustain themselves as capitalists in competitive conditions, but it still ensured control by capitalists. And the Stationers had a head start thanks to the mass of capital they had accumulated under the previous monopolistic conditions. The 1710 statute created a necessary condition for the development of a capitalist mode of communicative production, by establishing the legal basis for monopoly ownership of culture through copyright, but that property right of monopoly ownership was potentially open to anyone who could actually make use of it. More importantly, then, the monopoly power based on the ownership of culture through copyright was a power to appropriate rent from audience laborers in exchange for access to copyrighted culture, a power that, as before, required the provision of a medium of access: a book. Access to copyrighted culture as the object of audience labor could only be provided by also providing the instrument of audience labor. For that reason, the capitalists remained the individuals who could put capital into circulation to produce a book: the printers who produced a book or the publishers who organized the production of a book, rather than authors who wrote the manuscript.

Deazley (2008) is also correct that the 1710 act “was primarily concerned with the continued production of books,” but he provides the evidence to refute his own claim that this was a concern for “the free market of ideas” rather than “the marketplace of the bookseller.” The act did, indeed, strike “a culturally significant societal bargain, a trade-off involving ... the author, the bookseller and the reading public,” but that bargain was the creation of the social

roles of cultural-owning “communicative capitalist” and culture-renting “audience laborer” — with the role of communicative capitalist no longer a privileged position granted by royal authority but, instead, a position open to anyone who could turn ownership of culture into a basis for continued capital accumulation. The act did not encourage learning in general — the “free market of ideas” — but, rather, learning for profit — the free market of capital accumulation through bookselling. The purpose was to encourage individual learning by making it the basis for profit by selling books, i.e., selling access to knowledge produced through learning and objectified in a book, or access to culture, which was private property through copyright.

But, again, the monopoly power generated by control of access to culture ultimately accrued to those who could provide access, which necessitated a cultural object: a book. Authors now had a statutory property right over, essentially, their own accumulated knowledge (or, more generally, their own consciousness), but granting readers access to that property required an act of cultural production — the writing of a manuscript — and a process of ongoing cultural reproduction, book printing, for every instance of access to that cultural product to be granted for profit. Making and selling copies of cultural products (thereby selling *access* to culture and the material *means* to access it) was the means to accumulate capital from copyrighted culture. As manuscript copying could not compete with printed copying as a production process, the process of cultural reproduction necessary for capital accumulation became the printing of copies of books. The owner of the cultural product, the book, therefore, was the capitalist as the person in position to accumulate capital by selling both the right and the means to access copyrighted culture. That meant that the owner of a printing press (the means of cultural production), the printer, or the person with the capital to organize the process of cultural production and take ownership of the end product, the publisher, were empowered as capitalists in relation to the

author, who could only realize the value of his or her property by objectifying it in book form, a process controlled by the printer or publisher.

Compared to the copyright that had provided monopoly power to the Stationers, as communicative capitalists with the capital necessary to produce copies of books and exploit audience labor through the appropriation of rent, copyright after the Statute of Anne was the “form” of cultural property “adequate to capital” (Marx 1978e, 280): a social relation and a property relation that provided the necessary condition for the circulation and accumulation of capital through the ownership of culture. The Statute of Anne provided that condition more than it provided the condition for authors to benefit from the product of their cultural labor (writing the manuscripts that were copied into books). Feather is then correct to claim that “[f]or the [book] trade, the 1710 Act represented a simple continuation of legal and commercial practices which had developed since the middle of the sixteenth century, but which had been under challenge in the absence of any statutory authority since 1695” (quoted in Deazley 2008). However, the conditions of those practices were altered to create a competitive environment that allowed for an overall increase in the circulation and accumulation of capital, which required increased exploitation of audience labor — the reinforcement of culture as capital, but also the creation of communication as capital and the capitalist mode of communicative production.

Copyright in the U.S.: Audience Labor and Communication as Capital

“Modern” copyright in Britain — meaning copyright beginning with the 1710 Statute of Anne — is the law of cultural property on which copyright in the U.S. is based.¹⁵ I have already described how the Statute of Anne provided the conditions for the development of a capitalist

¹⁵ The obvious similarities in the texts of the 1710 Statute of Anne and the intellectual property clause of the U.S. Constitution and the 1790 Copyright Act alone make that clear, and numerous scholars have described the relationship: e.g., Starr (2004, 115-121); Bugbee (1967, 56, 145-148); Patterson and Lindberg (1991, 47-48); Walterscheid (2002); Bettig (1996, 24, 27-28).

mode of communicative production in Britain as the accumulation of capital through the exploitation of audience labor. The central question with respect to copyright in the U.S., then, is whether there is any reason to believe the language in the U.S. constitutional clause dealing with copyright, or the language in the 1790 Copyright Act that is strikingly similar to that in the Statute of Anne, *means* something different. Were the framers of the Constitution actually concerned with knowledge, learning, or “Science” for its own sake, or were they convinced, like their British counterparts, that science (and industrial production, or “the useful Arts,” promoted through patents) would progress because individuals would have an incentive to learn (and to invent) specifically because they could profit from that learning? The available evidence suggests that, as in Britain, the creation of copyright in the U.S. as a general property right that provided monopoly power for a limited time was intended to enable what I describe as the exploitation of audience labor and thereby promote cultural production — a result that was described as the promotion of scientific progress and the encouragement of learning.

The power granted to the U.S. Congress in Article I, Section 8 of the U.S. Constitution “To Promote the Progress of Science [...] by securing for limited Times to Authors [...] the exclusive Right to their [...] Writings” was the power to promote scientific progress and learning for profit. And, like the 1710 Statute of Anne, “An Act for the Encouragement of Learning, by Vesting the Copies of Printed Books in the Authors or Purchasers of such Copies, During the Times therein mentioned,” the similarly titled 1790 Copyright Act (1 Stat. 124), “An Act for the Encouragement of Learning, by securing copies of maps, charts, and books, to the authors and proprietors of such copies, during the times therein mentioned,” was an act to encourage *individual learning* for profit, not cultural production for the benefit of *learning in general*. The creation of cultural property rights in the U.S. as a limited-term copyright was the creation of the

conditions for audience labor exploitation so that the learned could prosper in more liberal and competitive conditions than those under which the British Stationers enjoyed dominance before 1710. It was the creation of the conditions for a capitalist mode of communicative production in which capital could circulate through communicative processes of cultural consumption and communicative capitalists faced relatively competitive circumstances.

To say that copyright in the U.S. encouraged *individual* learning specifically for profit is a different description of copyright than the commonly accepted interpretation of it as creating an “economic incentive” to put ideas into books (or, more generally, to put individual creativity into a material — hence, accessible — form) to encourage learning and promote the progress of science *generally*. The latter interpretation sees copyright as encouraging learning or promoting the progress of scientific knowledge for the *consumers* — for “the public” — by providing a limited property right and monopoly power to the *producers* — “private” authors and the “proprietors” of their work (printers or publishers). But encouraging learning by ensuring the learned a property right over their own knowledge — a monopoly right that is a source of wealth because it is control over others’ ability *access* to that knowledge, access that can be granted for the price of, e.g., a book in which that knowledge is objectified — is not the encouragement of learning as an end in itself. It is not learning, or knowledge, or science as an end to which ownership of the cultural raw material for that learning (e.g. a specific book) is a necessary means; on the contrary, copyright enables learning to be the means to individual wealth, and the accumulation of wealth is the end.

Colonial American intellectual property rights appear to have followed British practice both before and after the 1710 Statute of Anne. Seventeen years after the British parliament curtailed the royal power to grant monopolies with the Statute of Monopolies in 1624, the

General Court of Massachusetts Bay enacted a similar anti-monopoly statute, and, like the Statute of Monopolies, it exempted patents for inventions (Bugbee 1967, 61). The first printing press in the colonies was introduced in 1639 in the Massachusetts Bay Colony (65; Starr 2004, 50), and it was there also that the first copyright in the colonies was granted. As in England, the creation of cultural property through copyright in the Massachusetts Bay Colony was spurred by the desire of a bookseller, i.e., a communicative capitalist. In 1672, John Usher, a “wealthy merchant bookseller” and “son of ... the first known bookseller in the English colonies,” petitioned for and was granted a copyright over *The General Laws and Liberties of the Massachusetts Colony* through the passage of a general copyright statute (Bugbee 1967, 65-66). That statute is the only known copyright in the colonies before the 1780s (68).

As in Britain, the creation of a legal basis for cultural property in the U.S. was sought by those potential communicative capitalists who would use the monopoly power of copyright to accumulate capital. However, there was no U.S. equivalent to the British monopoly of the Stationer’s Company. “In America, the doors to publishing were wide open — a good thing for free expression, but a source of heightened risk to the entrepreneurs of the printed word” (Starr 2004, 116). For that reason, it seems, authors appear to have seen themselves as potential communicative capitalists able to benefit from their own communicative production if the necessary conditions were created through copyright (Starr 2004, 119; Bugbee 1967, 106).

With book production being a more competitive industry in the U.S. than the monopolistic British industry dominated by the Stationers’ Company, it seems reasonable that authors in the U.S. expected to benefit from their copyrights even if they did not have the means to print their own books. In competitive conditions, authors could seemingly maintain some independence by having their labor only formally subsumed by capital while earning income by

selling the copyright to their writing to “proprietors” who could organize the production of books and so use copyrights to accumulate capital through the sale of books (i.e. to appropriate rent through the exploitation of audience labor). While that might have been the case for authors under the conditions created by limited-term copyright in the U.S., it was also the case that the communicative capitalists who produced and sold books were in an advantageous position in relation to those authors because of their ability to print books by foreign authors that could not be copyrighted in the U.S. (1 Stat. 124; Starr 2004, 121; Bugbee 1967, 146). Before the 1790 Copyright Act, communicative capitalist in the U.S. could acquire a non-monopoly *de facto* copyright by actually printing the books and then appropriating some rent from those who purchased the books, but, as Starr said in the quote cited above, that was a high-risk venture, especially when compared to the comfortable monopoly of the British Stationers.

Still, there was good reason for authors in the U.S. to seek copyright over the products of their own communicative labor even if they could not print their own books: That copyright, and the monopoly power inherent in it, could be sold to communicative capitalists who could then accumulate capital through the exploitation of audience labor. In that way, authors and publishers could accumulate capital through the legal right of private ownership of cultural property. While the Stationers’ Company, as communicative capitalists, petitioned for a copyright statute in Britain, it was authors who did so in the U.S.: “The impetus for copyright in America came from individual authors in the years just before the Constitutional Convention. [...] [A]most as soon as the Revolution was over, authors descended on state legislatures in search of copyright protection” (Starr 2004, 119).

The Congressional power in Article I, Section 8 of the U.S. Constitution to create cultural property through a limited-term copyright “To Promote the Progress of Science” justifies private

property rights in culture with language that clearly evokes the 1710 Statute of Anne (“for the Encouragement of Learning”) and was typical of the arguments for copyright made by authors. While Walterscheid (2002, 89) concludes “[t]here is nothing in the record of the [Constitutional] convention or any subsequent statement by any Framers that indicates why a need was perceived” for a clause in the Constitution that explicitly granted Congress the power to create copyright (and patent) laws, it seems clear that the intent was the same as that behind the Statute of Anne: the creation of the conditions for *individual* learning for profit. The intent was not described in such blunt terms because it was viewed as a necessary condition of an Enlightened society, not the creation of the ability to exploit audience labor for capital accumulation through rent, but there was a definite recognition that the creation of copyright was the creation of a means to directly profit from the communicative labors of learning and then writing. The arguments for copyright in the U.S., like the arguments made in Britain, recognized the reality created by a capitalist mode of production: the need to profit from activity. Perhaps because that need seems to have been treated as natural,¹⁶ the response was to provide the private property rights necessary to satisfy that need through communicative labor rather than provide altered conditions in which learning could be an end in itself.

Copyright, as a monopoly over cultural property, even a limited-term monopoly, is based on more than the assumption “that human beings required economic reward to be intellectually

¹⁶ Consider, e.g., Madison’s formulation of “the first object of government” in light of “the nature of man,” “diversity in the faculties of men,” “property,” and “faction”: The “rights of property” originate from “the diversity in the faculties of men” (Madison [1787] 2003, 41).

The protection of these faculties is the first object of Government. From the protection of different and unequal faculties of acquiring property, the possession of different degrees and kinds of property immediately results: and from the influence of these on the sentiments and views of the respective proprietors, ensues a division of the society into different interests and parties. The latent causes of faction are thus sown in the nature of man. (41)

or artistically *creative*” (Bettig 1996, 25), i.e., to produce culture; it is based on the assumption that human beings require economic reward to learn or produce their own knowledge (or, more generally, consciousness). It was assumed that the progress of science had to be promoted through a private property right over individual knowledge, making every individual a potential communicative capitalist with the ability to accumulate wealth by appropriating rent in exchange for access to his or her *ideas*. But, since access to ideas could only be provided when those ideas were *expressed* in some material form, the only way to grant individuals a monopoly power over their own knowledge was to give them a right to control its material expression (including every copy of that material expression).

Copyright, then, is not just monopoly ownership of culture as the *expression* of ideas; it is the ownership of *ideas*. The ownership of ideas, however, only matters when those ideas are expressed, i.e., when they are culture, as the objectification and materialization of an individual consciousness, and are thus a potential object of cultural consumption through audience labor. Then, an idea is like land in that it is a valuable resource to which others need access in order to *use* it and, because of that, it is also potentially private property. The only way an author can accumulate wealth from his or her ideas is to express them, i.e., to make them an object of audience labor and a means to exploit audience labor. While the idea/expression dichotomy is a key aspect of modern copyright law, in which ideas supposedly cannot be owned and copyright provides only ownership of the specific expression of ideas as cultural property (Netanel 2006, 61-62; Vaidhyathan 2003, 28-30), it appears to be illusory in relation to the private property and monopoly power actually created by copyright, which is really monopoly ownership over ideas, knowledge, “Learning,” or, more generally, consciousness. There seems to be an implicit

recognition of that fact in the very things that copyright is presumed to promote: “Learning” and “the Progress of Science,” which, again, are promoted as individual achieved ends.

The authors who advocated for copyright in the U.S. also seem to have recognized that copyright was not only ownership of culture but also, fundamentally, ownership of consciousness. That is particularly obvious in the case of the references made to the encouragement of “genius.” Since the Articles of Confederation did not mention copyright (Bugbee 1967, 106), authors in the U.S. launched a campaign for copyright in the 1780s (112). They succeeded in getting the Continental Congress to appoint a committee “to consider the most proper means of *cherishing genius* and useful arts through the United States by securing to the authors or publishers of new books their property in such works” (quoted in Bugbee, 112, emphasis added) and persuading that committee “that nothing is more properly a man’s own than the fruit of his study, and that the protection and security of literary property would greatly tend to *encourage genius*” (quoted in Bugbee, 113, emphasis added). The Continental Congress recommended in 1783 that the states pass copyright laws, and 12 states did so (117). The North Carolina copyright law echoed the encouragement of “genius” and the ownership of one’s own consciousness: “Nothing is more strictly a Man’s own than the Fruit of his Study, and it is proper that Men should be encouraged to pursue useful Knowledge by the Hope of Reward; and [...] the Security of literary Property must greatly tend to encourage Genius” (quoted in Bugbee, 119). The committee of the Continental Congress that recommended the states pass copyright laws included James Madison (113), who also made one of the initial proposals at the federal convention in 1787 for a Congressional power to create copyright laws (Walterscheid 2002, 101-102).

In a study of the intellectual property clause in Article I, Section 8 of the U.S. Constitution, Walterscheid (2002, 89) concludes there is nothing in the historical record that provides a conclusive reason that such a Congressional power was specified in the Constitution. But, it should already be clear in the brief history presented here that, as in Britain, those in the U.S. who potentially stood to gain from the creation of cultural property rights advocated for copyright throughout the 17th and 18th centuries. And some delegates to the federal convention were clearly convinced of the need to ensure the right to cultural property as the means to ensure ownership of one's own ideas or knowledge (i.e., consciousness): Madison and Charles Pinckney each made the proposals for an intellectual property clause (101-105), and the clause was approved without debate (107). Walterscheid claims the clause "was intended not only as an express authority to promote the progress of science and the useful arts generally but also as a means of ensuring authority to do so in a particular way, namely, by securing exclusive rights for limited times to authors and inventors in their respective writings and discoveries" (89), and he wonders why the Framers would specify the means by which science would be promoted through "exclusive rights," i.e., monopoly cultural property rights (90).

Walterscheid argues there was a desire "to follow English practice" of copyrights and patents (90), but that is not an answer to his question. If he understood that the power granted to Congress was *specifically* the power to create property rights over culture, not to promote scientific progress, he would instead ask why private property rights and monopoly power over culture were presumed to "Promote the Progress of Science." He would then be able to see that clause gave Congress the power to create the conditions for a capitalist mode of communicative production by promoting individual "genius" as a means to accumulate individual wealth, thereby allowing culture to be treated as capital and, ultimately, communication itself to be

treated as capital since the communicative process of cultural consumption could also be a process of capital accumulation through the exploitation of audience labor.

Bettig's characterization of the clause seems more accurate: It "emerged out of a set of proposals" that "reflect the role that the federal government would play in supporting the rise of a national U.S. economy within the context of competitive capitalism" (Bettig 1996, 26-27). The power to create copyright laws was the power to "Promote the Progress of Science" *in a capitalist society*, in which the mass of the population has been "robbed of all [its] own means of production" (Marx 1990, 874) and has been "hurled onto the labor-market as free, unprotected and rightless proletarians" (876), so that the activity of human life, "*productive life* itself," including "Science" and "Learning," becomes only "*a means to life*" (Marx 1978b, 75-76), i.e., work to generate the wealth necessary to survive in capitalist society.

The U.S. Congress used the power granted it by the intellectual property clause to create the first federal copyright law with the 1790 Copyright Act. The Copyright Act followed the 1710 Statute of Anne and many of the state copyright laws in creating a limited-term copyright of 14 years, renewable for another 14 years if the author were living (1 Stat. 124). As "An Act for the encouragement of learning," like the Statute of Anne, it granted "authors" or "proprietors" "the sole right and liberty of printing, reprinting, publishing and vending" a map, chart, or book they author or to which they acquire the copyright.

As in England 80 years before, the property right in culture created by copyright in the U.S. in 1790 served as the basis for the development of the capitalist mode of communicative production. In the U.S., unlike in England, royal patents were not needed to own a printing press, which was merely a means of production that could be owned like any other. Anyone who owned a press could be a communicative capitalist in a sense, but such capitalists could not

exploit audience labor without ownership of culture — without at least a de facto copyright. For the exploitation of audience labor, culture needed to be a form of capital as much as a printing press was.

However, as the history of copyright in England before the 1710 Statute makes clear, a de facto copyright exists for those who print books: The cultural production process of book printing produces a book that is a means of signification for the readers, who are also audience laborers. Audience laborers who want to rent access to the cultural content of the book can only gain that access by also buying the physical book itself, so communicative capitalists who print and sell books have a de facto ownership over the content of those books even without any copyright. The power to exploit audience labor, then, really resides in the *bookseller*, because the book printer could be a communicative capitalist who only produces books and then sells them to another communicative capitalist who will actually be able to appropriate rent from audience laborers by selling them books. Without a legally defined property right of copyright, the communicative capitalist who can appropriate rent from the exploitation of audience labor is the practical owner of the cultural property to which audience labor is granted access.

The 1790 act, like the 1710 statute in England, at least somewhat undermined the de facto copyright of the producers (or simply the sellers) of books by establishing a legal system of copyright as a property right that could be claimed by the authors of the books as well as the printers, sellers, or publishers of books. But book capitalists as book producers, or publishers, were the true beneficiaries of the 1790 act and the limited-term monopoly rights over culture it created (Bettig 1996, 28): They gained legal control over an object of audience labor, and thereby gained the legal right to exploit audience labor. If printers did not directly exploit audience labor in order to appropriate rent, there was then also the ability for book capitalists to

operate as book sellers, purchasing books from printers and thereby gaining a de facto ownership of an object of audience labor that provided a means to appropriate rent from audience laborers through the sale of a book. The power of book capitalists steadily increased throughout the 19th century (Starr 2004, 138-139, 149).

CHAPTER 5

AUDIENCE LABOR EXPLOITATION AND THE CAPITALIST MODE OF COMMUNICATIVE PRODUCTION IN THE U.S., 1789-1995

This chapter continues Part II's brief history of audience labor exploitation by focusing on two major developments in the capitalist mode of communicative production in relation to the exploitation of audience labor in the United States from the late-18th century to the late-20th century: Newspaper capitalists' use of their power over audience labor to create a second means of communicative capital accumulation, in addition to the appropriation of rent, through the lending of space to advertisers, and the expansion of the capitalist mode of communicative production to wireless networks and electronic media through the development of broadcasting into a means to exploit audience labor solely through advertising, thus only indirectly.

Commercialization: Newspapers, Advertising, and Audience Labor in the U.S., 1789-1918

As owners of printing presses, the key means of cultural production needed to produce newspapers, newspaper producers in the U.S. were a specific kind of communicative capitalist: newspaper capitalists. Although there was no legal copyright in news until 1918, newspaper capitalists were able to exploit audience labor in a manner similar to the book capitalists described in the previous chapter. Newspaper capitalists in the U.S. owned a de facto copyright over the news in their newspapers from the colonial era until the early 20th century. That de facto copyright enabled them to treat news as a kind of cultural property, using control over access to that property to exploit the audience labor of newspaper readers. That de facto

copyright was also the basis for newspaper capitalists' ability to increasingly treat news as a kind of fictitious capital in order to generate advertising revenue. The introduction of advertising altered the relationship between communicative capital and audience labor that had existed in the buying and selling of books, in which the appropriation of value enabled by control over access to culture was the extraction of rent from audience laborers. What is commonly called the "commercialization" of news (see, e.g., Baldasty (1992)), which is the transformation of the process of exploiting newspaper audience labor through the increasing role of advertising as a source of revenue for newspaper capitalists, is the main topic of this section.

The circulation of news as fictitious capital in order to generate advertising revenue is the primary means by which newspaper capitalists gained power and accumulated wealth as communicative capitalists. In order to interpret the increasing role of advertising as a source of revenue for newspaper capitalists, it is necessary to understand more than the history of increasing press independence from partisan patronage, which is only a partial history of the overall process — a history that makes the commercialization of news a triumphant story of the emergence of truly independent journalism (e.g. Starr 2004; Mott 1962). To see how newspaper capitalists' increasing reliance on advertising revenue changed the process of audience labor exploitation, thereby altering the basic process of communicative capital accumulation, and how the "commercialization" of news can, therefore, be seen as the second major phase in the development of the capitalist mode of communicative production, it is necessary to focus on the specific relationship between newspaper capital, newspaper audience labor, and advertisers.

News as Cultural Property: Newspaper Capitalists, De Facto Copyright, and Audience Labor

For Paul Starr, the creation of cultural property through copyright in Britain in the 18th century, which provided communicative capitalists the ability to exploit audience labor, was the

creation for “a market for news that provided an alternative to the state as a basis of financial support” (Starr 2004, 46). It was the emergence of a “de facto public sphere” (45) through the development of “independent journalism” (46). Because Starr does not consider audience *labor*, he sees a triumphant story of the liberalization of cultural property through the Statute of Anne creating “new possibilities of public communication” (45), while I interpret the process as the creation of the capitalist mode of communicative production and the creation of the conditions for exploiting the audience labor of cultural consumption. Although relations of communicative power were liberalized in the 18th century relative to the conditions of previous centuries, which are perhaps best summarized by the motto of the *London Gazette* at the time, “Printed By Authority” (35), that liberalization of communication was specifically the process of creating the conditions for communication as capital.

Newspaper capitalists in the U.S. before 1918 faced a different situation than the book capitalists whose ability to exploit audience labor in order to accumulate capital was legally ensured by copyright. News was legally *common* property in the U.S. because it was non-copyrightable. But, by virtue of the fact that news can only be *consumed* in a material form, news (as a specific kind of what I refer to generally in this dissertation as culture) can only be an *object* of audience labor when mediated by an *instrument* of audience labor. The physical newspaper itself is that instrument of audience labor, and newspaper capitalists did own that product because they produced it (taking a newspaper without paying is *theft*). Because of that fact, the capitalists who produced newspapers obtained a de facto copyright over news that was a private ownership right over news as cultural property. Through that de facto copyright they had the power to exploit audience labor and extract rent. That fact is determined by the physical qualities of print media, which can only be an instrument of audience labor if the cultural object

of audience labor is physically printed on them. For a newspaper capitalist, the price paid for a newspaper can perhaps be seen as the appropriation of two kinds of surplus-value: rent for access to news that is used as an object of audience labor and profit from the sale of a newspaper commodity produced by wage-labor (journalists, editors, photographers, etc.). But I argue that the former appropriation from readers as news consumers and audience laborers is the process the must be understood to see how newspaper capital is accumulated.

Although newspaper capitalists' de facto copyright provided sufficient power over news consumption to enable the extraction of value from those activities of cultural consumption, it did not provide the monopoly power provided by legal copyright. Newspaper capitalists' lack of the monopoly power enjoyed by book capitalists through copyright seems to help explain two key questions of U.S. newspaper history viewed as part of the history of the development of the capitalist mode of communicative production: 1) why advertising became the main source of revenue for newspaper capitalists (i.e., became the main process by which value was appropriated and capital was accumulated) after the patronage and subsidy model lost its dominance in the 19th century — and, furthermore, why advertising was preferable to patronage from the perspective of capital accumulation, indeed why patronage is not a sufficiently liberal condition “adequate to capital” (Marx 1978e, 280), and 2) why some newspaper capitalists sought a monopoly power over the *circulation* of news in the 19th century by combining the associated capital of which the Associated Press monopoly was comprised with the telegraph monopoly of Western Union.

News in the Mail: Subsidizing Newspaper Capital

From the first newspapers printed in the American colonies, news was a kind of cultural property and newspaper capitalists enjoyed a de facto copyright. Therefore, within

communicative production, and specifically within the process of signification through cultural consumption, there was a relationship of exploitation between newspaper capital and audience labor. In the early republic, most newspaper capitalists were small-scale capitalists who only needed a few hundred dollars to produce weekly newspapers and accumulate capital through both subscriptions and advertising (Starr 2004, 85). They often reprinted news first printed elsewhere (Starr 2004, 90; Kielbowicz 1982), thereby creating cultural property out of the news produced by another newspaper capitalist (who had only a non-monopoly, de facto copyright) in order to extract rent from readers. They also accumulated capital through government subsidies and political patronage (Baldasty 1992, 16-23; Starr 2004, 87).

McChesney (2004) is certainly correct that “the Founders understood the importance of industrial structure and subsidy to the formation of a viable free press” (27). But there is reason to question whether his subsequent claim that “the press in the early republic was not seen as an engine of capital accumulation” (27) is a corollary of the first point or whether capital accumulation was simply limited by conditions that were liberal enough to ensure competition and prevent monopoly power while still ensuring some capital accumulation. In the first few decades of the 19th century — the era of the “partisan press” — the process of communication might have taken precedence over the process of capital accumulation in the production and circulation of news (McChesney 2004, 28-30; Baldasty 1992, 3-6, 11-16; Starr 2004, 85-90), but the process was still one of communication as capital. Through the exploitation of audience labor in order to appropriate rent in exchange for access to news that was the cultural property of its producer, the consumption of news was the basis for capital accumulation by newspaper capitalists. Although newspaper capitalists’ rate of profit was relatively low, it was still based on the exploitation of audience labor.

The question, then, does not seem to be whether news was “an engine of capital accumulation,” which McChesney (2004, 27) claims it was not, but rather *how* capital was accumulated through news in the early republic and how that process went from small-scale to big business over the course of the 19th century. While political patronage of the “partisan press” is often cited as the aspect that differentiates the newspaper business of that period from that of the commercialized press later in the 19th century (e.g. Baldasty 1992), I want to draw attention to the subsidizing of newspaper capital through the postal system beginning in 1792. That support, created by federal communication policy starting with the Post Office Act of 1792, seems to have been essential to the development of capital accumulation through news. In fact, in the late 18th and early 19th centuries, the U.S. government seems to have created the conditions for news to develop into an engine of capital accumulation through communication policies that supported the growth of newspaper capital, which then burst through the existing limits on capital accumulation later in the 19th century by increasingly treating news as fictitious capital, i.e., through commercialization.

When it is understood that capital accumulation through news was there from the beginning in the U.S., it is possible to trace its development through the 19th century as the growth, rather than the creation, of newspaper capital. When the government’s support for the newspaper industry in the early republic is viewed as the subsidizing of newspaper capital, that support then actually appears to be the basis for the later commercialization of the press and the increased power newspaper capitalists derived from advertising revenue. While political patronage, advertising, and government printing contracts were also important sources of revenue for newspaper capitalists in the early republic, the government subsidizing of newspaper

capital through the postal system seems to have empowered the development of newspaper capital.

The 1792 Postal Act subsidized newspaper capital in a number of ways. It turned newspaper capitalists' lack of legal copyright in news into a basis for capital accumulation by enabling them to freely send each other copies of their newspapers, which provided them a free source of news that they could then turn into their own cultural property by printing it in their own newspapers, thereby gaining a de facto copyright and a means to appropriate rent from readers. The circulation of news through the mail, as the circulation of news capital, was subsidized by the discounted postal rates for newspapers. Finally, the act initiated the creation of the postal system that was a government subsidized communication network through which news circulated (Kielbowicz 1989, 141; Lloyd 2006, 31; Starr 2004, 89-90).

Kielbowicz (1989) states that, "between 1800 and 1815, the number of post offices more than tripled, [and] the miles of post roads more than doubled" (38). Starr (2004) notes that, by 1831, "the federal government had built a comprehensive [postal] network reaching towns and villages deep in the interior" of the country (87), and in 1832, "newspapers made up 95 percent of the weight of postal communication and only 15 percent of the revenue" (90). Newspaper capitalists' subsidized circulation of their capital through the free exchange of newspapers among themselves continued even as the telegraph developed as a technology for circulation, ending only in 1873 (Kielbowicz 1989, 151, 161n89), and they continued to benefit from preferential postal rates through the late 19th century (McChesney and Nichols 2010, 124, 133; Starr 2004, 263). However, the government subsidizing of newspaper capital appears to have been successful to the point that it became inadequate to the continued growth of capital accumulation.

News as Fictitious Capital: Advertising

From the perspective of the history of audience labor exploitation, what has been described as the “commercialization” of the press in the U.S. in the 19th century (Baldasty 1992) was the process by which newspaper capitalists increased their capital accumulation through the circulation of fictitious capital and the appropriation of advertising revenue as interest on that fictitious capital. Viewing news as analogous to land is a useful means to understand how newspaper capitalists can treat their de facto copyright over news as fictitious capital. Landed property is a barrier to the flow of capital on and through the land because the land owner controls access (Harvey 2006, 360), and cultural property is similarly a barrier to the flow of capital through communication. A title of land ownership is not the actual value that can be appropriated as rent from those who want to use that land; it is only a title to the rent that will be appropriated in the future (347). Similarly, copyright is not the actual value that can be appropriated as rent from those who want to use cultural property; it is only a title to the rent that will be appropriated in the future. It is for that reason that it is important that newspaper capitalists can claim a de facto copyright of the news they put in their newspapers: Newspaper capitalists gain a de facto title to the value that can be appropriated from audience laborers.

Landowners’ title to future rent is *fictitious value* in relation to rent as real appropriated value — the title only has value because of the power it gives over the rent that can be appropriated — and that fictitious value can be loaned as *fictitious capital* (Harvey 2006, 267, 367) in return for interest. Copyright holders’ title to future rent is also fictitious value in relation to rent as real value, and that fictitious value can be loaned as fictitious capital in return for interest. Newspaper capitalists, as de facto owners of news, can capitalize their title to future rent as fictitious capital that they loan to other capitalists in return for interest, by which they

appropriate surplus-value and accumulate capital. Other capitalists are interested in borrowing that fictitious capital because it gives them temporary ownership of the object of audience labor, so as (or through) advertisers those capitalists can turn the part of news they have borrowed into an advertisement in return for an interest payment that is advertising revenue for newspaper capitalists.

Through a de facto copyright over news as their cultural property, newspaper capitalists became owners of a significant amount of cultural *space* in the pages of their newspapers in the 19th century. That news space does not exist in nature the way land does but instead must be materially produced through the production of a newspaper. For that reason, it is possible to create *more* news space. Government subsidizing of the circulation of news capital through postal policy and the postal communication network enabled newspaper capitalists to increase their rate of news space production in the 19th century by lowering the cost of delivering news to subscribers through the mail and by creating the postal network that could reach those subscribers. That increasing production of news space is another way to describe the proliferation of the number of newspapers in the U.S., which went from 106 in 1790 to 1,258 in 1835 (Starr 2004, 86,) as well as the increasing total circulation of newspapers (1.8 million circulated through the mail in 1799, 4 million in 1810 (Kielbowicz 1989, 43); in 1812, no daily paper in New York had a circulation higher than 1,750, while in 1840 the *New York Herald* claimed a circulation of 51,000 (Lee 1923, 142; Baldasty 1992, 46)). It was also the increasing exploitation of audience laborers (and the growth of the number of potential audience laborers through the continuous growth in the population). That growth of newspaper capital, which was subsidized by the U.S. government, was also the basis for the increasing commercialization of

news in the latter two-thirds of the 19th century, a process that I describe as newspaper capitalists' increasing use of news as fictitious capital.

While advertising is often recognized as having replaced political patronage as a source of revenue for newspaper capitalists in the 19th century, the real *similarity* between patronage and advertising is not fully recognized. An understanding of newspaper advertising revenue as the accumulation of fictitious capital through the appropriation of interest from advertisers makes it possible to see that similarity, and the understanding of newspaper capitalists' exploitation of audience labor developed in this section (and based on the political economy of audience labor outlined in chapter three) makes it possible to see how newspaper capitalists increasingly used news as fictitious capital to generate advertising revenue.

In the late 18th and early 19th centuries, newspaper capitalists accumulated capital in a number of ways, including political patronage, advertising, and the sale of newspapers. The latter process is the appropriation of rent from readers in return for access to the news owned by newspaper capitalists and contained in the pages of their newspapers. But that extraction of rent from audience laborers has never been the most important source of capital accumulation for newspaper capitalists, although their relationship to audience laborers has always been the necessary basis for the processes by which they have accumulated the majority of their capital. The relationship between newspaper capital and audience labor, a social relation of distribution because newspaper capitalists appropriate value through rent, makes it possible for news to be a source of surplus-value appropriation and capital accumulation in another way.

Newspaper capitalists are capitalists fundamentally because of their relationship to audience laborers, to whom they are like landlords as owners of news space as a kind of cultural property. In that relationship, newspaper capitalists seek to induce audience laborers to use their

cultural property as raw material in activities of audience signification. They do not seek to get audience laborers to produce *specific* meanings through their news consumption; only to want or need to use a specific object of labor to do so, i.e., to read the news in a specific newspaper. However, others are interested in making the object of audience labor a raw material signified with specific meaning that can affect signifying activities of consumption in a specific way: Advertisers are an obvious example of that, but the political patrons of the partisan press also fit that description. It is for that purpose of having a specific “effect” on signification that both political patrons and advertisers “subsidize” the production of news, which I describe here as paying interest to borrow news as fictitious capital. But, since individuals make their own meaning, those seeking to get others to produce specific consciousness — e.g. support for a particular party, or desire for a particular commodity — can only influence the process by altering the specific objects of audience labor, which provides no more than an indirect influence, although it is still a significant power to influence. Because the process of signification through cultural consumption is a singularity as an individual process, the product of that process cannot be guaranteed. But the significations produced by consuming culture is at least partially determined by what that culture signifies, i.e., its meaning, so the production of cultural content (including advertisements) signified with specific meaning is an imperfect but still powerful means to “effect” consciousness in a particular way.

The political patronage of newspaper capitalists in the early republic was based on a desire to have that effect. The Federalists and the Republicans each funded their own newspapers in the nation’s capital (Kielbowicz 1989, 37). Government printing contracts were used to subsidize the production of multiple newspapers in every state (McChesney and Nichols 2010, 128; Baldasty 1991, 21-22), and in the 1820s and 1830s, politicians used those and other

subsidies to establish partisan newspapers “in every hamlet, town, or city of the nation” (Baldasty 1992, 16). The printing contracts yielded some newspaper capitalists profit margins of 20-55 percent (20). Political patronage was specifically the subsidizing of the production of news as the production of objects of audience labor signified with partisan meaning. For newspaper capitalists, that patronage was the appropriation of surplus-capital as a kind of interest. As owners of news as their cultural property through a de facto copyright, newspaper capitalists held a de facto title to the rent that could be appropriated from that cultural property. Those newspaper capitalists could then treat their title to news as a financial asset and loan that title — i.e., give control over the space contained in their newspapers — to their political patrons. Through that process, newspaper capitalists loaned a kind of fictitious capital to their political patrons and received a kind of interest in return in the money paid by their patrons. The ability to appropriate value from one source — rent from audience laborers — became the basis for appropriating surplus-value from another source — interest from political patrons — and news became fictitious capital.

For newspaper capitalists, advertising revenue is similar to political patronage in that it is the appropriation of surplus-value as interest on fictitious capital. Baldasty claims that political patronage became an inadequate basis for capital accumulation by newspaper capitalists “because it could not provide enough money for the new newspapers of the middle and late nineteenth century” that faced increasing costs of production, so newspaper capitalists “had to look elsewhere for new sources of revenue to keep up with their soaring costs” (Baldasty 1992, 43). Advertising had always been a source of revenue, and as both the wealth of advertisers (as industrial and merchant capitalists) increased and newspaper capitalists increased the amount of cultural space they owned (55), newspaper capitalists could use their ownership of news as

fictitious capital to be loaned to advertisers. Like politicians and political organizations, industrial and merchant capitalists were interested getting audience laborers to produce a specific kind of consciousness that could be called a *consumer* consciousness. As Smythe (1977) described it, those capitalists as advertisers want to get audience laborers to produce demand for the commodities those capitalists produce and seek to sell.

There seems to be another reason newspaper capitalists had increasing power to appropriate interest (advertising revenue) from advertisers, particularly as those newspaper capitalists increased the number of audience laborers they exploited: U.S. postal policy made the circulation of ads in newspapers less expensive than sending them through the mail as stand-alone circulars. Before 1845, advertisers paid letter rates to send their circulars through the mail, and those rates were “several times those charged to newspapers” (Kielbowicz 1993, 250). In 1825, each circular mailed at the letter rate cost from 6 to 25 cents, depending on the distance (4 Stat. 105). The rate for each newspaper was 1 cent up to 100 miles and 1.5 cents to send it farther (4 Stat. 111). The ratio decreased in 1845, when circulars cost 2 cents per sheet for any distance and newspaper rates remained the same, although it was also free to send a newspaper within 30 miles of where it was printed (5 Stat. 733). In 1863, advertising became relatively more expensive although the rate remained 2 cents (which now had to be prepaid and stamped) (12 Stat. 706) because the newspaper rate decreased to less than half a cent (.38 cents) a day (which had to be prepaid quarterly) and weekly newspapers could be mailed free within their county (12 Stat. 704, 707).

The commercialization of news in the 19th century, which Baldasty describes as the newspaper becoming “*nothing more* than a business” (Baldasty 1992, 81), is what I describe instead as the increasing use of news as fictitious capital loaned specifically to advertisers, which

transforms the object audience members work on by reading a newspaper into part news (or other “editorial” content) and part advertisements.

News over the Wires: The ‘Double-Headed Monopoly’

A further development occurred in newspaper capitalists’ exploitation of audience labor in the 19th century that, like the growth of fictitious capital, was to be carried over to radio capitalists’ exploitation of audience labor in the 20th century: control by capital over the *networks* through which communicative capital circulated. Beginning in 1792, the postal network was controlled by the U.S. government but provided a subsidy to newspaper capital. The telegraph network that was developed in the second half of the 19th century was controlled by capitalists who at times either competed against or cooperated with newspaper capitalists. In the second half of the 19th century, that capitalist control of both the production and circulation of news capital enabled the creation of a “double-headed monopoly” of newspaper and telegraph capitalists (Blondheim 1994). They were aided by a transformation in U.S. communication policy from a government controlled postal network that subsidized newspaper capital with the aim of enabling an informed citizenry (Lloyd 2006; McChesney 2004; Starr 2006) to a telegraph network controlled by capital and subsidized by the government (Lloyd 2006). Under the latter condition, two national monopolies of communicative capital quickly developed: Newspaper capitalists combined into the associated capital of the Associated Press (AP), creating a news monopoly, and Western Union developed into a telegraph monopoly.

An alliance of the AP and Western Union created a doubled-headed monopoly in the production and circulation of news capital, a significant development in the history of communication as capital and the capitalist mode of communicative production because it was the emergence of a new kind of communicative capitalist: a network capitalist — in this case,

specifically a telegraph capitalist — who accumulates capital through control of the circulation of communicative capital through communication networks. The telegraph marks the beginning of a transformation in the capitalist mode of communicative production and the exploitation of audience labor after the print media era. Before the telegraph, culture, as the object of audience labor, could not be separated from the instrument of audience labor, media: With print media such as books and newspapers, the object and instrument of audience labor circulated as one combined product. The telegraph made it possible to circulate the object of audience labor, news, through an electric current before it was combined with the instrument of audience labor by putting it into print in a newspaper. The ability of newspaper capitalists to circulate their news capital in order to appropriate rent from audience laborers or interest from advertisers was then potentially impeded by the need to circulate that capital through communicative networks that could be controlled by others. The subsequent development of the news and telegraph monopolies that cooperated as a “double-headed monopoly” in the second half of the 19th century can be seen as an attempt to resolve that potential limit to the flow of news capital by creating what was effectively a single monopoly over the production and circulation of news capital.

As a communication network, telegraph technology worked (at least in part) “toward monopolistic control of knowledge”: “Control of telegraph lines implied control of the message traffic flowing through them” (Blondheim 1994, 4). Although the telegraph initially undermined newspaper capitalists’ power of the flow of news capital by disrupting the network through which that capital flowed — the postal network — in the 1840s (29), newspaper capitalists quickly realized the telegraph could be beneficial to their ability to accumulate capital through the exploitation of audience labor. Newspaper capitalists were early investors in the development

of the telegraph and they encouraged investment in the telegraph in the pages of their newspapers (42). One telegraph capitalist, who was a former newspaper capitalist, heavily advertised the telegraph in newspapers and rewarded supportive newspaper capitalists with ownership shares in his telegraph lines (43).

The connection between newspaper and telegraph capitalists only increased in the following decades, although there were also major points of tension. First, newspaper capitalists in New York turned to cooperation among themselves in the face of privately owned telegraph networks as a potential obstacle to their wealth and power (Blondheim 1994, 47). Beginning in 1846, the associated capitals that became the New York Associated Press (NYAP) cooperated on the collection of telegraphed news (for example, by splitting the costs to transmit what cost independent newspaper capitalists five dollars and paying, instead, only 40 cents each) (51-52). Newspaper capitalists saw the potential to greatly increase their capital accumulation through increased circulation of news through the telegraph, and “[r]ising expectations deriving from the telegraph industry and from systematic news gathering thus dictated that *cooperative* telegraphic arrangements had arrived to stay” (66-67). In the 1850s, the NYAP became a “monstrous” national monopoly of associated capitals (96). However, the NYAP’s ability to monopolize the circulation of news capital was limited by the “chaotic collection” of telegraph capitalists (100).

That issue diminished as the telegraph industry entered an “era of consolidation” (Thompson, quoted in Blondheim 1994, 100). The NYAP’s general agent even proposed the purchase of the telegraph system by the associated capitals of the NYAP in order to create a combined news and telegraph monopoly, and that agent later claimed “the Western Union Telegraph Company would have been buried in its infancy” (quoted in Blondheim 1994, 105). Instead the associated capitals of the NYAP tried to encourage both an eastern and western

telegraph monopoly (106), the later of which was the Western Union Telegraph Company, while the NYAP's general agent tried to foster a single monopoly by the eastern company, the American Telegraph Company, of which he was part owner (106). By 1859, the NYAP effectively had a national news monopoly (117). Western Union's development into a national telegraph monopoly in 1866 (145) fractured some of the cohesion of that news monopoly (the Western Associated Press (WAP) gained power in relation to the NYAP), but the "double-headed monopoly" of the AP-Western Union alliance lasted until 1882 (151).

Newspaper Capital Ascendant: Commercialized News and the Exploitation of Audience Labor

Through that "double-headed monopoly," newspaper capital continued to grow, and in 1897, the WAP won a struggle with the NYAP for a truly national news monopoly, incorporated itself as the Associated Press, and "secured a dominant hold on the flow of American news well into the twentieth century" (168). By the end of the 19th century, newspaper trade associations had also been established as associated news capitals in order to try to collectively bargain over the interest to be appropriated from advertisers (i.e., to set advertising rates) (Baldasty 1992, 104). Although one general manager of the Associated Press claimed "[t]here can be no monopoly in news," he also made it clear that that the AP seeks precisely the monopoly power that copyright provides: an exclusive property right over a particular telling of the news as the cultural property of its producer (as quoted in Lee 1923, 415).

In the first decades of the 20th century, newspaper capitalists had good reason to seek a legal copyright in news, rather than the de facto copyright they had up to that point, as the relative cost of advertising in newspapers increased because the advertising content was charged a different postal rate than the news or other editorial content. From 1885-1917, the postage rate for newspapers (as second-class mail) was one cent per pound, making newspapers a cheap way

to circulate advertisements (Kielbowicz 1990, 458). The flat-rate for editorial content was raised only to 1.5 cents in 1919, while the newly zoned rate for advertising content was 2-10 cents in 1921 (477).

However, Upton Sinclair, a contemporary critic of American Journalism, found no lack of advertising in newspapers or of advertisers' power over the newspaper capitalists dependent on the interest (advertising revenue) they could extract from advertisers. In a book first published in 1991, Sinclair described the "advertising subsidy" as the " 'legitimate' graft of newspapers and magazines, the main pipeline whereby Big Business feeds its journalistic parasites" (Sinclair [1928] 2003, 282). He described a situation in which what Baldasty (1992) describes as "the commercialization of news" had enabled newspaper capitalists to establish the extraction of interest from advertisers as their primary — and lucrative — source of revenue:

Financially speaking, our big newspapers and popular magazines are today more dependent upon their advertisers than they are upon their readers; it is no cynicism, but the statement of business fact, that a newspaper or popular magazine is a device for submitting competitive advertising to the public, and reading-matter being bait to bring the public to the hook. (Sinclair [1928] 2003, 282)

Newspaper capitalists had sought a legal copyright in news reports since at least 1829 (Starr 2004, 121), and the AP specifically tried to get a legal copyright in news reports from Congress beginning in 1899 (Lee 1937, 553). Newspaper capitalists finally gained that monopoly power and replaced their de facto, non-monopoly copyright with a 1918 Supreme Court decision in favor of the AP (Starr 2004, 185). That decision helped solidify the power of newspaper capitalists as appropriators of value from audience laborers because the decision clarified how news could be treated as a kind of cultural property over which monopoly ownership rights could

exist. However, U.S. communication policy in relation to the ownership of culture was, essentially, already set at the end of the 18th century, although communicative capitalists continued to fight for expansion of that property right in the 19th and 20th centuries and generally succeeded in that fight.

Newspaper capitalists in the 19th century did effect a more radical change in communicative production: commercialization, or the increasing ability to generate advertising revenue as interest on fictitious capital loaned to advertisers. Newspaper capitalists used the power over audience laborers they gained through de facto ownership of news to appropriate surplus-value from advertisers that wanted access to those audience laborers. The commercialization of news in the 19th century, which was the process of increasingly circulating ownership claims over news as fictitious capital in return for interest from advertisers, was an important development in the capitalist mode of communicative production and the relationship between communicative capital and audience labor — a development that became perhaps even more important in the era of electronic media and broadcast communication networks. The communication policy debate regarding advertising seems to have been limited to giving news preferential treatment over advertising.

Newspaper capitalists in the 19th century helped drive a second change in communicative production that was significant for the later development of communicative production through electronic media and broadcast communication networks: capitalist control of the *networks* for the circulation of communicative capital. That communication policy was a significant one, and it included consideration of a government-owned telegraph network operated by the Post Office Department (Lloyd 2006, 49; Starr 2004, 163). As Lloyd, argues, the development of the telegraph network as a capitalist-controlled network subsidized by the U.S. government “set a

pattern that would come to determine U.S. communications policy” (Lloyd 2006, 41; see also Starr 2004, 189); that is certainly true of the policy of electromagnetic spectrum ownership through licenses.

By the end of the 19th century, communicative capitalists whose ability to appropriate value and accumulate capital was based on the exploitation of audience labor could operate as either *cultural* or *network* capitalists, or both. *Cultural* capitalists, such as *newspaper* capitalists, attempted to exploit audience labor directly through the extraction of rent or indirectly through the extraction of interest from advertisers. *Network* capitalists, such as *telegraph* capitalists, appropriate surplus-value by controlling the communication networks through which communicative capital circulates in order to be distributed to audience laborers. In relation to newspaper capital, telegraph capital as network capital can appropriate value from newspaper capital (for use of its network) but not from the newspaper audience. That is because news had to be put into a newspaper before it could be an object of audience labor. In relation to radio capital, the network capital of spectrum owners had the added ability to appropriate value directly from audience laborers. That fact is a result of the difference between print and electronic instruments of audience labor.

As the instruments of audience labor moved from just books and newspapers (print media) to radios and television (electronic media),¹⁷ those instruments became “instruments of

¹⁷ In this interpretation of media history as a brief history of audience labor exploitation, I leave out consideration of the telephone and the movie theater screen as instruments of audience labor. The telephone presents something of an anomaly in relation to my focus on audience labor because, in general, telephone users are simultaneously audience laborers and cultural laborers in that they both consume (listen) and produce (speak) in the act of communicating over the phone. In that way, “telecommunication” differs from the “mass communication” on which I focus because, from the perspective of communicative capital, the former is most fundamentally a matter of controlling the (telephone) *network* while the latter is most fundamentally a matter of controlling *culture* in order to exploit audience labor. I exclude the movie theater from

consumption” (Harvey 2006, 229) that exist as means to consume culture independently of any cultural objects of consumption. From the perspective of audience labor, the significance of ownership of radios and televisions was that it was also permanent ownership by audience laborers themselves of instruments of audience labor and means of communicative production, although the use of those instruments/means of production was dependent on communicative capitalists producing and circulating cultural objects of audience labor — i.e., radio and, later, television programs.

Networks of Circulation and Instruments of Consumption:

Broadcasting, Electronic Media, and Audience Labor in the U.S., 1912-1995

The basic aspects of the capitalist mode of communicative production developed by book and newspaper capitalists in the era of print media as the dominant instruments of audience labor, from the 15th to the 19th centuries, continued in the era of electronic media in the 20th century. However, each of those aspects had to be reproduced in the electronic era. The biggest challenge posed by the development of radio was the reproduction of the communicative *capital*-audience *labor* relationship. Two things proved necessary to reproduce that relationship: control of the electromagnetic spectrum and widespread purchase and use of radio receivers. Radio capitalists (and later, television capitalists) then became both *cultural* and *network* capitalists — both producing and circulating communicative capital — by taking the model of the “double-headed monopoly” of the Associated Press and Western Union and combining it into a single

consideration here in an effort to focus on what appear to be the major developments in the history of audience labor exploitation and the relationship between communicative capital and audience labor, and more specifically those developments most relevant to an understanding of the role of audience labor in the digital era. For that purpose, the electronic media of radio and television that are *instruments* of audience labor owned by audience laborers seem to be most directly relevant to an understanding of digital media, which are also instruments of audience labor owned by audience laborers (although they are also instruments of cultural labor).

communicative capitalist that essentially both produced and circulated communicative capital as a broadcasting network. Radio capitalists were then able to appropriate surplus-value as advertising revenue that was interest on fictitious capital loaned to advertisers.

Broadcasting and the Creation of Audience Labor: The Electromagnetic Spectrum as a Network of Capital Circulation

In order to create a means to exploit audience labor in the era of electronic media, thereby extending the capitalist mode of communicative production, it was necessary to create audience laborers, or cultural consumers. Because radio as an instrument of audience labor differs from books and newspapers in that it exists materially separate from the object of audience labor, the first development necessary to create radio consumers as audience laborers was not to control the cultural property that would be the object of audience labor through copyright, as with print media, but rather to control the communication network. The radio communication network followed a path toward capitalist control that resembled the telegraph network. While the postal network for circulating newspaper capital was not itself a means of capital accumulation but was rather a government controlled network that subsidized newspaper capital accumulation, the telegraph network, as an electronic means of circulating newspaper capital, became a capitalist monopoly under Western Union and a means of capital accumulation in itself. In the 19th century, the network capitalist Western Union combined with the associated newspaper capitalists of the Associated Press to create an effective monopoly of the production and circulation of newspaper capital. The radio network also became a capitalist controlled means of circulation, but radio capitalists came to control both the production and circulation of radio capital.

In order to expand the capitalist mode of communicative production into radio and transform another process of communication into a process of capital circulation and accumulation, it was first necessary to enclose the portion of the electromagnetic spectrum necessary to communicate by radio and to eliminate the “amateur” radio users who both sent and received radio transmissions. Early radio use was as “radio telegraphy,” a two-way form of communicating using Morse code that allowed individuals to be broadcasters without being capitalists (Butsch 2000a, 174; Starr 2004, 215). In the first decade of the 20th century, while the British-based Marconi Company was already busy trying to develop an early monopoly in ship-to-shore radio communication by controlling use of the electromagnetic spectrum through a refusal to communicate with competing companies (Starr 2004, 216), most radio communication seems to have been by amateurs or hobbyists, and it was generally an era of “intense social experimentation” in which commercial broadcasting in its current form was by no means the inevitable outcome (Streeter 1996, 63-64). The radio spectrum was essentially a *commons* as a communication network; capital was neither circulated nor accumulated through the radio communication process. Beginning in 1912, however, the spectrum was enclosed and amateur radio communication was put on a path toward marginalization (Streeter 1996, 222-225).

After the sinking of the *Titanic*, for which amateurs were vilified as having interfered with radio transmissions and having sent incorrect information, the U.S. Congress passed the Radio Act of 1912, which required a federal license to transmit radio signals (Lloyd 2006, 94-95; Starr 2004, 218-219). Portions of the radio spectrum were allocated for specific uses: “[U]seful portions of the spectrum were divided between the navy and commercial operators. [...] The amateurs, in contrast, were [...] relegated to shortwave, a realm then thought to be of no practical value” (Streeter 1996, 78). The 1912 act “eliminated the possibility of a spectrum without

boundaries; all further disputes would involve [only] the legal technicalities of the system” (78). During World War I, the U.S. government took over radio and ordered the mass production of radio equipment for the military (Lloyd 2006, 97-98), a development that both pushed radio further toward what Streeter describes as “a corporate oligopolistic mode in cooperation with government” (Streeter 1996, 59) and set the stage for the need to create civilian consumer demand for radios after the war. Following World War I, the radio spectrum was allocated through federal policies that transformed radio communication into broadcasting, continuously entrenching the status of the mass of radio users as transmission *receivers*, cultural consumers, and audience laborers while increasing the power of those who were given the right to use the spectrum as radio transmission *senders*, eventually concentrating that power specifically in the hands of commercial broadcasters as radio capitalists.

Radio spectrum policy in the U.S. in the 1920s progressed through a process that put the spectrum in the control of network communicative capitalists as a means of capital circulation even as that spectrum legally became the “public airwaves”: “Throughout the decade, the federal government systematically used spectrum regulation to marginalize or eliminate” nonprofit stations, and “by the end of the decade almost all had left the air” (Streeter 1996, 94). The Department of Commerce began issuing licenses to broadcast over the radio spectrum in 1921 (Lloyd 2006, 103), and Secretary of Commerce Herbert Hoover then proceeded to use government control over spectrum allocation to turn radio broadcasting into another means by which capital could circulate and accumulate as communication. He took recommendations from radio capitalists at four national conferences, beginning in 1922, and allocated rights to use the spectrum to broadcast in a manner that benefitted those capitalists, who, as commercial broadcasters, were by no means dominant at the time.

Hoover's reallocation of the spectrum in 1923 (Lloyd 2006, 106; Starr 2004, 334-335) was a government facilitated process of accumulation by dispossession (Harvey 2003, 137-182) for radio network capitalists, who accumulated capital in the form of control over spectrum (the means of circulation) through the dispossession of noncommercial and smaller commercial broadcasters (Streeter 1996, 91). "Hoover forced many stations, notably educational and religious stations, to operate at reduced frequency while allowing major corporations to operate at increased power" (Lloyd 2006, 106). Even though a court later ruled that Hoover did not have the legal power to allocate radio spectrum (Starr 2004, 342), "the political questions of allocating and legitimating power relations were largely resolved: it was clear to those inside the system who would have the power to shape subsequent institutional evolution" (Streeter 1996, 95) even before the next major federal legislation of radio communication was passed in 1927.

Broadcasting and the Creation of Audience Labor: Radio as an Instrument of Consumption

The Radio Act of 1927 began the process of consolidating the development of radio capital as a form of communicative capital, and the Communications Act of 1934 completed that process. The 1927 act reaffirmed the U.S. government's power to grant control over the use of radio spectrum through broadcast licenses, and that power was used to subsidize radio capital by providing radio capitalists with licensed ownership of portions of the radio communication network. The 1934 act provided radio capital a relatively permanent basis. But while U.S. communication policy regarding radio spectrum enabled the development of radio capital by marginalizing amateur radio users and noncommercial broadcasters and subsidizing radio capital with control of the means of circulation, the creation of radio audience labor as a specific kind of audience labor that could be exploited by radio capitalists required the transformation of radios into instruments of consumption (Harvey 2006, 229).

As I argued in the first section of this dissertation, however, instruments of cultural consumption must also be seen as instruments of labor and means of production — specifically, means of communicative production through audience signification. In the continuing reproduction and expansion of the capitalist mode of communicative production, the radio spectrum was a potential means to circulate capital through communication and accumulate capital through the exploitation of audience laborers as radio consumers. The spectrum was a potential means to enable radio capitalists to appropriate surplus-value through their control of the object of audience labor that is also a means of signification. For that appropriation of surplus-value to occur, however, there needed to be a mass of audience laborers, i.e., a mass of radio users possessing only the means to consume radio transmissions. Those means of consumption, radio receivers, were also instruments of audience labor. During the same time that the radio spectrum was transformed into a means of radio capital circulation, radios were transformed into instruments of consumption — i.e., instruments of audience labor and means of audience signification.

For radio capitalists, the creation of radio audience labor necessitated the transformation of radios from two-way means of communicative production — instruments of both cultural labor and audience labor — to means of cultural consumption as radio receivers. During World War I, the U.S. government temporarily eliminated the patents held by various radio manufacturers in order to create a cooperative and coordinated radio production industry to meet military needs (Lloyd 2006, 98; Starr 2004, 226), and that association of capitals as a government sponsored radio monopoly continued after the war, when the radio manufacturers that had been spurred to mass production during the war needed to find a new market (Smythe 1981, 76-77).

The first process of capital accumulation that was developed in relation to radio communication, then, was the production and sale of radio receivers to civilian radio users, who then became radio consumers and audience laborers. As audience laborers, however, they were not in a position of exploitation at the time: Radios, as instruments of consumption, were part of the consumption fund from the perspective of capital because their *sale* was a means of surplus-value appropriation and capital accumulation but their *use* was not (Harvey 2006, 229-230), although they were means of signification for individual radio audience laborers. Radio manufacturers were able to accumulate capital as a kind of media capitalist who produced and sold media, in this case radios, as instruments of consumption.

After World War I, those manufacturers, who were the holders of radio patents, embraced cooperation rather than competition in their effort to accumulate capital through the sale of radio receivers: At the urging of the U.S. government, they operated as a “radio trust,” or an association of media capitals. In 1919, General Electric (GE) acquired American Marconi and created the Radio Corporation of America (RCA) through a patent-pooling agreement with other media capitalists (Lloyd 2006, 99; Starr 2004, 226; Streeter 1996, 83). The associated media capitals of the RCA radio trust agreed to divide the manufacturing of radios between GE and Westinghouse (Starr 2004, 227), and American Telephone and Telegraph (AT&T), the monopoly telephone network capitalist at the time, agreed not to operate as a media capitalist (a radio manufacturer, through its Western Electric subsidiary) or a radio capitalist (a radio broadcaster) and in return gained exclusive rights to operate as a network capitalist providing connections between wired and wireless networks (Lloyd 2006, 107; Starr 2004, 227).

The radio capitalists who would exert control over the radio audience labor of cultural consumption emerged out of the dominant media capitalists. The first major commercial

broadcaster, the National Broadcasting Corporation (NBC), emerged out of the RCA radio trust, which made early broadcasting a means to promote the sale of radio receivers rather than exploit audience labor (Lloyd 2006, 107; Starr 2004, 332; Streeter 1996, 87). NBC was created in 1926 as a subsidiary of RCA (Lloyd 2006, 104). Six years earlier, radio manufacturer Westinghouse had created a broadcast station, KDKA, in order to stimulate sales of radio receivers (Starr 2004, 328; Streeter 1996, 85). NBC was created through a takeover of the broadcast network that AT&T had created (Starr 2004, 344). In 1927, a second broadcast network was created: It became the Columbia Broadcasting System (CBS) (349). The two networks quickly grew as national networks of commercial broadcast stations, in part through the subsidizing of radio capital by means of licensed control of radio spectrum in the late 1920s that I discussed in the previous section. Most broadcast stations, however, remained independent (Lloyd 2006, 109). The 1927 act and, particularly, the 1934 act would soon change that.

Once radio audience labor had been created through the dual processes of the federal government's enclosure of the radio spectrum commons and subsequent dispossession of radio spectrum controlled by radio amateurs and noncommercial broadcasters and the radio manufacturers' success in selling radio receivers to millions of Americans, the expansion of the capitalist mode of communicative production into radio communication on a national scale was possible (Schiller 1992, 66-68). But radio capitalists, as exploiters of audience laborers, did not yet have a secure basis for capital accumulation: Although they could circulate objects of audience labor by broadcasting over the radio spectrum, they could not extract rent from audience laborers like book and newspaper capitalists could. The objects of radio audience labor — whether they were radio programs produced by the radio capitalists or recorded music — were broadcast to unknown cultural consumers. Newspapers capitalists, however, had already

developed another means of accumulating communicative capital by appropriating surplus-value through an indirect exploitation of audience labor: advertising revenue, or interest on fictitious capital loaned to advertisers. It soon became apparent that selling radios was not the most potentially profitable means of capital accumulation in relation to radio broadcast communication.

Radio and Television Capital Ascendant: Commercial Broadcasting and the Exploitation of Audience Labor

Radio broadcasting in the U.S. developed into an aspect of the capitalist mode of communicative production in the 1920s and 1930s. Radio was transformed from a local, two-way communication process in the early 1920s to a national, one-way broadcasting process in the mid-1930s — and that broadcasting process became increasingly dominated by radio capitalists who controlled broadcast networks (Lloyd 2006, 113). The basic process of capital accumulation through broadcasting was in place even before the Radio Act of 1927, and the Communications Act of 1934 solidified the legal basis for broadcasting as another form of communication as capital. A new kind of communicative capital was created in the process: radio capital. Consequently, a new kind of communicative capitalist was born: a radio capitalist, who is both cultural capitalist, producing (or appropriating) culture as communicative capital, and network capitalist, circulating culture as communicative capital. Radio capitalists existed specifically in relation to the ability to exploit radio audience labor. As with the relationship of exploitation between previous communicative capitalists (e.g. book and newspaper capitalists) and audience laborers, radio capitalists' exploitation of audience labor occurred through a relation of distribution that gave them power over audience labor that enabled the extraction of value from audience activities. Radio capitalists, though, seem to have been the first

communicative capitalists who had no means for appropriating value directly from audience laborers, hence they came to rely exclusively on another process of appropriating surplus-value that was based on their power over audience labor but was only indirectly an exploitation of audience labor: advertising.

It seems that it was the distinctive quality of radio broadcasting as a form of capital that determined the shape radio took as an aspect of the capitalist mode of communicative production. Radio capitalists had relatively less power over audience labor than previous communicative capitalists because they had less control over objects of audience labor. Even though radio capitalists had de facto ownership of the programming they broadcast, as I will explain below, they could not control access to that de facto cultural property once it was broadcast. Once radio programming was put into circulation as radio capital, any person with a radio receiver could access it. Without the ability to control access, radio capitalists were unable to extract rent from audience laborers in exchange for access to the cultural object of audience labor, as book and newspaper capitalist were able to do. But radio capitalists are communicative capitalists specifically because power over audience labor is the basis for their ability to accumulate capital. Radio capitalists still needed a de facto, if not a legal, copyright over their broadcast programs in order to be communicative capitalists at all, even though that de facto ownership of cultural property was even less secure than the de facto copyright newspaper capitalists had over the content of their newspapers.

Radio capitalists at first largely appropriated rather than produced radio capital in its form as an object of audience labor (or, culture): They turned recorded music into their de facto cultural property and then circulated it as radio capital by broadcasting the music. In 1923, early in the development of that process, music copyright holders, or music capitalists as a kind

cultural communicative capitalist, responded by organizing as the associated capitals of the American Society of Composer, Authors, and Publishers (ASCAP) in order to appropriate rent (as royalties) from radio capitalists (Starr 2004, 339; Streeter 1996, 262). There continued to be tension between radio capitalists and music capitalists for decades as they competed for power to appropriate surplus value from the broadcasting of music (Streeter 1996, 262, 267. With radio capitalists' establishment of de facto ownership of the cultural content of their broadcasts (whether it was recorded music licensed from the associated music capitalists of ASCAP or other programming produced by the radio capitalist themselves), radio capitalists were in a position to accumulate capital through the appropriation of value from cultural consumption. That control provided them with power over every member of their audience. But, since they could not appropriate value (as rent) through the direct exploitation of audience laborers, radio capitalists turned to the other means of value appropriation already established within the capitalist mode of communicative production: advertising.

Just as control over cultural property measured in space on paper was the basis for newspaper capitalists' ability to extract interest from advertisers by loaning part of that space to advertisers as fictitious capital, control over cultural property measured in time on air was the basis for radio capitalists' ability to extract interest from advertisers by loaning part of that time to advertisers as fictitious capital. Even though the radio audience was an unknown mass audience, it was still a mass of audience laborers to whom advertisers sought access. Radio capitalists were thereby able to generate advertising revenue. Already by 1928, radio capitalists began measuring the audiences to which they were loaning access (Butsch 2000b, 197). As I explained in relation to newspaper advertisers, radio advertisers sought to circulate advertisements as objects of audience labor signified with specific meaning designed to affect

the signifying activities of every radio audience laborer. Once radio audience labor had been created through the transformation of the radio spectrum into a network of capital circulation controlled by capital and the transformation of radios into instruments of consumption, thereby also creating radio capital, the ability to accumulate capital through advertising became the central issue for radio capitalists because it was their only means of capital accumulation.

Although the basic aspects of the U.S. commercial radio broadcasting system existed even before the Radio Act of 1927 (Barnouw 2009, 21-22; Starr 2004, 336-337; Streeter 1996, 94-98), radio capitalists had to continue to fight to stabilize their position until the Communications Act of 1934 (McChesney 2008). Once they succeeded, commercial broadcasting became established as an aspect of the capitalist mode of communicative production that was later expanded to television broadcasting. The 1927 act “legitimated and solidified the established order” in radio broadcasting, “enabling and giving tacit congressional blessing to the corporate broadcast order that Hoover’s pattern of licensing was helping to create” (Streeter 1996, 96; see also Barnouw 2009, 22). The Federal Radio Commission (FRC) created by the act immediately acted to strengthen the power of radio capital through a process of accumulation for radio capitalists by dispossession of noncommercial broadcasters. In 1928, the FRC issued General Order 40, which enabled a concentration of radio capital in the networks NBC and CBS (Lloyd 2006, 109; McChesney 2008, 161-162; Starr 2004, 351) by reallocating the radio spectrum to provide commercial broadcasters, or radio capitalists, licenses for high-power “clear-channel” and regional broadcasting while giving nonprofit broadcasters low-power local broadcasting (Starr 2004, 352). The FRC declared commercial broadcasters “general public service” stations and noncommercial broadcasters “propaganda” stations (quoted in Starr, 352). The power of radio capital was quickly centralizing in the hands of the NBC and CBS networks,

but, as McChesney demonstrates, there continued to be debates and critiques of the structure of radio communication as commercial network broadcasting (i.e., radio capital) until the passage of the 1934 act (McChesney 2008, 162-177).

Radio capitalists emerged triumphant with the 1934 act, which was “precisely what the commercial broadcasters had desired” (McChesney 2008, 175): a (relatively) permanent legal basis for the status quo of radio communication as radio capital and radio audience labor as the source of capital accumulation through advertising revenue. Television broadcasting became another version of that as television capitalists indirectly exploited television audience laborers through advertising (Lloyd 2006, 135; McChesney 2008, 447; Starr 2004, 328, 384). In the 1960s, new networks of television capital circulation were developed: satellite and cable (Lloyd 2006, 151, 179-180). Those communication networks, as means of communicative capital circulation, slightly altered the relationship between television capital and audience labor by providing a means for direct exploitation of audience labor. Satellite and cable networks gave television capitalists more control over the circulation and distribution of television capital to specific audience laborers, from whom rent could now be extracted in exchange for access. And like every other communication network/means of communicative capital circulation since the telegraph, they were controlled by capitalists as a means of capital accumulation in themselves. Satellite and cable networks also partially separated television capital in two: Television capitalists, like radio capitalists before them, continued to be both cultural and network communicative capitalists as they continued to produce and broadcast television capital, but owners of satellite and cable networks could also operate as television network communicative capitalists by circulating television capital to subscribing audience laborers.

The development of digital media — i.e., digital instruments of audience labor — and the Internet — i.e., a digital communication network to circulate and distribute communicative capital to audience laborers — would bring about the next major transformation in the capitalist mode of communicative production and the ability of communicative capital to exploit audience labor. That transformation occurred at an increasing rate beginning in the 1990s (Schiller 1999, 94; 2007, 83), and the Telecommunications Act of 1996 marks a useful transition point. Thus, I end this brief history of audience labor exploitation before the passage of that act began the process of expanding communicative capital into the digital era, a process that continues at present.

PART III:
AUDIENCE LABOR EXPLOITATION IN THE DIGITAL ERA

CHAPTER 6

AUDIENCE LABOR AND THE 21ST-CENTURY NEWSPAPER CRISIS IN THE U.S.

I argued in chapter five that newspaper capital has for centuries been dependent on its ability to exploit audience labor in order to accumulate capital, and that that is what defines it as a form of communicative capital. In this chapter, I examine newspaper capital's continuing reliance on audience labor in the digital era of communicative production by analyzing the role of digital audience labor in the capital accumulation strategies of MediaNews Group, the second-largest newspaper company in the U.S. I first provide context for my analysis of MediaNews' efforts to profit from the direct or indirect exploitation of its readers as digital audience laborers by describing the ongoing crisis of the U.S. newspaper industry as a crisis brought about to a significant extent by the changing relationship between newspaper capital and audience labor in the digital era, in which digital audience labor is relatively empowered in relation to newspaper capital. I then describe and analyze some of the ways in which MediaNews has responded to that crisis by attempting to either increase its power over digital audience labor — for example, by simply acquiring more newspapers and thereby acquiring power over more readers, or by suing those who copy and distribute its news on other websites — or to find ways to directly or indirectly exploit the digital audience labor of its readers — for example, by requiring digital subscriptions to access digital news or by selling digital space to advertisers.

The websites of newspapers do not seem to have been analyzed in the new political economy of the audience commodity and the broader political economy of digital labor. That

scholarship has focused most of its attention on social media companies such as Facebook and other digital media companies such as Google. The transition of companies like MediaNews from a communicative capitalist that produces and circulates capital in the form of news in print to one that also produces and circulates capital in the form of digital news is an important aspect of the general, ongoing transformations of communicative production occurring in the digital era. In this chapter, I attempt to determine what insights into the U.S. newspaper industry's continuing crisis in the early 21st century can be produced by a focus on audience labor that makes use of the political economy of audience labor I developed in Part I of this dissertation and the brief history of audience labor exploitation I described in Part II.

Audience Labor and the Newspaper Crisis

By 2006, there was an emerging recognition that the newspaper industry in the U.S. was facing a crisis (McChesney 2013; Project for Excellence in Journalism 2006). In the previous year, there had been significant staff cuts at many newspapers and newspaper chains, and declining circulation and falling stock prices were a concern (Project for Excellence in Journalism 2006). However, the crisis was only beginning. Although newspaper circulation had been steadily decreasing since 1947 and the percentage of all media advertising that went to newspapers had also been decreasing, although at a lower rate, during that time (McChesney and Nichols 2010), total annual newspaper print advertising revenue had actually increased each year since 1950 (with seven exceptions, and not accounting for inflation). In 2006, print advertising revenue decreased slightly and has dropped sharply every year since then, going from \$47.4 billion in 2005 to \$18.9 billion in 2012. In that time, digital advertising has increased from \$2 billion to almost \$3.4 billion (Newspaper Association of America 2013). According to one

estimate, there have been more than 42,000 jobs eliminated at newspaper companies since mid-2007 (Paper Cuts 2012).

The newspaper crisis has been explained primarily as a technologically caused crisis, as in, the Internet undermined the business model of the newspaper industry, and secondarily as a recession-caused crisis, as in, an already difficult situation for the newspaper industry was intensified into a crisis by the recession. The crisis has not been explained explicitly as a crisis of newspaper capital whose source can be traced to the decreased power newspaper capitalists have over audience labor in the digital era. While industry executives and industry analysts implicitly recognize the centrality of that capital-labor relationship to their ability to generate profits when they discuss the industry's need to find new ways to "monetize" the digital content it produces if it is to survive in the digital era, they do not recognize the class and power issues that are at the core of industry efforts to increase digital revenue.

Without a recognition of newspaper capitalists' reliance on their ability to exploit readers as digital audience laborers by extracting value from those readers or from advertisers, it is impossible to see the class struggle in communication between newspaper capital and digital audience labor. That class struggle in communication is a matter of the relations of power in communicative production. While audience laborers are relatively more empowered in the digital era because the digital means of audience signification, both media and culture (or technology and content), and the digital means of circulation, the Internet, enable processes of cultural consumption that are not exploited and processes of communication that are not also processes of capital circulation and accumulation, digital those audience laborers are by no means liberated from communicative capitalists. Thus, communicative capitalists such as MediaNews and

Google (which will be addressed in the next chapter) continue to seek to reinforce their ability to control audience activities and to find new means of appropriating value from those activities.

Before addressing what general perspective on the newspaper crisis that a focus on the exploitation of digital audience labor provides, I first consider the typical explanations of the newspaper crisis. McChesney and Nichols (2010) provide an authoritative summary of those explanations. As I described above, the problem facing newspaper capitalists is most tangibly a significant decline in advertising revenue — a decrease in print advertising revenue of more than 50 percent, almost \$30 billion, over the past six years and an increase in digital advertising revenue of less than \$2 billion during the same time. The Internet has been blamed for that lost advertising revenue because it took away the classified advertising that had long accounted for a large portion of newspaper print advertising revenue and which now went to free sites like Craigslist, and it reduced the general appeal to advertisers of space in print newspapers, resulting in reduced spending on newspaper display advertising (McChesney and Nichols 2010, 27-28; see also Alterman 2011, 3-4; Shirky 2011, 41-42; Starr 2011, 22-23). The Internet, in conjunction with digital means of communication like computers, has also been blamed for making newspapers, as print media requiring print networks for circulation (like the postal network), into obsolete “old media” (McChesney and Nichols 2010, 28). The newspaper industry’s decreasing revenue has also been blamed on the deep economic recession that began in 2007-08: Some optimists held out hope that when the economy improved, the newspaper industry, as well as the advertisers on whom it relies, would get a boost and the situation would not be the crisis it had quickly become (28-30). McChesney and Nichols argue that the U.S. newspaper crisis is better understood as a result of long-term trends in the industry: “Newspapers and much of commercial journalism have been in a pronounced and growing crisis for at least two decades. It is only

because the crisis was not apparent in corporate profits that it received inadequate attention” (McChesney and Nichols 2010, 30).

While not disagreeing with the explanations described above or with McChesney and Nichols’ point about long-term trends, I argue that a focus on the role of audience labor exploitation provides one important way to understand the newspaper crisis. The long-term trends of ownership consolidation, declining circulation, and “editorial lethargy” described by McChesney and Nichols were not a crisis for newspaper capital precisely because they were not a crisis “apparent in corporate profits.” There has certainly been a long-term crisis for the *quality* of journalism and for democracy, as McChesney and Nichols argue, but the crisis for newspaper capital has only really occurred in the digital era, and particularly in the past six years, because it has been during that time that newspaper capitalists’ power over audience labor has significantly decreased, resulting in decreased capital accumulation.

As the political economy of audience labor I outlined in chapter three and the brief history of newspaper capital I described in chapter five make clear, newspaper capital is dependent on its ability to directly or indirectly exploit audience labor in order to accumulate capital. In the digital era of capitalist communicative production, newspaper capital’s power over audience labor has decreased, resulting in a crisis for newspaper capital. Newspaper capital’s power over audience labor is based on its control over access to news, which it treats as cultural property. News, as one kind of cultural product whose meaning can be “consumed” through audience work and simultaneously used in a productive signifying process, is an object of audience labor. Digital news is simply a digital cultural product and digital object of audience labor. A newspaper, as one medium in which news is objectified and materialized, is also an instrument of audience labor. A computer is simply a digital medium and a digital instrument of

audience labor. Digital news and digital media are digital means of communicative production through audience signification.

Newspaper capital can exploit digital audience labor because of its control over digital news, through which it can extract value as rent from digital audience laborers or interest from digital advertisers. In the digital era, however, there is a tension between the relations and the forces (or means of) audience communicative production. Newspaper capital depends on a relation of distribution to audience labor in which newspaper capital controls one of the objects audience labor needs. That distribution relation, which is a property relation, enables newspaper capital to appropriate value from news consumption. Digital news and digital media, however, are forces of signification that provide the potential to disrupt that distribution relation by undermining the ability for newspaper capital to control digital news as private property: It is easy to copy digital news from one website and post it on another website. The digital network, the Internet, makes it easy to circulate and distribute that digital news, and makes it easy for digital audience laborers to access and work on that digital news with the use of digital media.

That also means that newspaper capital has less ability to extract interest from advertisers in return for loaning advertisers part of the digital space (e.g. on a website) in which that digital news is accessed, because fewer readers are forced to go to that specific digital space. Instead, readers can find the same news on another site, or they can simply find other digital cultural products to use as the object of their consumption. The result is that two means of capital accumulation for newspaper capitalists in the digital era are partially undermined, although they are certainly not gone. Newspaper capitalists continue to exploit digital audience labor in the same direct and indirect ways while also seeking news ways to do so. In the next section, I

examine how one newspaper company, MediaNews Group, has attempted to deal with the crisis of newspaper capital in the digital era by seeking to exploit digital audience labor.

MediaNews Group and the Exploitation of Digital Audience Labor, 2006-2013

In the following sections, I examine some of MediaNews' strategies to accumulate capital in the digital era by exploiting digital audience labor. I begin with MediaNews' efforts to acquire and consolidate ownership of daily newspapers (and their websites) in its northern and southern California clusters. Second, I consider the ownership and management change at MediaNews that has brought about a "digital first" focus. I then analyze specific aspects of MediaNews' effort to directly or indirectly exploit digital audience labor.

From Continuous Consolidation to Bankruptcy

Although there had been a long-developing crisis for newspaper capital in the second half of the 20th century, as McChesney and Nichols (2010) demonstrate, those newspaper capitalists who had managed to survive were generally in a position of considerable power at the end of the century — typically as chains of newspapers that each had local monopolies or, at most, faced one major competitor. The profit rates of those newspaper capitalists were the envy of most other capitalists: 37 percent at the *Baltimore Sun* in the mid-1990s (McChesney and Nichols 2010, 37) and 22.3 percent, on average, in 2002 (Starr 2011, 24). Even in the first decade of the 21st century, that profit-making ability continued, although it increasingly came through a reduction in the capital advanced, i.e., a reduction in the resources put toward producing journalism, including reduced staff sizes and cutbacks on foreign bureaus and investigative reporting (McChesney and Nichols 2010, 13, 18-27). Before the crisis really hit the newspaper industry just like it hit every other industry beginning in 2007 and 2008, MediaNews Group seemed to have a winning strategy based largely on its California newspaper empire: continuous

consolidation, particularly in Southern California and the Bay Area, where it spent years methodically acquiring numerous local newspapers in order to be able to compete with the large metropolitan dailies, the *Los Angeles Times* and the *San Francisco Chronicle*, for the power to exploit audience labor. MediaNews made its biggest move in 2006-2007, acquiring four daily newspapers in California. Three years later, it declared bankruptcy.

While MediaNews has since emerged from bankruptcy, the story of its path from continuous consolidation of its California newspaper empire to seeking relief from its overwhelming debt in bankruptcy court reveals a lot about the importance of the ability to exploit audience labor (particularly indirectly, through advertising) for newspaper capitalists in the digital era. Even though the costs of producing and circulating digital news are much lower than the costs for print news, the very same digital technologies that make digital news production and circulation less costly also decrease newspaper capital's control over audience labor. So, despite MediaNews' continuation of its strategy of reducing its costs of print production by acquiring more newspapers to consolidate their production operations by eliminating newsroom "redundancies" while simultaneously expanding its audience reach, it could not continue to exploit audience labor at a high enough rate to be able to accumulate the capital necessary to stay on top of the nearly \$1 billion in debt it accrued in order to amass its California newspaper empire and make other acquisitions across the country that have left it the second largest newspaper company in the U.S., by circulation.

Perhaps it should not be surprising, then, that after emerging from bankruptcy, MediaNews went right back to its efforts to further consolidate the power of its Los Angeles Newspaper Group by extending into a third Southern California county with an attempt to purchase the *Orange County Register*. Although that effort was unsuccessful, it makes clear the

centrality of audience labor to newspaper companies as communicative capitalists: Increasing the number of audience laborers over whom a newspaper capitalist has control is the easiest way to create a means to appropriate surplus-value (through rent from readers or interest from advertisers) and, thus, accumulate capital. That is one key reason MediaNews sought to acquire the *Orange County Register* and one key reason the chairman of MediaNews continues to see consolidation as the way of the future (Avery 2011).

I explore some of MediaNews' other strategies to accumulate capital in the sections that follow, but here I first analyze MediaNews' strategy of continuous consolidation and its ultimate recourse to bankruptcy protection from its creditors from the perspective of the company's need to be able to exploit audience labor. In 2006, MediaNews already had consolidated many of the local newspapers in the Los Angeles and San Francisco metropolitan areas under its control through a series of acquisitions over the previous decade. In Los Angeles County, MediaNews had acquired every local daily newspaper except the *Daily Breeze*, creating a cluster of suburban newspapers surrounding Los Angeles, and the *Los Angeles Times*. What, for advertisers, MediaNews referred to as the Los Angeles Newspaper Group (LANG) extended to the local daily newspapers in neighboring San Bernardino County. In the San Francisco Bay area, MediaNews owned a cluster of local daily newspapers, then referred to as the Alameda Newspaper Group, that surrounded San Francisco, and the *San Francisco Chronicle*.

I worked at the *San Gabriel Valley Tribune* — part of the San Gabriel Valley Newspaper Group consolidation of three local newspapers, which is part of the larger Los Angeles Newspaper Group — for four years before taking a job at the *Daily Breeze* in 2005, specifically in order to leave MediaNews. Until MediaNews' bankruptcy, the company had been controlled by CEO and Chairman William Dean Singleton, who employees refer to as “Lean Dean”

because of his record of cost cutting and sparing every expense possible when it comes to newsroom resources. After I had spent two years at the *Daily Breeze*, Singleton and MediaNews took over the newspaper, and I quit. The acquisition of the *Daily Breeze* only increased MediaNews' Los Angeles Newspaper Group circulation by 14.5 percent, to a total of 518,000 (Rainey 2006), but it was also the only missing piece of the LANG puzzle within Los Angeles County, and it was a newspaper Singleton had sought to control since he started building the southern portion of his California empire in the late 1990s (Lacter 2006). However, MediaNews' extension of its Los Angeles Newspaper Group was only part of the story in 2006: The company simultaneously took over the *Contra Costa Times* and the *San Jose Mercury News* in the San Francisco area and the smaller *Monterey County Herald* just to the south. MediaNews more than doubled the circulation of its San Francisco-area papers — from less than 300,000 to more than 700,000 (Layton 2006; Said 2006) — i.e., it more than doubled the number of audience laborers from whom it could appropriate value, at least as print subscribers. Its Alameda Newspaper Group became the Bay Area News News Group (BANG).

In this chapter, I am concerned with digital audience labor, but contemporary news accounts and commentaries of the expansion of MediaNews' California newspaper empire in 2006 do not address the issue of the audience activities that are the source of the company's wealth. They describe only the increase in print circulation for MediaNews as a result of taking over the newspapers listed above. By taking over those newspapers, however, MediaNews also put itself in a position to have power over *digital* news capital, and thus digital audience labor as well. Each of those newspapers has a website that provides the primary means of appropriating value from digital audience labor. The core readership of the newspapers acquired by MediaNews is based on the fact that those local newspapers provide local news: The specific

audience laborers those newspapers are able to exploit are those who want access to the specific news controlled (as cultural property through copyright) by those newspapers, or, since each of those local papers is a local monopoly or near-monopoly, the audience laborers whose only choice for news is the news produced and controlled by those newspapers. The power to exploit those specific audience laborers was the power acquired by MediaNews, and it is a power that extends to digital audience labor.

The newspaper crisis in the digital era, however, is in part a result of the fact that there is no simple transference or extension of newspapers' power to exploit print audience labor into a power to exploit digital audience labor. That is a source of crisis for newspaper capital, and communicative capital in general, in the digital era: Capital accumulation in communication depends on the appropriation of value through control over audience activities, but communicative capitalists' power has been significantly diminished as their power over audience labor has decreased in the digital era. The power of newspaper capitalists, in particular, has been significantly diminished relative to the monopoly or near-monopoly power each newspaper had over its local audience and, hence, over advertisers who wanted access to that audience before the digital era. MediaNews bet on its ability to continue to appropriate value and accumulate capital — and even to have increased its capacity to do so — in acquiring the four newspapers (plus a number of smaller newspapers) in California in 2006. The company took out a \$350 million loan to finance the \$1 billion deal (de la Merced 2009) and gave Hearst Corporation (which owns the *San Francisco Chronicle*) a 31 percent equity stake in the company in exchange for another \$317 million (McGaw 2010). It turned out to be a bad bet for MediaNews, which was unable to continue to pay off the debt it accumulated in that deal and previous acquisitions and was forced to seek bankruptcy protection.

Just two years after the major acquisition that provided the basis for further consolidation of news production and circulation in MediaNews' California empire, the company was close to being in technical default of its nearly \$1 billion in debt, which was nine times its annual earnings (Perez-Pena 2008), and in March 2009 the company did not make a payment to its lenders (de la Merced 2009). The company's lenders, led by Bank of America, agreed to let it delay payment as it attempted to reorganize, while CEO and Chairman Singleton continued to assert the company was not at risk of bankruptcy (*Denver Business Journal* 2009b). In January 2010, Affiliated Media Inc., a holding company for MediaNews, filed for bankruptcy protection (McGaw 2010; Spector and Ovide 2010). Affiliated Media Inc., and MediaNews, emerged from that bankruptcy protection two months later, having reduced its debt from \$930 million to \$165 million by providing its lenders with equity in the company. Those lenders, including Bank of America, Wells Fargo, and Bank of New York Mellon, took an 89 percent ownership stake in the company, although Singleton and MediaNews Group President Joseph Lodovic IV were left in control (*Denver Business Journal* 2010b; 2010c).

But in January 2011, Singleton was on his way out as CEO and chairman and Lodovic was gone (MediaNews Group 2011a). A hedge fund, Alden Global Capital, had acquired a large ownership stake in MediaNews — reportedly 40 percent (Doctor 2011a) — and now had a representative in three of the six MediaNews board positions (Langeveld 2011a). Singleton was still pushing for more expansion and consolidation of MediaNews' California empire, attempting to expand the Los Angeles Newspaper Group into a third county by acquiring the *Orange County Register*. That effort finally failed in August (*Denver business journal* 2011a). The next month, Alden Global Capital assumed more direct control over MediaNews by creating a new company to jointly manage MediaNews and the Journal Register Company, which Alden Global

Capital had acquired in July 2011 (Langeveld 2011b). After the Journal Register Company emerged from bankruptcy in 2009, John Paton became CEO and implemented what he called a “digital first” strategy (Carr 2011; Ingram 2011). In September 2011, Alden Global Capital created Digital First Media to manage both newspaper companies and made Paton CEO of the management company as well as both newspaper companies. MediaNews’ bankruptcy, by significantly reducing the company’s debt, had set the stage for a hedge fund to take over the second-largest newspaper company in the U.S. and implement a strategy it perceived as the best means to continued capital accumulation.

Digital First: New Strategies for Capital Accumulation

In the digital era, newspapers capitalists have attempted to extend the strategies for capital accumulation they have used in relation to print by charging for access to digital news and lending digital space to advertisers. I deal with those efforts in the sections below. In this section, I examine some of the numerous other strategies MediaNews has tried in order to find new ways to appropriate value and accumulate capital, such as attempts to exploit the digital *cultural* labor of its readers by having them produce news that MediaNews can then appropriate and capitalize. In light of the ongoing U.S. newspaper crisis in the digital era, understood here as a crisis of newspaper capital precipitated by the decreased power it holds over digital audience labor, the strategies I describe in this section can be seen as having been born out of necessity.

Since 2011, MediaNews has proclaimed a “digital first” approach under the management of Digital First Media and CEO John Paton, but the company had sought to find news ways to generate revenue in relation to digital communication before its management takeover by Digital First Media. In March 2009, in the face of both declining print subscriptions and declining advertising revenues, MediaNews explored something it called “I-News,” which was a way to

reduce the costs of print production and circulation by letting subscribers print their own “customized” or “individuated” digital newspaper (*Denver Business Journal* 2009a). In June 2009, MediaNews explored a way to “distribute news on mobile devices,” which would have allowed it to either directly exploit mobile digital audience labor by charging for access to the news delivered to mobile devices or to indirectly exploit mobile digital audience labor through “targeted local advertising” (*Denver Business Journal* 2009d). In 2011, after Alden Global Capital had begun to assert control of the company, but before Paton had been put in charge through Digital First Media, MediaNews attempted to extend its ability to exploit digital audience laborers beyond website use and its mobile phone experiment into Apple’s iPad tablet computer. The company created an application called TapIn that cost \$4.99 a month and also had advertising (Doctor 2011b). The first version of the application was TapIn BayArea, which targeted readers of MediaNews’ newspapers in that part of California, and it was billed as “the world’s first location-aware digital newspaper” (Doctor 2011b; Langeveld 2011c).

Under the direction of Paton and Digital First Media — and the “digital first” approach Paton championed as the only way forward for newspapers (Paton 2011a; 2011b) — MediaNews expanded its efforts to exploit digital audience labor and to find other means of generating digital-related revenue. A year after the TapIn application was introduced, it had been abandoned. A new collection of both tablet and smartphone applications was created for each MediaNews newspaper in an effort to leverage the power of each newspaper “brand” (Digital First Media 2012c). MediaNews’ expansion of its California newspaper empire left it with a consolidation of local monopolies across the communities of the Los Angeles and San Francisco areas. There are now applications to attract every specific group of audience laborers that have few, if any, other options for local news beyond the newspapers owned by MediaNews. For

example, there is a *San Jose Mercury News* application to attract those who might read the print or website version of that newspaper, and there is a *Los Angeles Daily News* application to attract the audience labor of that publication's readers. Those applications are available on Apple's iPad and iPhone as well as smartphones using Google's Android operating system. Unlike TapIn, they are free, but MediaNews generates revenue through advertising.

In 2012, MediaNews launched a number of other "digital first" initiatives, while in the previous year it had begun to push its readers toward digital rather than print news consumption by ceasing home delivery of many of its San Francisco-area newspapers (*Denver business journal* 2011b). I will examine some of those initiatives in the following sections. I conclude this section with an analysis of the role of digital audience labor in MediaNews' recent "citizen journalism" strategy. MediaNews' BANG cluster now hosts two "community media labs," in San Jose and Oakland, and it recently launched a "mobile journalism lab" (Digital First Media 2013). In MediaNews' LANG cluster, there is a "community media lab" in Pasadena (Digital First Media 2012b). A "community media lab" "involves the community in reporting news, issues and events" (Digital First Media 2012b), which provides a means for MediaNews to exploit the digital *cultural* labor of its readers as "citizen journalists" by freely appropriating and capitalizing the news they produce. MediaNews can then use that news as the basis for exploiting print and digital *audience* labor — a strategy for accumulating capital that is typical of social media companies, including Google, which I will analyze in the next chapter. The fact remains, however, that it is digital *audience* labor that is the source of value appropriation and capital accumulation for MediaNews; the digital cultural labor of its "citizen journalist" readers simply provides the least expensive source — free — of the news that MediaNews needs to control in order to generate power over digital audience labor. The same is true in the case of Google, as I

will attempt to show in the next chapter. For MediaNews, then, the “mobile journalism lab” — which is a van equipped with “multiple WiFi hotspots to support up to 40 connected devices, ... Lenovo Thinkpads, iPads, smartphones, WiFi-enabled television — as well as [an] HD video camera and Xbox 360” (Digital First Media 2013) — is, at least in part, a means to train more “citizen journalists” to be able to produce news that can be freely appropriated.

Righthaven: Securing Digital Cultural Property

In the digital era, online “piracy” has been one of the central issues for communicative capitalists who depend on their ability to profit from their control of cultural property. Digital media and the Internet make it possible for people other than the copyright owners to copy and circulate, as well as access, digital cultural products, thereby supposedly “stealing” the property of copyright owners. There have been repeated efforts by copyright owners to fight such “piracy.” Beginning in 2010, MediaNews tried one approach that had been used by other communication industries. That effort proved almost completely unsuccessful and short-lived, but it provides one key example of the central importance of power over digital audience labor for MediaNews and other newspaper capitalists, as well as many other communicative capitalists in general.

The communicative capitalists in the recorded music and film industries have worked as the associated capitals of the Recording Industry Association of America (RIAA) and the Motion Picture Association of America (MPAA) to wage an “anti-piracy” campaign that has included lawsuits against supposed copyright infringers. That strategy was largely abandoned after those lawsuits generated a lot of negative publicity for the music and film industries. More recently the RIAA, MPAA, and other associations of copyright owners have renewed their efforts to gain a legislative solution to their inability to maintain monopoly power over their cultural property and

prevent unauthorized copying or access. In 2011, the Protect IP Act (PIPA, whose full title is Preventing Real Online Threats to Economic Creativity and Theft of Intellectual Property Act) was introduced in the U.S. Senate and the Stop Online Piracy Act (SOPA) was introduced in the U.S. House of Representatives. The bills targeted websites that supposedly enable copyright infringement and would have blacklisted those sites. The bills were tabled after a coordinated protest in January 2012 (Timm 2012; Samuels 2012). Earlier this year, the RIAA, MPAA, and other associations of copyright-owning communicative capitalists succeeded in launching the “Copyright Alert System,” a long-developing plan to work with Internet service providers to disrupt the Internet service of alleged repeat copyright infringers (Center for Copyright Information 2013; Kravets 2013).

In late 2010, MediaNews followed the lead of the RIAA and the MPAA and attempted its own lawsuit strategy to assert absolute property control over its digital news. Stephens Media, a long-time partner of MediaNews as a member of the California Newspaper Partnership (Digital First Media 2012), initiated the process by creating the company Righthaven with an investment of \$500,000 and a “Strategic Alliance Agreement” that provided for a 50-50 split of the profits from any settlements or lawsuit winnings (Green 2011a; 2011b). Sherman Frederick, the president and CEO of Stephens Media and publisher of the *Las Vegas Review-Journal* at the time, announced the lawsuit campaign in a column titled “Copyright theft: We’re not taking it anymore”: “We grubstaked and contracted with a company called Righthaven. It’s a local technology company whose only job is to protect copyrighted content. It is our primary hope that Righthaven will stop people from stealing our stuff” (Frederick 2010). MediaNews soon joined Stephens Media in using Righthaven to go after what the newspaper companies claimed was the illegal copying and posting online of its property.

On September 22, 2010, MediaNews signed a “Copyright Alliance Agreement” with Righthaven in which the company agreed to assign its copyrights to Righthaven so that it could sue for infringement.¹⁸ While Righthaven only brought suits in relation to material from the *Denver Post*, many of MediaNews’ California newspapers were part of the agreement: the *San Jose Mercury News*, *Contra Costa Times*, *Los Angeles Daily News*, *Oakland Tribune*, *Long Beach Press-Telegram*, and *Daily Breeze*. MediaNews appeared to be embarking on a concerted effort to reclaim control over its digital content. On November 14, 2010, a “Notice to readers about Denver Post copyright protections” was posted on the *Denver Post* website. The notice is still on the website, on the bottom of the home page under the link, “Repurposing Denver Post content – Guidelines” (Denver Post 2010). Almost identical notices can be found on many of the websites of the newspapers in California owned by MediaNews, although those notices are undated (e.g. *San Jose Mercury News*, n.d.; *Pasadena Star-News*, n.d.). After Paton became CEO of MediaNews, however, the company abandoned the Righthaven lawsuit strategy, and with little to show for it.

Righthaven brought 275 lawsuits over an 18-month period beginning in March 2010 for Stephens Media and the *Las Vegas Review-Journal*, as well as MediaNews and the *Denver Post*, but it never won in court and its only victories came from the defendants who chose to settle for \$6,000 rather than risk the \$150,000 damages with which Righthaven threatened them (Green 2011a; Gardner 2012). In its brief existence, Righthaven, which has been described as a “lawsuit mill” and a “copyright troll” (Green 2011a; Kravets 2011), became “known for suing the wrong parties, for serving the wrong version of a lawsuit [...], for failing to serve defendants on time,

¹⁸ The agreement is Exhibit A in the case *Righthaven v. Wolf*, docket number 1:11-cv-00830 in the District Court of Colorado. The agreement is available online at <https://www.eff.org/cases/righthaven-v-wolf> and <http://www.scribd.com/doc/59635613/Righthaven-MediaNews-Copyright-Alliance-Agreement>

for embarrassing the [*Review-Journal*] by suing its own news and advertising sources and for embarrassing the *Denver Post* by suing an autistic blogger” (Green 2011a). That last case generated particularly bad press for MediaNews. Brian Hill, then a 20-year-old “chronically ill, mildly autistic North Carolina blogger” posted on his blog a photo from the *Denver Post* that he found on the Internet after it had been widely circulated (Green 2011b; Roberts 2011). After Hill, who survives on a disability check and lives with his mother, refused Righthaven’s \$6,000 settlement demand, Righthaven “threatened to garnish Hill’s Social Security Disability Insurance income at the rate of \$50 per month for 10 years” (Green 2011b). The day after becoming CEO of MediaNews (and its Digital First management company), Paton announced MediaNews would not renew its agreement with Righthaven (Green 2011b; Kravets 2011). “[I]t was a dumb idea from the start,” Paton said (quoted in Kravets 2011). Righthaven was forced into bankruptcy and the lawyers involved were investigated by the State Bar of Nevada (Gardner 2012; Green 2011c).

In MediaNews’ rush to go on the attack against those it perceived to be undermining its control over its digital news property, it signed on to what turned out to be a strategy that was as deeply flawed legally as it was in terms of publicity. The agreement to assign copyrights to Righthaven after the discovery of alleged infringement, and then only for the purpose of bringing suit, was repeatedly judged to give Righthaven no real standing to sue for copyright infringement: It never really owned the copyrights (Green 2011a; Kravets 2011). But the court decisions against Righthaven were more than just a long list of repeated failures adding up to an unsuccessful strategy; the decisions actually did much to reduce the extent to which copyright provides protection for the cultural property of newspaper capitalists because they strengthened fair use arguments (Green 2011a) — a result that also reduced MediaNews’ (and other

newspaper capitalists’) power over digital audience labor in general. In abandoning Righthaven, MediaNews was by no means abandoning efforts to strengthen its control over its digital cultural property. “The issues about copyright are real,” Paton said (quoted in Kravets 2011).

The issues about copyright and control of cultural property are indeed real issues for newspaper capital in terms of its ability to exploit digital audience labor. As Moody’s Investors Service said in a 2011 report on the U.S. newspaper industry, “Digital revenue will increase as companies capitalize on their content” (quoted in Green 2011a). If, in the digital era, copyright law is not enough to allow MediaNews and other newspaper capitalists to control the circulation of their digital news, because digital media and the Internet make it possible for others to easily copy and circulate that digital news, then they cannot convince advertisers that they have monopoly power over their digital audience laborers and thereby capitalize on their digital cultural property by extracting high interest rates — i.e., advertising revenue — from loans of their digital space to advertisers, as they could from loans of their print space. That has been a problem for U.S. newspaper capital in general in the digital era. With significantly less ability to indirectly exploit digital audience labor and generate digital advertising revenue than they had in relation to print audience labor, newspaper capitalists have turned to the direct exploitation of digital audience labor: charging for access to digital content. MediaNews has tried that strategy in recent years at many of its smaller-circulation newspapers in California (and some of its newspapers in other states) by putting a paywall in front of its digital content that forces readers to buy a digital subscription in order to access that content.

Paywall: Digital Audience Labor and Rent

In 2011, MediaNews turned to a technological means of controlling access to its digital news property instead of continuing its campaign of lawsuits through Righthaven that was aimed

at creating more absolute legal control over its digital news property: Rather than attempting to punish others for “stealing” and then freely circulating its digital content, which supposedly reduces the number of digital audience laborers MediaNews can directly or indirectly exploit by taking away the company’s monopoly power to control access to its digital news, MediaNews erected what has been referred to as a “paywall” on the websites of its newspapers to enable it to extract rent from the digital audience laborers it could still attract to its digital content.

MediaNews had declared its intent to charge for access to news on the websites of some of its newspapers as early as May 2009 (*San Francisco Business Times* 2009a). Singleton, MediaNews’ CEO at the time, was also chairman of the Associated Press (AP), which was also threatening to crack down on websites that posted the AP’s news without licensing it (*Denver Business Journal* 2009c): “We can no longer stand by and watch others walk off with our work. . . . We are mad as hell, and we are not going to take it anymore,” Singleton said (quoted in *Denver Business Journal* 2009c). MediaNews also threatened to prevent Google from aggregating onto its Google News site the digital news MediaNews put behind a paywall (Bensinger and Womack 2009; *San Francisco Business Times* 2009b).

In July 2010, MediaNews finally launched a test of its digital paywall at two of its newspapers, including the *Chico Enterprise-Record* in California (Harden 2010). Singleton said the purpose of exploring the introduction of a paywall was the need “to condition readers that everything is not free” (quoted in *Denver Business Journal* 2010a). Readers of newspaper websites had become accustomed to free access to news online, while MediaNews and other newspaper capitalists offered that free access as a means to attract readers to their specific websites in order to generate digital advertising revenue. Previous efforts to force readers to pay for online access to news had largely been abandoned. But now, paywalls were being

reconsidered as a way for newspaper companies to add a secondary means of appropriating surplus-value by forcing readers to pay rent to gain online access.

In early 2011, after Singleton had announced he would be stepping down as CEO but before Paton had assumed control of the company, Singleton assessed the results of MediaNews' limited paywall experiment:

We were concerned we'd lose traffic, and we really haven't lost much traffic. [...] We are somewhat disappointed in the number of consumers that don't go beyond the pay wall. That tells us that there may not be as many consumers that will pay for content as we'd hoped. However, it also tells us that we are beginning, over time, to convince the consumer that all content is not free. (quoted in Avery 2011)

Singleton and MediaNews were also convincing themselves that they could directly exploit digital audience labor and extract rent from their readers in return for access to digital news. In August 2011, a month before Paton was named CEO, MediaNews expanded its paywall to 21 additional newspapers — mostly its smaller-circulation publications — including nine additional newspapers in California. Readers could access five free articles per month on the websites of those newspapers; they could only access more articles if they paid for a digital subscription. Current print subscribers could add a digital subscription for \$1.99 per month or \$29.99 per year. For those without a print subscription, a digital-only subscription cost \$5.99 per month or \$59.99 per year (MediaNews Group 2011b).

Paton became CEO of MediaNews one month after the company launched its expanded paywall system. Reviewing that effort to generate digital revenue in a post on his personal blog, Paton restated his general opposition to paywalls as a means for newspapers to increase digital revenue:

I think they can be a dangerous management distraction to the real job of adapting a legacy business to the realities of an Internet world. [...] [Y]ou don't transform from a broken model by tweaking it — you build something else. I think paywalls, meters if you like, are exercises in tweaking not transforming. (Paton 2013)

Paton noted that the expanded paywall system that had been instituted at 23 of MediaNews' 57 daily newspapers had generated “gross revenues of about \$300,000” after one year, while MediaNews' annual revenue is about \$1 billion. He described that as an “abysmal” performance and the paywall system as a “failure.” But Paton also insisted he was forced to continue to explore paywalls as a means of generating revenue despite his opposition to the idea and the evidence of its failure based on the limited experiment undertaken by MediaNews (Paton 2013). Paton claimed that a revised paywall system had been instituted at the websites of those same newspapers in late 2012 without providing details of the changes that have been made (Paton 2013). As of this writing, the same basic paywall that MediaNews announced in August 2011 seems to be in place, limiting visitors to the websites of newspapers like the *Chico Enterprise-Record* and the *Whittier Daily News* to five free articles per month, although the price of a digital-only subscription has been raised from \$5.99 to \$8.99 per month. MediaNews does not appear to have expanded its paywall system to the websites of the rest of its newspapers.

In relation to Paton's “digital first” approach to the accumulation of newspaper capital, the paywall situation seems to be the reverse of the Righthaven situation: In the latter case, Paton's arrival as CEO brought an end to MediaNews' efforts to establish something closer to absolute control over its digital news in favor of a more open approach, while in the former case Paton was forced to accept a strategy of closing off access to digital news behind a paywall. In relation to the Righthaven lawsuits, Paton argued that his “digital first” strategy included making

digital news openly accessible, even comparing it to open-source software protocol: “Instead of paywalls, we see greater value creation in the open sharing of our content. Our approach is to treat content like an API [application programming interface] — available to any who want [sic] it” (Paton 2011a). In relation to the digital paywall, however, Paton claimed he had been forced to accept the necessity of controlling access to digital news by forcing readers to pay.

That contradictory approach to the control over access to digital cultural property suggests that the need to find a means to accumulate capital, including through the exploitation of digital audience labor, takes precedence over the principle of openness supposedly inherent in Paton’s “digital first” strategy — and that Paton might have been naïve about the ability to allow “the open sharing of our content” without simultaneously undermining the ability to accumulate capital. The Righthaven lawsuits were a demonstrated failure as a legal strategy and as a means to generate revenue by forcing defendants to settle, so they were clearly not a useful strategy for capital accumulation. Paywalls are a technological means of closing off access to digital news and are thus in contradiction with Paton’s argument for open access to digital content, but they are also a clear means to generate at least some revenue, even if they are not yet a successful means for many companies. Hence, Righthaven was abandoned, while paywalls continue, despite Paton’s supposed reluctance.

Advertising: Digital Audience Labor and Interest

Paton has also described a more recent attempt to generate digital revenue through the placing of Google Consumer Surveys on the websites of all the newspapers managed by Digital First Media (including all MediaNews newspapers) as an addition or alternative to the digital paywall system, but I argue it is better understood as something similar to advertising, so I address it in this section. First, I analyze aspects of MediaNews’ specific efforts to extend

newspaper capital's centuries-long reliance on advertising revenue into the digital era. While the inability of newspaper capitalists to generate as much revenue through digital advertising as they generated through print advertising is one of the central aspects of the newspaper crisis in the digital era, advertising revenue — or the appropriation of surplus-value in the form of interest on fictitious capital loaned to advertisers — remains a key source of capital accumulation for newspaper companies in the digital era. I then examine the recent strategy of the Google Consumer Surveys.

While digital advertising makes up the overwhelming majority of digital revenue for newspaper companies in the U.S. — \$3.4 billion in online advertising versus \$100 million in digital-only subscriptions in 2012, according to some estimates (Newspaper Association of America 2013; Buttry 2013) — it is an insufficient basis for continuous newspaper capital accumulation. Digital advertising is still only a fraction of the total annual advertising revenue generated by the newspaper industry in the U.S.: It was \$3.4 billion of the \$22.3 billion total in 2012 (Newspaper Association of America 2013). Furthermore, the rate at which digital advertising revenue is increasing is also still much lower than the rate at which print advertising is decreasing: In 2012, there were 16 print dollars lost for every digital dollar that was gained (Edmonds et al. 2013). But with no prospects for newspaper capital to regain its previously high rates of print advertising, digital advertising remains the most solid, if still inadequate, digital basis for capital accumulation at the moment. Facing that situation, newspaper capitalists like MediaNews continue to seek new means of generating revenue, as I have documented in this chapter. However, MediaNews and others also continue to try to increase their digital advertising revenue, but in doing so they face a fundamental reality of the digital era that is, for them, a

source of ongoing crisis: They remain dependent on their ability to control audience activities, but their power to do so has been significantly diminished.

My analysis of MediaNews' use of Righthaven in one of the sections above demonstrates MediaNews' struggle to reproduce its class relationship to audience labor in the digital era. The company has attempted to reproduce that relationship, in part, by controlling digital news as its cultural property — by controlling access to the object of digital audience labor, which in this case is the digital content on the company's websites. It must control that cultural property to continue to reproduce itself as a newspaper capitalist, and the Righthaven effort is one instance in which it has gone to great lengths to do so. The section just prior to this one, on MediaNews' paywall, demonstrates the way the company has attempted to profit from its control over digital news by making readers pay for access — by directly exploiting digital audience labor through the extraction of rent. MediaNews' failure to gain a legal basis for more absolute control over its digital cultural property in order to prevent the technologically enabled “stealing” of that property (the Righthaven strategy), and its limited success in forcing readers to pay for access to digital news (the paywall strategy) are indicative of the difficulties newspaper capitalists face in the digital era. Those difficulties are the result of the fundamental challenge to the newspaper capital-audience labor relationship presented by digital media and the Internet, which have empowered audience labor.

However, the relationship remains one in which newspaper capital has power over audience labor, although that power is now relatively diminished. If people want news, they are still ultimately dependent on newspaper capitalists and other producers of news. Newspaper capitalists have simply lost their monopoly power because they no longer have monopoly control over the news to which their specific readers want and need access. Because their power over

digital audience labor is a relatively reduced power, their ability to exploit digital audience labor is also relatively reduced. For MediaNews, as I showed in the previous section, that has resulted in a limited ability to directly exploit digital audience labor in return for access to digital news. I will argue in this section that it has also resulted in a significantly reduced ability to indirectly exploit digital audience labor by extracting interest from advertisers in return for the placement of digital advertising on newspaper websites.

MediaNews claims a total monthly audience of 34 million unique visitors to the websites of its newspapers, including 11.6 million to its BANG websites and 6.2 million to its LANG websites (MediaNews Group 2011c). In California alone, then, there are almost 18 million digital audience laborers from which MediaNews can appropriate value. As a source of local news in the BANG and LANG areas, MediaNews is essentially a monopoly in each of the local markets in which it owns the newspaper. MediaNews makes heavy use of banner advertising on its newspapers' websites and, as is now typical of digital advertising, those ads are increasingly targeted ads. MediaNews promotes to advertisers its ability to target "400+ behavioral segments" by location, gender, age, and interests such as news, sports, and business (MediaNews Group 2011d). MediaNews also touts to advertisers the online advertising network it created in partnership with Yahoo! "to provide advertisers the most advanced online targeting capabilities available" (MediaNews Group 2011e). Those capabilities include behavioral targeting of advertisements: "Consumers are placed into a specific category based on recency, relevance, and intensity of the behavior" (MediaNews Group 2011e). That tracking of behavior is done by Yahoo! across both MediaNews and Yahoo! websites using a "Behavioral Targeting Formula" that includes tracking of online content accessed, online searches conducted, clicks on search results, and clicks on advertisements presented: "Yahoo! tracks this information daily and

applies predictive models. [...] Yahoo! Behavioral Targeting aggregates users' interests in particular products or services based on their behavior across the Yahoo! Network" (MediaNews Group 2011e). The result is the ability to put every audience member into one of 450 possible "Behavioral Targeting segments" (MediaNews Group 2011e).

Since MediaNews is a privately held company, its financial figures are not available; I can only assume that, since it continues to seek additional sources of digital revenue beyond digital advertising — such as a paywall, the use of Google Consumer Surveys, and mobile applications — digital advertising is not a sufficient source of revenue as the company's print advertising revenue continues to decline. As I noted earlier in this section, digital advertising is certainly an insufficient revenue source for the newspaper industry in general. The same appears to be true for MediaNews, hence the company's recent introduction of the Google Consumer Surveys onto all the websites of its newspapers. Google charges advertisers 10 cents per survey response sought by the advertisers, while companies like MediaNews that place the surveys on their websites receive 5 cents for each response (Google, n.d.d; Shields 2012). Paton has described the Google consumer surveys as a kind of paywall (Google also refers to them as "surveywalls" (McDonald, Mohebbi, and Slatkin, n.d.)), but they are better understood as being similar to advertising: By virtue of its ownership of digital news, MediaNews gains power over some digital audience laborers and uses that power to lend a part of the digital space in which its news appears — space on its websites — to Google, while Google pays MediaNews to borrow that space, with the money MediaNews then gains in return best understood as interest on a loan, or as a kind of surplus-value appropriated by MediaNews from Google.

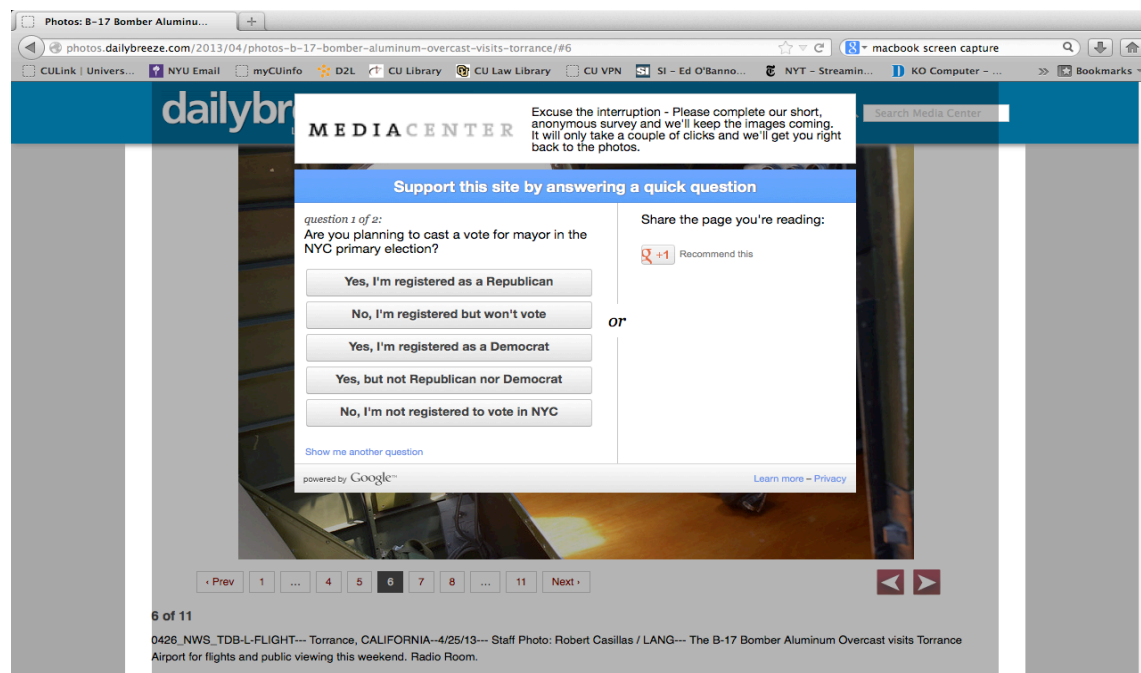
For example, I visited the website for the *Whittier Daily News* in Whittier, California, whittierdailynews.com, and clicked on a story about the Los Angeles Lakers professional

basketball team. Since I am not a digital subscriber to the newspaper, the text of the story was blocked out on the page and a prompt appeared on the screen with the following message:

Whittier Daily News content is available only to our digital subscribers or those who earn a 24 hour pass. To continue reading this article you must be a digital subscriber or earn the 24 hour pass by answering two survey questions.

Below that message, the heading read, “Answer a question to continue reading this page,” and in the box below I was given the choice of either answering the first survey question, “Have you ever been to Lake Placid, New York”?, with the choices being, “Yes,” “No,” and “No but I plan to,” or signing up for a digital subscription. I also had the option to choose a different survey question to answer.

I later visited the website for the *Daily Breeze* in Torrance, California, dailybreeze.com, and viewed a selection of photos on the website’s Media Center. After viewing five images, the following message appeared on my computer screen:



I happened to be in New York City at the time, which seems to be the reason I was asked a question about that city's upcoming mayoral primary election. Unlike the *Whittier Daily News* website, the *Daily Breeze* website does not have a digital paywall, and it is presumably for that reason that my alternative to answering the survey questions was to recommend the page I was viewing through Google's "+1" web recommendation system rather than being asked to sign up for a digital subscription.

In terms of the process by which MediaNews uses the Google surveys to appropriate surplus-value, the surveys should not be confused with the digital paywalls put up by MediaNews and other newspaper capitalists, even though the Google surveys operate as a kind of barrier to access to digital news. Advertising has long worked the same way, including in print: Readers' access to print news has been contingent on their acceptance of advertising in some of that print space if they wanted to be able to read the actual news content in a newspaper. The surveys are just another means by which MediaNews and other newspaper capitalists can indirectly exploit digital audience labor, which is why I argue they are similar to advertising.

MediaNews owns and controls access to specific digital content. On the *Daily Breeze* website, at least, it makes that content freely accessible. But that does not mean it relinquishes complete control over that content. It simply means that it chooses not to attempt to *directly* exploit digital audience labor by forcing its readers to pay for access. Instead, MediaNews uses the power it has over some digital audience laborers — in the example above, all those individuals who wanted to view the images of a restored WWII-era B-17 Bomber that had been brought to the area of the newspaper's local readership — to convince Google to borrow some of the website space in which readers access and consume those images. Google borrows the space

by placing a survey in it. In return for that loan of digital space, Google not only returns the space to the lender and actual owner, MediaNews, at the end of the process, but it also pays money to MediaNews that can then be seen as interest. MediaNews would have no incentive to lend its digital space, which it treats as a pure financial asset because it is a source of value, if it could not end up with more money at the end of the process. In that way, the Google Consumer Surveys are a means for MediaNews to indirectly exploit its digital audience laborers.

Conclusion

I have analyzed several strategies employed by MediaNews as efforts to accumulate capital in the digital era of capitalist communicative production through the direct or indirect exploitation of digital audience labor. While I have focused on what MediaNews has attempted to do as a newspaper capitalist that is largely dependent on its ability to appropriate value by means of, for example, digital subscriptions or digital advertising, the company's continuous struggle to find a secure basis for capital accumulation in the digital era suggests that, although the company still has power over its readers as audience laborers, that power is significantly reduced in the digital era. That reduced power and concomitantly reduced ability to appropriate value and accumulate capital through control over audience activities can be seen as a significant source of crisis for MediaNews and other newspaper capitalists. Digital audience labor, meanwhile, can be seen as more empowered in relation to newspaper capital than was (and is) print audience labor. However, as long as digital news remains private property, digital audience labor remains in a relationship of direct or indirect exploitation because it is dependent on newspaper capitalists and other producers of news for access to the object of its consumption and communicative production through signification. As long as that is the case, digital news can be treated as capital by companies like MediaNews, and the process of digital communication in

which readers access and read that news can, itself, be treated as a process in which capital circulates, surplus-value is appropriated by MediaNews and other newspaper capitalists, and those companies can accumulate capital. At the moment, they are simply able to accumulate less capital than they could in relation to print news.

CHAPTER 7

AUDIENCE LABOR AND ‘THE GOOGLIZATION OF EVERYTHING’

That newspaper companies like MediaNews Group are reliant on consumers of culture in order to generate profits even in the digital era might be obvious, even if it is not obvious that that reliance is based on the need to directly or indirectly exploit the audience activity of those consumers. That Google is equally reliant on cultural consumers in order to generate profits is a crucial point of political economy that seems generally to have been missed in the new political economy of the audience commodity and the broader political economy of digital labor. In this chapter, I analyze key aspects of Google’s expansive efforts to transform digital communication processes into capital accumulation processes — what Vaidhyathan (2012) has called “the Googlization of everything.” As Vaidhyathan demonstrates, “Google dominates the World Wide Web” (13), having “googlized” a wide range of digital communication activities, including web search, email, online video posting and viewing, and numerous other activities. I look specifically at the central role of the exploitation of digital audience labor for Google’s expanding digital empire.

In the first section, I will briefly review the existing theories of Google’s capital accumulation in order to demonstrate the lack of attention to digital audience labor. In the second section, I consider three specific aspects of Google’s capital accumulation strategies and the place of digital audience labor exploitation in each in an effort to provide examples of the new insights into Google’s function as a communicative capitalist and the class struggle involved in

“the Googlization of everything” that can be gained from a focus on digital audience labor. In this chapter, I demonstrate that the political economy of audience labor I outlined in Part I of this dissertation makes it possible to see that, even in the case of Google as a company that provides free digital media “platforms,” it is cultural consumers as digital audience laborers who are the basis for capital accumulation through communication processes. That fact further demonstrates that the exploitation of audience labor is a fundamental characteristic of the digital era of capitalist communicative production.

Theories of the Political Economy of Google

The scholarship that specifically addresses the political economy of Google does not seem to recognize the centrality of digital audience labor to Google or accurately theorize how Google exploits the communicative activities of its users. I review some of that scholarship here in order to help establish why there is something new to learn about Google as a communicative capitalist by analyzing its relationship to the audience activities, or cultural consumption, of its users.

Kang and McAllister (2011) follow Meehan (1984), not Smythe, in describing the process by which Google “commodifies and sells audiences to advertisers” (142) through a digital version of Meehan’s audience ratings commodity: Rather than the ratings described by Meehan, Google gathers data through surveillance of its users and then sells that data to advertisers. That argument also follows Andrejevic’s theory of the exploitation of “the work of being watched,” since it is the monitored activity of users that supposedly produces the data that is commodified and sold. Kang and McAllister do also follow Smythe, to some extent, in insisting that “Google sells its users’ cognition, including attention” (146) and “its users Internet activities” (150), but they link that process to advertising revenue without explaining how the

activities or cognition of users is actually connected to the accumulation of capital. I argue that, in general, the political economy of Google should be understood as a process in which Google makes loans of digital space to advertisers in return for interest, a process of appropriating surplus-value through the indirect exploitation of digital audience labor that is only possible because Google controls means of communicative production that are means of cultural consumption and audience signification.

Lee (2011) similarly argues that the way Google commodifies its users is by selling information, focusing on the advertising revenue Google generates from its search engine: “As an advertising agency, it sells keywords. As a ratings agency, it sells statistics of keywords. As a content provider, it sells search indexes” (434). I argue that the specific political economy of Google’s search engine should be understood as a process of lending part of the digital space containing search results to advertisers in return for interest on that loan.

Fuchs (2011) focuses on Google’s first attempt to create a social network with Google Buzz (which lasted less than two years before being replaced by Google+ (Greene 2011)), arguing it is an example of Google accumulating capital through the commodification of its “prosumers” and sale of that commodity to advertisers. Like Kang and McAllister and Lee, Fuchs claims it is the information about users collected through surveillance that is purchased as a commodity by advertisers in order to facilitate targeted advertising (291). Fuchs claims that all digital labor performed using Google sites and applications is exploited by Google through surveillance to create data commodities that Google can sell. But that political economy of Google does not explain Google’s advertising revenue directly; it only explains why advertisers might find Google’s websites and applications a relatively more attractive place to advertise, which is that Google can facilitate targeted advertising because it has a lot of information about

all of its users. The actual advertising revenue Google generates, which in 2012 was 87 percent of the company's \$50.175 billion total (Google 2013a), does not come from selling information. As I have already argued, Google's advertising revenue should be understood as interest paid by advertisers in return for the ability to borrow some of the digital space controlled by Google in order to place text or audio-visual advertisements in that space. While I maintain it is necessary to see that exploitation occurs in that process, Fuchs' theory of exploitation does not accurately describe the political economy of Google. It is necessary to understand the political economy of audience labor and the specific exploitation of digital *audience* labor.

Andrejevic (2009) describes the specific political economy of YouTube, the online video site owned by Google, as one in which digital labor is exploited because users are compelled to produce data about themselves as a condition of using YouTube, while Google owns that data and uses it to target advertisements at those same users (418). In that way, the exploitation of digital labor by Google takes the form of alienation, as the data users produce about themselves is "returned to its producers in the form of an external influence": targeted advertisements (421). As Andrejevic explains, that exchange of data for access creates a "second-order form of separation" of labor from its product, since users freely make use of YouTube's means of communication but are alienated from the data about their use that is produced through surveillance (419). Andrejevic claims that, by alienating that data from the YouTube users who produce it, Google exploits the labor of YouTube users by appropriating value they produce. However, I argue that theory does not explain the process of capital accumulation by Google in relation to YouTube. While Andrejevic might be correct about the importance to Google of collecting data about YouTube users, I argue that what could be called the "first-order" form of labor exploitation must be understood in order to grasp the process of capital accumulation. Once

again, it is necessary to see YouTube in relation to the political economy of audience labor, the company's control of the means of audience communicative production, and the exploitation of digital *audience* labor in order to see that it is not just data that Google controls. The appropriation of that data is, indeed, a second-order issue for digital labor in relation to the first-order issue of control of the means of communicative production. It is the latter that enables Google to appropriate surplus-value through the indirect exploitation of digital audience labor, in which Google lends to advertisers part of the object of audience labor it controls in return for money that constitutes interest on the loan (and advertising revenue for Google).

Pasquinelli has put forward the category of rent as a way to understand capital accumulation in digital communication, including in an analysis of Google's PageRank algorithm (Pasquinelli 2009), which is the patented software code of a mathematical procedure that produces results on Google's search engine. In a theory derived from the Autonomist Marxism tradition, Pasquinelli describes Google as "the first systemic *global rentier* of the *common intellect*" (2) because the company uses its "hegemonic" power to determine the value of websites it does not produce — a power created by its algorithm — in order to create "a monopolistic position for Google advertisement channels" (5), thereby extracting "cognitive rent" through its monopoly-owned means of accessing digital information (8). While there are obvious affinities between Pasquinelli's theory and the political economy of audience labor I have put forward, I maintain that a more fruitful path is to first focus on the specificity of digital *audience* labor in order to then determine the processes by which value is appropriated and capital is accumulated through the exploitation of that labor. And while I also think that rent is an essential category for a political economy of digital communication, I use the category of interest to describe what Pasquinelli calls "cognitive rent."

Google and the Exploitation of Digital Audience Labor, 2006-2013

In this section, I analyze some of the ways Google accumulates capital through the exploitation of digital audience labor. I use the political economy of audience labor I outlined in Part I of this dissertation to analyze three of Google's strategies for capital accumulation as they involve the exploitation of digital audience labor: advertising revenue from Google's search engine, sales and advertising revenue from Google Books, and advertising revenue from YouTube. As with MediaNews Group in the previous chapter, I focus on the period 2006-2013.

My analysis of the importance of advertising revenue to Google, in particular, demonstrates the extent to which Google depends on control over digital culture, as the object of digital audience labor, in order to gain power over activities of cultural consumption, just like all the communicative capitalists I discussed in chapters four and five, and seemingly in contradiction to the company's support for relatively open access to digital culture. My analysis also demonstrates the extent to which the company is a communicative capitalist dependent on its ability to *indirectly* exploit digital audience labor, just like the radio capitalists I discussed in chapter five. Finally, my analysis demonstrates that Google's relative advantage over the pre-digital era communicative capitalists is that, like many digital communicative capitalists — specifically, those that provide “platforms” for users or circulate the digital culture produced by others — it produces none of the digital culture over which it assumes control, while that control is what enables it to extract surplus-value from the consumption of that digital culture, i.e. to exploit digital audience labor.

Web Search Engine: Digital Audience Labor and Interest

Google Inc. began in 1998 as a web search engine, and web search is still at the core of the company, which claims its mission is “to organize the world's information and make it

universally accessible and useful” (Google, n.d.). Google “rules the web” through “its power to determine which sites get noticed, and thus trafficked” (Vaidhyanathan 2012, 14). An understanding of the role of digital audience labor exploitation in Google’s capital accumulation through its search engine, however, makes it clear that the company’s mission can more accurately be described as cataloging global digital culture on the web and making it accessible specifically through Google. It is in that way that the company profits by providing free access to information, web sites, and other kinds of digital culture that it does not own.

The basis for Google’s search engine is the copies it makes of digital culture on the web. Google “crawls” the web and creates an index of every individual page — Google says there are more than 30 trillion pages on the web and that its index is more than 100 million gigabytes of information (Google 2013b). When an individual searches the web through www.google.com or one of the many other ways to access Google’s search engine, the company’s patented search algorithm produces results that are pulled from that index and ranked based on more than 200 factors coded into the mathematical procedure performed in a fraction of a second by its algorithm (Google 2013b). Google provides free access to those search results. The web page on which search results are displayed generally contains advertisements at the top and along the right side. Through Google’s AdWords program, advertisers place bids on words that might be entered into a search, telling Google how much they will pay to have their ads appear next to search results for those words. When an actual search is conducted, AdWords runs an instant auction to determine which ads appear next to the search results. Ads are placed on the page, and Google is paid by those advertisers.

Search results are personalized (Google 2013c) using either a “cookie” (a file sent to a computer from a website that has been visited, allowing the website to recognize the specific

identity of the computer and containing information about previous web activities) to track the previous web searches of users not signed in to a Google account, or a more personalized “Google Web History” linked to a Google account for users signed in to such an account. Advertisements that appear next to search results are also personalized through the use of cookies and other means of identifying users and targeting them based on data previously gathered through online tracking (Google, n.d.b).

In 2007, Google acquired the online advertising company DoubleClick, and since then it has been able to use the DoubleClick cookie to monitor users and serve them targeted advertisements (Google 2007; n.d.c). That increased ability to monitor and target the users of, not only its search engine, but also all other Google-owned sites and applications, as well as all the websites that use Google’s AdSense program to display Google-generated ads, has been a key aspect of Google’s ability to generate advertising revenue since that time. Since 2007, Google’s total revenue has more than tripled, from \$16.6 billion to \$50.2 billion in 2012. That is in large part due to the fact that Google has also continued to expand its rule over the web beyond its dominance of search. However, search-based advertising remains a key strategy of capital accumulation for Google.

Approaching Google’s search engine from the political economy of audience labor I outlined in Part I of this dissertation, and focusing specifically on Google’s relationship to its users as digital cultural consumers, provides another reason “why the politics of search engines matters” than that presented by Introna and Nissenbaum (2000). The issue is not only one of the exclusion and bias present in the search results produced by search engines that are privately owned, or of what information people are able to find and the power of the search engine in relation to the power of those seeking as well as offering that information — i.e., it is not only a

matter of the web as a democratic public space, an issue to which Introna and Nissenbaum rightly draw attention (170-171, 178). Despite the company's indexing of more than 30 trillion web pages and search results in which the non-profit, peer-produced encyclopedia Wikipedia is often ranked first, Google can still be criticized on the grounds indicated by Introna and Nissenbaum. But I argue there is another issue of power that has not been examined, including by the scholars who have attempted to analyze the ways in which Google extracts value from its users, and it is an issue that is only exacerbated as Google indexes, and provides access to, more corners of the web: By copying more and more of the digital culture on the web in order to be able to present it as the object of someone's search, Google has increased its control over a means of audience communicative production in a way that enables the company to extract surplus-value from the process by which people search for digital culture on the web. In that way, it exploits the digital audience labor of its users. A search engine like Google's, then, matters also in terms of the class struggle for communicative power in the digital era of the capitalist mode of communicative production.

From the perspective of political economy, the users of Google's search engine should be seen as digital audience laborers. They seek to consume information in the form of search results. As I have argued in previous chapters, that consumption should also be seen as a process of communicative production through audience signification. Control of the means of communicative production is then a means by which that process can be exploited and turned into a process of capital accumulation. But to see how Google does that, it is necessary to look at the specific digital audience labor process of using Google's search engine. A digital audience labor process requires digital culture as its object of labor and a digital medium as its instrument of labor. The audience labor process in the case of Google's web search engine is the activity of

signifying through consuming of specific search results, apart from whatever actions might be taken afterward, such as clicking on a link that appears in search results. The labor process in this case is the work of producing knowledge of where on the Web one should go to find specific information or other digital culture. The object of that labor process, then, is the collection of search results. It is those results that are worked on to produce that knowledge. The instruments of that labor process are the digital media used: a computer with a web browser, or perhaps a tablet computer or smartphone.

To see how Google can accumulate capital from that digital audience labor process of searching the web, it is necessary to determine what Google controls or owns. Google does not control the digital audience laborers themselves. It cannot compel people to search the web in the first place. Google also does not own or control the instruments of labor, the digital media used by the audience laborers. Like the radio capitalists I discussed in chapter 5, Google faces a situation in which the instrument of audience labor, which is also an instrument of consumption, is distinct from the object of labor and is owned by the audience laborers. People own their own computers and other digital media and use them as instruments to work on any digital culture they want. But Google does have some power over those digital audience activities, because it does control something needed in order to be able to search the web: As is already clear from the discussion in this section, Google controls the search results, and it has a monopoly control by virtue of its patented search algorithm even though it does not control any of the websites or other digital content presented in those results. Through its search engine, then, Google controls an object of digital audience labor — web search results — that is also one means of communicative production. As a kind of digital culture, those search results are for Google a means to appropriate value from the activity of accessing to them because Google controls that

access. That relationship to digital audience labor is what defines Google as a communicative capitalist just like the book capitalists, newspaper capitalists, and radio capitalists I discussed in chapters four and five. Google is dependent on having power over *consumers* of culture. As I explain in the next two sections, Google is also distinct from the other kinds of communicative capitalists I have discussed because it does not produce or pay for any of the cultural content it controls in order to attract consumers as digital audience laborers.

To complete the analysis of Google's ability to appropriate value from the activities of people who use the company's search engine, I note that Google does not use its control over search results to extract rent from those who conduct searches. The use of Google's search engine is free. Most of the company's revenue comes from advertising. Annually from 2006 to 2011, more than 96 percent of the company's revenue came from advertising. In 2012, after Google had acquired Motorola Mobility in order to enter the phone manufacturing industry, advertising accounted for only 87 percent of the company's revenue, but the company's dominance over digital advertising has not diminished. Since 2006, Google's annual advertising revenue has more than quadrupled, from \$10.5 billion to \$43.7 billion (Google 2013a; Vaidhyathan 2012, 26-27). Because of the dominance of the company's web search engine — it accounted for 67 percent of the searches in the U.S. in March 2013 (comScore 2013) — Google has control over a means of communicative production that people want to access two-thirds of the time they search for something on the web. That means that Google has power over a significant number of digital audience laborers. But rather than charge them rent to access search results, Google lends to advertisers part of the digital space in which those results appear. Through that process, Google extracts surplus-value in the form of interest from advertisers, and

thereby indirectly exploits digital audience labor. The audience labor process of significations through the consumption of search results is directly affected, however.

While digital audience laborers are not directly exploited in the process of using Google's search engine, since no surplus-value is extracted directly from them, it is their labor, their web searching, that is indirectly exploited by Google. It is only because Google has power over that labor that it can induce advertisers to pay to borrow space next to search results. Since digital audience laborers are not directly exploited when they are forced to accept advertising as part of the digital culture they want to access, and much of the digital culture to which Google provides access is free (as opposed to the newspaper companies like MediaNews that attempt to both extract rent from readers and interest from advertisers), the way advertising alters the means of audiences signification is perhaps a more significant issue as a matter of class struggle in the digital era of communicative production than Google's *indirect* exploitation of audience activities. In terms of the specific signification produced through specific digital audience labor activities, the object of labor is the most important means of production because it is a signified object whose meaning is worked on in one of the many processes by which individuals make meaning. Google's search results are an example of one of the many ways in which an object of digital audience labor actually sought by people — in this case, information about where on the web a person might find something they are specifically seeking — is partially transformed by advertising into a object signified to be worked on to produce a “consumer consciousness,” which is something other than what was sought in searching the web. That “effect” on processes of signification through cultural consumption is possible because of the control Google has over web search results.

The understanding developed above of Google's fundamental power over digital audience labor in the web search process and the specific way its uses that power to appropriate surplus-value provides a way to understand the role of surveillance in Google's capital accumulation. I have explained how Google's advertising revenue is based on its power over its users as cultural consumers. Google's monitoring of all the activities of its users (their audience and cultural labor) appears to serve two basic functions in relation to its appropriation of surplus-value from advertisers: First, the more Google knows about its users, the higher the interest rate it can charge advertisers to borrow digital space in order to place ads in that space. Thus, a greater ability to target advertising equals more value advertisers will give to Google as advertising revenue. Second, as described above, the data Google gathers through monitoring its users can be commodified and sold by Google, thereby providing the company another source of revenue.

Although many of the descriptions of Google's capital accumulation offered in the scholarly literature addressed above attribute primary importance to the creation and sale of such data commodities, it is unclear from Google's financial statements whether this is a significant source of revenue. Even if it is, the primary issue of power between Google and its search engine users, as a relationship between a digital communicative capitalist and its digital audience laborers, is the control of the means of communicative production — i.e., search results. Google's control over those search results enables it to generate advertising revenue, thereby altering the search process as a process of cultural consumption. Google's control over those search results also enables it to monitor the activity of the person searching through the use of cookies, thereby further altering the search process as a process of cultural consumption. A

political economy of audience labor makes it possible to see that Google's power as a communicative capitalist is fundamentally a power over digital audience labor.

Books: Digital Audience Labor, Rent, and Interest

Google's rule over the web has long since expanded beyond its search engine. The "Googlization" of books through the Google Books project is one such expansion, and it provides an example in which Google, in part, resembles the book capitalists I described in chapter four in terms of the company's strategy for capital accumulation and its relationship to digital audience labor. Google began scanning and indexing millions of books in 2004, with the help of university libraries (Vaidhyathan 2012, 152). Google had "declared that it could offer something close to universal access [to digital books] for no cost to the public. The catch, of course, was that it would have to be done on Google's terms" (155). Considering Google is a communicative capitalist that specifically profits from the cultural consumption of its users, the issue with allowing it to set the terms for access to digital books is clear: "Hanging over the promise of access to knowledge offered by Google Books is the specter of its opposite — restrictions on open access to books, their contents, and the power that such access might help provide" (156).

But public criticism along those lines does not seem to have had a significant effect on Google's efforts. Rather, it was the complaints — and lawsuits — from those who felt their ability to profit from books was threatened that forced Google to scale back its ambitions without abandoning the Books project. Google's desire to expand its capacity to exploit digital audience labor can be seen as both the impetus for that project and for the reaction against it from book publishers and authors. The issue of Google's power to control access to digital books is another case in which the company is involved in matters of class struggle in the digital era of

communicative production. But that issue has not been understood in those terms in part because it has not been understood, as a matter of political economy, through the concept of digital audience labor and the theory of digital audience labor exploitation. I return to that issue after a brief summary of the legal battle between Google and book publishers and authors, which I argue should be seen as a fight for the power to exploit the audience labor of book readers.

In 2005, the Association of American Publishers and the Authors Guild sued Google, alleging its Books initiative (then named Google Print) involved massive copyright infringement (Miller 2012; Tibken 2013). Google defended its actions as a fair use of copyrighted material before it reached a proposed settlement with the publishers and the authors in 2008 (Vaidhyanathan 2012, 152). That proposed settlement revealed that “Google had actually designed a system that would give it important competitive advantages [over other sellers of digital books], making it too powerful within the economy and culture of books” (153). Google offered to pay the publishers \$125 million to settle the case, and it also offered to create a rights registry and to make out-of-print books available for sale as digital books (161). Anti-trust objections from the U.S. Department of Justice forced the parties to revise the settlement, but even the revised settlement created a system that “would effectively make Google the sole vendor of most of the books published in the twentieth century” (154). The revised settlement was rejected by a federal judge in 2011 (Kravets 2011; Vaidhyanathan 2012, 154).

The revised settlement certainly would have created a system through which millions of books could be made available in digital form, but all those still under copyright protection would have been offered for sale by Google. “American libraries would be commercialized, essentially hosting Google vending machines,” and “Google would have asserted itself as the mediator of the accessibility and affordability for this vast collection” of digital books

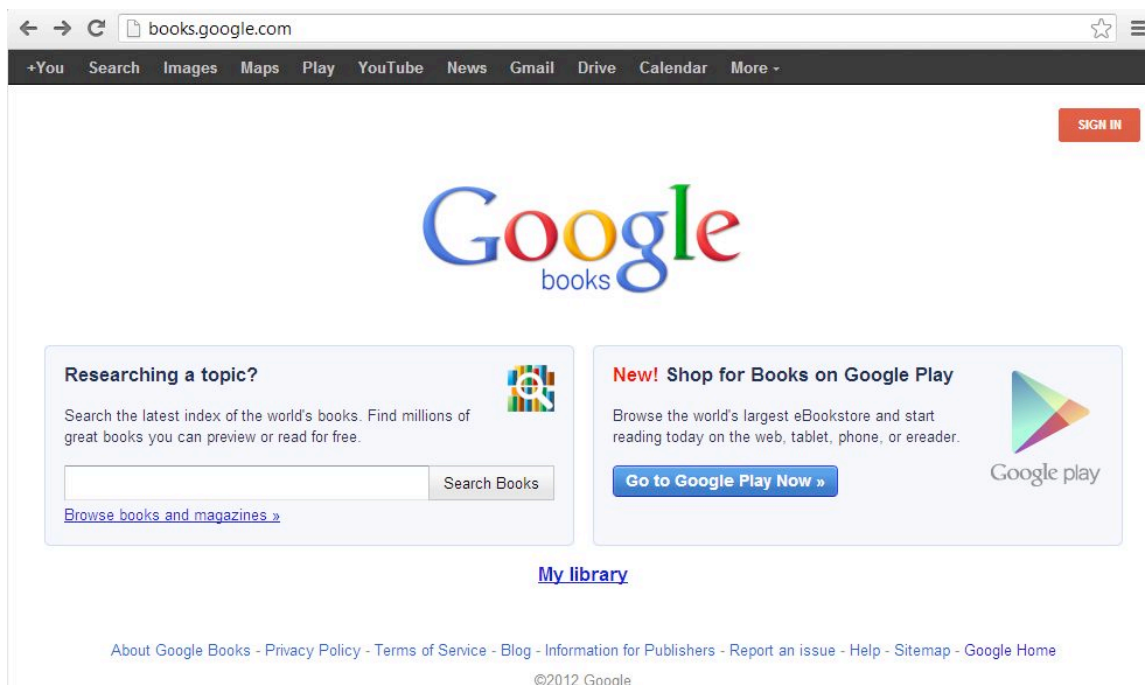
(Vaidhyathan 2012, 154). As a prominent critic of Google Books described how the project had changed from its beginnings to the judicial rejection of the revised settlement, “[w]hat began as a project for online searching metamorphosed [...] into an attempt to create the largest library and book business ever imagined” (Darnton 2011). But I argue that same critic misunderstood how even Google’s initial project challenged the power of publishers as book capitalists when he claimed: “The early version of Google Book Search did not amount to commercial competition with publishers, because Google provided its search service free of charge, although it linked its displays to advertisements” (Darnton 2011).

An understanding of the role of digital audience labor exploitation in both publishers’ ability to use copyright to profit from book sales and Google’s ability to use control of access to even partial digital books to profit from advertising revenue makes it possible to see that Google was attempting to appropriate the power of book publishers from the beginning even though it was not trying to sell books. Just as the Righthaven strategy of MediaNews I discussed in the previous chapter treated even partial copying and reposting of digital news as copyright infringement if the website hosting the reposted content used that content to generate advertising revenue, Google’s provision of access to parts of digital books through its search engine in order to profit by lending advertising space next to search results is at least potentially in competition with book publishers. But the competition must be seen as a struggle to control access to an object of audience labor in order to be able to appropriate value from audience activities, whether that appropriation occurs through the direct exploitation of audience labor, as with the sale of books, or through the indirect exploitation of audience labor, as with the lending of space to advertisers.

Google has more recently become an even more direct competitor with publishers (and booksellers). The company worked out another settlement with the publishers in 2012 in which the various communicative capitalists involved agreed to work together to exploit digital audience labor and leave alone the copyright issues (including fair use) rather than risk a court decision that could radically undermine the power of either Google or the book publishers. As of this writing, the Authors Guild and Google continued to battle in court (Tibken 2013). The publishers settled with Google after gaining the power to choose whether Google can scan their books and the two sides agreed to split the revenue from the sale of digital books through the Google Play store (Miller 2012).

Google Books has now expanded from a sort of digital catalog of searchable digital books (with limited access to their content) into a growing catalog and library of digital books as well as a digital bookstore. The publishers clearly saw Google as a competitive threat because it was set to appropriate the control over cultural property that enables publishers to extract rents from readers. With its Google Play store, on top of its use of digital book content to generate advertising revenue from web searches, Google was attempting to appropriate the benefits of cultural ownership without the legal right of copyright; it was attempting to assume a de facto copyright over the digital versions of the print books it copied. As Vaidhyathan (2012, 159) explains, even before the development of the Play store, “publishers were most offended by the prospect of a wealthy corporation free riding on their content to offer a commercial and potentially lucrative service. [...] The publishers wanted a piece of the revenue.” That is what the publishers received in the 2012 settlement, in which they share revenue from digital book sales through the Play store.

In the case of Google Books, with the addition of the Play store, Google can be seen as having extended its power to exploit digital audience labor to the direct extraction of rent through the sale of digital (or, “e-”) books, making it a kind of book capitalist. Judging by the company’s recent financial statement, however, that process of value appropriation accounts for only a small portion of Google’s capital accumulation.¹⁹ At the same time, Google continues to appropriate surplus-value and accumulate capital from advertisers at the rate of tens of billions of dollars per year. The Google Books homepage, books.google.com, provides a visual representation of the company’s two strategies for exploiting digital audience labor by controlling access to digital books:



On the left, Google Book Search, a book-specific version of Google’s search engine, enables the company to indirectly exploit the digital audience labor of consuming search results to generate advertising revenue. Google provides free access to search results for digitally

¹⁹ Google Inc., Annual Report (Form 10-K) (Jan. 29, 2013).

scanned versions of print books and loans part of the space next to those search results to advertisers. Google also provides free access to the content of the books listed in the search results (either partial or complete books, depending on the copyright status of the book and the book publisher's preference). A search for "the great gatsby," the F. Scott Fitzgerald novel that had also been remade into a movie set to open the day after the search was performed, produced the following results immediately visible on the screen (with more below and on subsequent pages), which included five advertisements, including one for the movie and one for the Brooks Brothers clothing collection inspired by the movie:

The screenshot shows a Google search results page for the query "the great gatsby". The browser address bar shows the URL: www.google.com/search?q=the+great+gatsby&tbm=bks&tbo=1&oq=the+grea. The search bar contains the text "the great gatsby" and a "SIGN IN" button is visible on the right. Below the search bar, navigation tabs for "Web", "Images", "Maps", "Shopping", "Books", and "More" are shown, with "Books" selected. The results section indicates "About 277,000 results (0.15 seconds)".

The results are categorized into "Ads related to the great gatsby" and "Books".

Ads related to the great gatsby

- The Great Gatsby in 3D**
thegreatgatsby.warnerbros.com/
 Based on the Novel by F. Scott Fitzgerald. In theaters now.
- Brooks Brothers® Gatsby**
www.brooksbrothers.com/
 The Great Gatsby Collection Inspired by Baz Luhrmann's film.
- The Evil Within**
www.theevilwithin.com/
 True Survival Horror Returns Watch The Official Trailer Now.

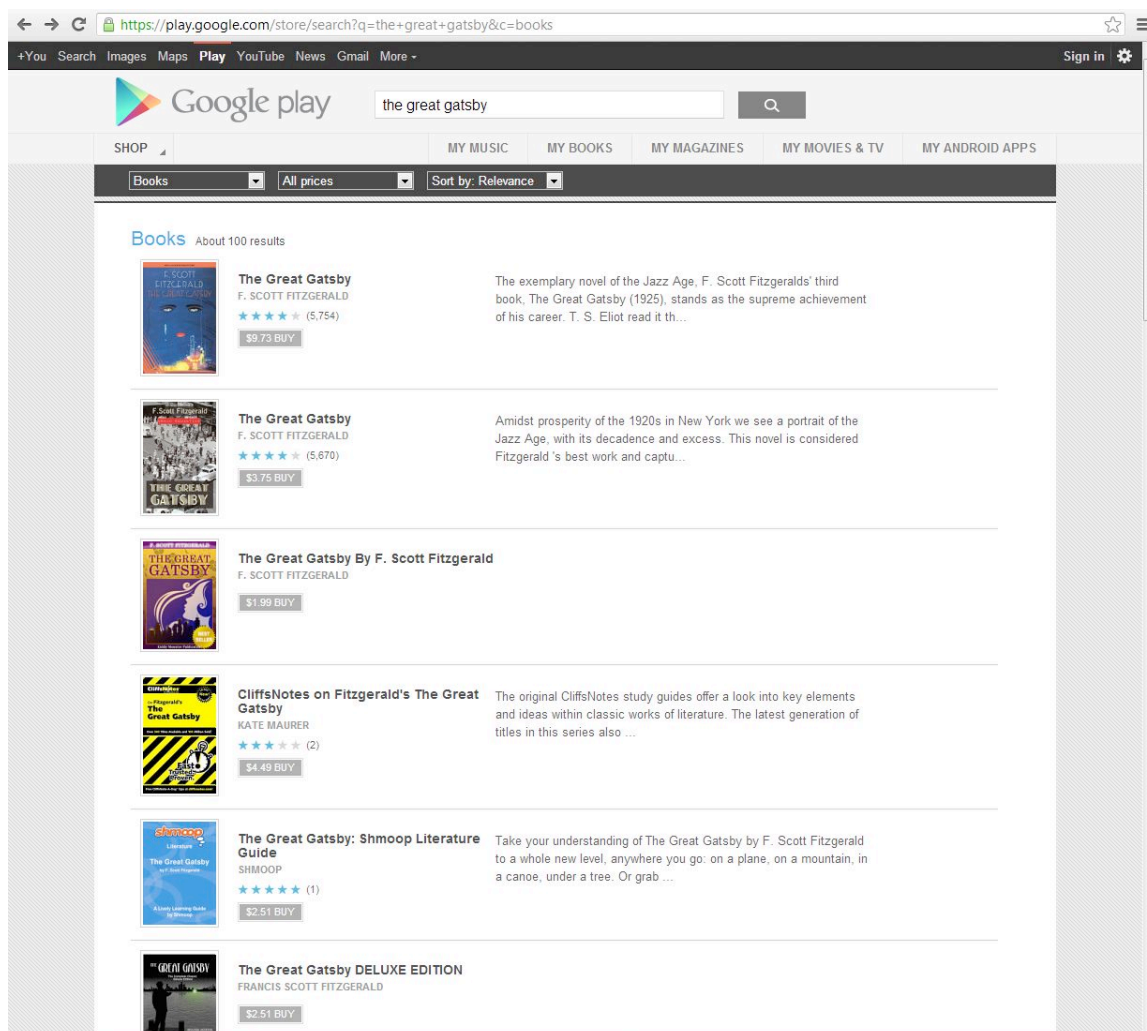
Books

- The Great Gatsby (Collins Classics)**
books.google.com/books?isbn=0007477368
 F. Scott Fitzgerald - 2012 - Preview - More editions
 HarperCollins is proud to present its new range of best-loved, essential classics.
- The Great Gatsby & The Diamond as Big as the Ritz**
books.google.com/books?isbn=1904919480
 F. Scott Fitzgerald - 2005 - Preview - More editions
 In 'The Great Gatsby', Fitzgerald looks deeply into himself and his milieu to create the story of James Gatz, a self-educated nobody from Kentucky who has amassed a fortune and adopted the persona of Jay Gatsby, an Oxford-educated man about ...
- The Great Gatsby**
books.google.com/books?isbn=0192832697
 F. Scott Fitzgerald, Ruth Prigozy - 1998 - Preview - More editions
 A portrayal of the power of romantic imagination, as well as the pathos and courage entailed in the pursuit of an unattainable dream, The Great Gatsby is a classic fiction of hope and disillusion, which encapsulates the spirit, excitement ...
- The Great Gatsby**
books.google.com/books?isbn=192196183X
 F. Scott Fitzgerald - 2013 - Preview - More editions
 I first read **The Great Gatsby** when I was just out of my teens. I was instantly seduced by both Jay Gatsby and the glamorous world he inhabits. Gatsby seemed to me to be like the private school boys we mooned over on debating nights or on ...
- F. Scott Fitzgerald: The Great Gatsby**
books.google.com/books?isbn=0521402301
 F. Scott Fitzgerald, Matthew J. Bruccoli - 1991 - Preview - More editions
 Background information accompanies the story of a young man, newly rich, who tries to recapture the past and win back his former love, despite the fact that she has married

On the right side of the page, there are additional ads:

- Watch The Great Gatsby**
movies.netflix.com/TheGreatGatsby
 Free Trial. Watch Instantly. TV Shows & Movies anytime anywhere
- Who Was The Great Gatsby**
ask.com/Who+Was+The+Great+Gatsby
 Search for Who Was The Great Gatsby Find Great Results on Ask.com!

The option on the right side of the Google Books homepage is a link to the Google Play Store, which enables the company to directly exploit digital audience labor. Google rents access to digital books, either scanned versions of print books or versions produced specifically to be read on digital media (e.g. computers, eReaders, tablets). A search for “the great gatsby” produced the following results immediately visible on the screen (with more below and on subsequent pages), which included multiple digital versions of the novel ranging in price from \$1.99 to \$9.73:



The political economy of audience labor I developed in Part I of this dissertation explains the relationship between communicative capital and audience labor in a way that makes it possible to understand how Google accumulates capital through Google Books by exploiting audience activities, either through Google Book Search or the Google Play Store. From that perspective, users of Google Books should be seen as digital audience laborers. Their audience labor process is the process of signification through the consumption of search results for scanned books or the consumption of digital books themselves. The object of that labor process is either the search results or the digital books. The instrument of that labor process is the digital media used. Google controls the object of audience labor — either search results or digital books — and can thus extract value from the digital audience labor process. In the case of the search results, Google’s control over the object of labor enables it to appropriate surplus-value from advertisers, thereby indirectly exploiting digital audience labor. In the case of the digital books, Google’s control over the object of labor enables it to appropriate value from the digital audience laborers themselves, thereby directly exploiting digital audience labor.

Google controls the Book Search results as an object of digital audience labor because of its patented search algorithm as well as its extensive scanning and digitizing of print books. Google controls the digital books in its Play Store as an object of digital audience labor because it has either scanned print books not protected by copyright or copyright-holding publishers have agreed to let Google sell their digital books in exchange for a share of the profits. After the agreement with the book publishers reached in 2012, Google has a relationship to publishers that is similar to that of a bookstore: Google shares the profits from digital book sales with the publishers. Readers rent access to the digital content of the books through the Play store, while the actual copy of a purchased digital book remains in “the cloud,” i.e., on Google’s servers

rather than on the computer hard drive of the purchaser. That “cloud” storage enables reading across digital devices, but it also means the person who has purchased access to a digital book through the Play store ultimately has limited control over the content.

YouTube: Digital Audience Labor and Interest

In October 2006, Google acquired YouTube, then a year-old website on which users can post or view video clips. In other words, it is a site for uploading, circulating, and viewing user-generated content, although much of that content is not produced by those users but rather consists of clips from movies, television programs, music videos, sporting events, and other audio-visual content that YouTube users have copied and uploaded to the site. Because of that, copyright is a significant issue for YouTube. The site now claims to have 1 billion unique users each month (YouTube, n.d.). YouTube reportedly generated \$1.3 billion of Google’s \$43.7 billion in advertising revenue in 2012 (Stetler 2013). I argue that YouTube should be understood as one more of Google’s strategies to exploit digital audience labor, and one more strategy to do so that has not been understood as such. Viacom’s copyright infringement lawsuit against YouTube is an illustrative example of Google’s fundamental concern with gaining power to exploit digital audience labor.

Google profits from YouTube through advertising revenue from the site: It provides free access to the digital content on the site in order to attract viewers while lending space on the site to advertisers. Google lends advertising space on the YouTube homepage as well as space next to YouTube search results, space next to videos being watched on the site, and space before, during, or after the videos being watched on the site. YouTube also has a Partner Program that allows users to share in the advertising revenue generated from the videos they post. While YouTube partners can only receive a share of the advertising revenue if their content does not

infringe copyrights, Google profits by lending ad space next to or within even potentially infringing videos.

The political economy of YouTube has been explained by scholars of the new political economy of the audience commodity as a process of the commodification of users through surveillance, in which surveillance facilitates targeted advertising. It is the data gathered through surveillance that is seen as the commodity sold by YouTube and purchased by advertisers, and the process of surveillance is then seen as an exploitative process. The general argument is that Google's capital accumulation via YouTube occurs through the sale of targeted advertising (Kang and McAllister 2011) or surveillance-gathered data that is used for targeted advertising (Andrejevic 2009a; Fuchs 2011). But I argue that is not an accurate understanding of Google's relationship to its YouTube users in terms of how those users are a source of capital accumulation for Google. It is obvious that advertising revenue is the primary means by which YouTube generates profit for Google, but the way that money from advertisers is connected to a relationship of exploitation between Google and its users is not obvious because, as I have argued in this dissertation, the concept of audience labor and the political economic theory of capital accumulation through the exploitation of that labor has remained undeveloped. I examine Viacom's lawsuit against YouTube in order to demonstrate how the political economy of audience labor I developed in Part I of this dissertation makes it possible to see how the users of YouTube are exploited.

In March 2007, Viacom sued Google for \$1 billion in damages for copyright infringement. Google claimed it was protected by the "safe harbor" provisions of the 1998 Digital Millennium Copyright Act (DMCA) (17 USC §512), which exempt online service providers from liability for the copyright infringements of their users as long as the service

provider does not know the material is infringing and removes any such material once it is notified. In 2010, a district court judge granted a summary judgment to YouTube. Viacom appealed the decision and in April 2013, the same judge again ruled in YouTube's favor (Electronic Frontier Foundation, n.d.; Gustin 2013). As with the fight between Google and book publishers over the Google Books project, the fight between Google and Viacom in relation to YouTube demonstrates how Google's ability to accumulate capital is based on its ability to appropriate surplus-value in a process that undermines the source of other communicative capitalists' ability to accumulate capital.

YouTube already automatically checks uploaded videos against a database of files submitted by major copyright owners, a system called Content ID (YouTube 2013), and it removes videos when it receives a notice that they are infringing (as required by the DMCA). But communicative capitalists like Viacom consider the presence of even just portions of their copyrighted cultural products on YouTube to be a case of Google free riding on the content produced by others (Vaidhyanathan 2012, 30-36). The political economy of YouTube as an exploiter of digital audience labor shows the truth in that claim. That is not to say that Viacom is in the right; rather, it is a recognition of Google as a communicative capitalist looking to exploit digital audience labor just as do most other communicative capitalists. The political economy of YouTube I describe as a specific case of the political economy of audience labor is specifically a means to understand the power relation between Google and its YouTube users as a relationship of exploitation.

Google generates revenue from YouTube through advertising, and I have previously argued (first in chapter three) that such revenue should be seen as the product of indirect audience labor exploitation. Advertisers are interested in access to cultural *consumers*, so Google

profits from the cultural consumption of its YouTube users. That cultural consumption is an audience labor process, which on YouTube is specifically a process of viewing videos on the site. That audience labor process is also a process of communicative production through signification. It is that production process that interests advertisers, and Google's control over that process is what enables it to appropriate surplus-value from advertisers.

Google controls one of the means of communicative production in this case: the videos on the site, which as digital cultural products are an object of audience labor. It is the cultural content, or meaning, of the videos that is worked on by digital audience laborers in a process of signification through cultural consumption. Google does not produce the videos on YouTube; they are either produced and uploaded by users or simply copied and uploaded by users. Google takes control of the videos posted on YouTube as its cultural property even though it does not own the legal copyright to those videos. Google thereby capitalizes the products of its users' cultural labor, whether that labor involves creating a video or simply editing and uploading an existing video, and, if the videos are produced by a company like Viacom, Google also capitalizes the products of the cultural labor of Viacom employees without payment to Viacom. Whether or not Google infringes Viacom's copyrights in the process, it is certainly appropriating some of the power Viacom holds over audience activities by assuming the power to control access to the content to which Viacom holds the copyright. YouTube's terms of service give it a contractual power equal to a de facto copyright: "a worldwide, non-exclusive, royalty-free, sublicenseable and transferable license to use, reproduce, distribute, prepare derivative works of, display, and perform" the content uploaded by its users (YouTube 2010). By virtue of that de facto copyright, Google has the power to control audience activities and appropriate value from those activities.

Google does not directly exploit digital audience labor on YouTube because it provides free access to the videos on the site, although the company recently announced a plan to require subscriptions to access some content (Stetler 2013). Instead, Google indirectly exploits the digital audience labor of its YouTube users. By controlling access to the videos through its ownership of the YouTube site, Google can lend part of the space next to the videos to advertisers in return for interest. Through that process, Google extracts surplus-value from advertisers, and thereby indirectly exploits the digital audience labor of YouTube users. The audience labor process of signification through the consumption of videos is directly affected, however. Videos on YouTube are another example of how an object of digital audience labor actually sought by people is partially transformed by advertising into an object signified to “effect” the signifying activities of its consumption in specific ways, transforming cultural consumption into a means to produce “consumer consciousness” — something other than what the consumers sought in viewing certain videos.

Conclusion

I have analyzed several strategies by which Google attempts to accumulate capital through the exploitation of digital audience labor. Google does so primarily through the indirect exploitation of digital audience labor since most of the company’s revenue comes from advertising. Google’s search engine, Google Books, and YouTube are three key aspects of “the Googlization of everything,” and each is designed as a means to exploit digital audience labor. While Google’s self-proclaimed mission is “to organize the world’s information and make it universally accessible and useful” (Google, n.d.), its mission as a communicative capitalist in the digital era is to control means of communicative production — specifically, various kinds of digital culture — so that it can appropriate value as rent or interest. Hence, there is a class

struggle between Google and its users in their role as digital audience laborers, or consumers of digital culture. Furthermore, in all of the discussions of surveillance as a means to collect data that is, ultimately, used to facilitate targeted behavioral advertising, there has been no recognition of the fact that revenue generated from advertising is money that is specifically paid for access to *consumers* of culture. While the data gathered through online surveillance can be, and often is, sold as its own commodity, the real source of value for companies like Google that accumulate capital primarily through advertising revenue is the consumption of digital cultural content that is an object of cultural consumption. While Google's users are relatively empowered as digital *cultural* laborers, as digital audience laborers they are no more empowered, or any less exploited, than any other audience laborers in other eras of the capitalist mode of communicative production. Even in the digital era, processes of communication are also processes of capital accumulation specifically because communicative capitalists control audience activities of cultural consumption and exploit audience laborers (either directly or indirectly). In the digital era, communication is still capital.

CONCLUSION

This dissertation has analyzed processes of digital communication as processes of capital accumulation. I set out to provide at least a partial answer to one fundamental research question: What is the role of audience labor in the era of digital capitalist communicative production? My empirical analysis, guided by a development of political economic theory, demonstrated that the exploitation of audience labor is the essential process by which capital is accumulated through communication processes in the era of digital media and the Internet. That point contradicts emphasis in recent political economy of communication scholarship on communication industries' interest in their users (or "prosumers") as *producers* of user-generated content rather than as *consumers* of culture. This dissertation offers empirical evidence and theoretical reasoning that, while processes of communication have changed in many ways with the development of digital media and the Internet, the mode of communicative production remains a capitalist one premised most directly on extracting value from cultural consumption.

This dissertation makes a unique contribution to the field of the political economy of communication through a sustained engagement with the concept of audience labor through empirical study, historical analysis, and theoretical elaboration. I develop a political economic understanding of the processes of audience labor exploitation in the digital era and the central role of those processes to capital accumulation, as well as the aspect of class struggle in communication revealed by that understanding. In this concluding chapter, I summarize my empirical findings, consider those findings in relation to the brief history of audience labor

exploitation I described in this dissertation, and consider some of the implications for the political economic theory of communication. I also discuss some of the limitations of this study and possible directions for future research.

The empirical study in this dissertation, the results of which are presented in chapters six and seven, provides an insight into issues of communicative power in the era of digital media and the Internet. Although digital communication technologies and the Internet enable many more people to produce and circulate cultural products on a larger scale than was previously possible, since it was generally only the “mass media” industries who controlled the means of communication capable of such mass cultural production and circulation, my theoretically informed study indicates that it is still cultural *consumption* that communication industries mostly directly seek to control. In general, audience activities are still the communicative activities that companies need to control if they are going to profit by treating communication processes as processes of capital circulation and accumulation in the digital era. That is true of both the newspaper industry in its digital form as well as the digital media “platform” industry. I examined the activities of a company in each category, the newspaper chain MediaNews Group and Google, in an effort to determine how each company seeks to profit by controlling and extracting value from audience activities of digital cultural consumption, which I described as exploiting digital audience labor.

My study of some of the core activities of each company revealed that what could be called the basic business model of each company is premised on exploiting digital audience labor by controlling access to objects of audience activity. It is that control that most directly defines each company as a communicative capitalist, and that explains why MediaNews Group and other newspaper companies have struggled in the digital era while Google has succeeded. MediaNews

Group still has to pay reporters, editors, and others to produce news (even in digital form) as an object of audience activity that it controls, which enables it to then extract value from the consumption of that news, while Google does not generally have to produce the content that it nonetheless controls and that is an object of audience activity (e.g. YouTube videos), or it produces that content relatively cheaply (e.g. web search results, which are generated from an automatically created index of the web), while still having the ability to extract value from the consumption of that content.

My analysis of some of MediaNews Group's activities from 2006-2013 demonstrated how newspaper capitalists are struggling in the digital era because of their diminished capacity to exploit digital audience labor. In the time period considered, MediaNews Group became the second-largest newspaper company in the U.S., but it also declared bankruptcy, and it continued to experiment with ways to gain control over digital audience laborers in order to directly or indirectly exploit them. Newspaper companies face a situation in which their control over audience activities through control over objects of audience labor is somewhat undermined by digital means of communication, in part because maintaining monopoly control over access to digital news is much more difficult than maintaining monopoly control over access to print news. Their ability to extract interest from advertisers has also been undermined because their own content is often available from other sources and there are simply more objects of audience labor now (including everything on the web) than there were before the digital era.

The newspaper industry in the U.S. has faced a crisis in the digital era precisely because of the difficulty of reproducing the capital-labor relation that was created in connection with print newspapers. But, while that crisis has opened up the possibility of transforming news into a more commonly available and accessible resource, MediaNews Group and other newspaper

companies have responded by either cutting back on their news production or attempting to find new ways to extract value from the consumption of the news they do produce. The *necessity* of that response becomes clear when it is understood that newspaper companies' existence as capitalist organizations is, fundamentally, based on control over audience activities — specifically, control over news consumption.

A partial answer to my research question can be gleaned from MediaNews' strategies to maintain control over news readers in the digital era. Controlling access to digital news remains one way to gain power over cultural consumption, reproducing in the digital era the one-way, mass communication process of communication industry cultural producer to audience cultural consumer, in order to exploit that consumption activity as digital audience labor.

Google, meanwhile, has succeeded in continuously expanding its scope as a communicative capitalist by extending its control into ever more aspects of digital communication and thereby extending its control over a growing range of digital audience activities. My analysis of some of the company's activities from 2006-2013 demonstrated how it, too, is dependent on its ability to exploit digital audience labor, but it has a distinct advantage over a communicative capitalist like MediaNews because it does not produce the cultural content that it controls in order to gain power over digital audience laborers. In the time period considered, Google experience significant growth. It continued to create new ways to exploit digital audience labor not because it was struggling to do so in general, as was MediaNews, but because there were relatively inexpensive ways for it to grow as a communicative capitalist. The more processes of digital communication over which Google can exert some control, the more digital audience laborers it can exploit and, perhaps more significantly, the more intensively and extensively it can exploit any one audience laborer.

In one sense, Google's aim is, indeed, to provide digital communication "platforms" that are generally free to use. But its real aim is to control activities of digital cultural consumption by getting people to use Google's websites or applications to access and consume digital culture. Although Google is not a "content" industry, in that it does not rely on copyright as a means to legally control access to cultural content in the way the television, film, and music industries do, the source of its profit-making ability is the same as those "content" industries": control over audience activities. Because Google does not generally produce the objects of those audience activities, it is reliant on the content created by others. But it still controls objects of cultural consumption as its means of gaining control over that consumption. And even though Google generally provides free access to the digital culture it controls, its power over audience activities and detailed data about those activities (generated through monitoring of its users) enable it generate high amounts of advertising revenue.

A partial answer to my research question can be gleaned from Google's strategies to accumulate capital. Allowing users to create the content that is used to attract audience laborers, or simply providing a way to find where to access digital content produced by others, while also controlling many ways by which that content is actually accessed, is one way to empower "interactive" digital communication while still ultimately exploiting the digital audience labor of those users in order to accumulate capital.

My empirical analysis of the exploitation of digital audience labor suggests a fundamental historical continuity in the way communication is treated as capital. The brief history of audience labor exploitation I offered in Part II of this dissertation, in chapters four and five, described a history of control over audience activities of cultural consumption as the core social relation that defines the way in which communication is treated as capital because it is the

social relation that enables communicative capitalists to appropriate from communicative activities the value that is capitalized. It seems that the communicative labor that capitalists have to control to be communicative capitalists, defined in the most basic sense, is the labor of cultural consumption — audience labor.

I looked at the origins of the capitalist mode of communicative production as the creation of the means to exploit audience labor by extracting value from the process of cultural consumption. I determined that, since the relationship between communicative capital and audience labor is defined by capital's control over the cultural object of labor that is a means of audience signification, the origins of that relationship can be found in the creation of property rights over culture through copyright. I describe book capitalists as the first communicative capitalists to exploit audience labor, as they extracted rent from readers in return for access to the content of copyrighted books.

I also examined two key developments in the capitalist mode of communicative production in the U.S. as developments in the relationship between communicative capital and audience labor. I determined that, in relation to the exploitation of audience labor, the commercialization of the press in the 19th century was the creation by newspaper capitalists of a second means to extract value from activities of cultural consumption. In addition to rent in exchange for access to news controlled through a de facto copyright, newspaper capitalists could loan part of the space in their newspapers to advertisers in exchange for money that constitutes interest on that loan. I also determined that, in relation to the exploitation of audience labor, the rise of broadcasting in the 20th century was the extension of the exploitation of audience labor into a new communication process involving electronic media and wireless networks, although there was a potential at the time to create communication processes that were not also processes

of capital accumulation by managing spectrum as something other than a resource for capital circulation, or to at least limit the indirect exploitation of audience labor for advertising revenue by creating non-commercial broadcasting. The history of the creation of radio capital provides an important lesson for the current ongoing process of developing digital communication processes involving digital media and the Internet. There seems to be an even greater potential to create communication processes that are not also processes of capital accumulation, and there are plenty of examples that being done, but it is easy to see how communicative capitalists have also been quite successful at extending the exploitation of audience labor into the digital era.

In those historical chapters, I provided a partial answer to my research question as to the role of communication policies in the changing relationship between communicative capital and audience labor. Copyright emerged as the fundamental policy issue. Advertising was also a key policy issue, particularly in terms of radio capital because there was a debate over radio advertising, thus a clear possibility for a path other than the one actually taken (while there does not seem to have been a similar debate over newspaper advertising). Policies that subsidized communicative capital, like the postal subsidies that benefitted newspaper capitalists and the radio spectrum policies that benefitted radio capitalists, were also important in the history of audience labor exploitation.

My focus on the issue of audience labor fills what I perceive to be a gap in the field of the political economy of communication. My analysis of the exploitation of digital audience labor indicates the issue of control over audience activities has not disappeared in the digital era. My investigation of the history of control over audience activities indicates the exploitation of audience labor is a central aspect of the way in which communication processes are treated as process of capital circulation and accumulation. As such, audience labor is a concept that

deserves greater attention within the political economic theory of communication. In Part I of this dissertation, I took the initial steps in the process of revising political economic theory to account for audience labor.

I argued in chapter one that the audience labor concept introduced to the field by Dallas Smythe (1977; 1978) in the late 1970s offers a necessary way forward for the political economy of communication that has only been minimally explored. Smythe and others paid more attention to the concept of the audience *commodity* (Livant 1979; Jhally and Livant 1986; Meehan 1984). In the last decade, there has been renewed interest in the concept of the audience commodity as a way to understand the political economy of digital communication. I argued in chapter one that audience labor has disappeared from the field as that more recent scholarship has attempted to revise the concept of the audience commodity for the digital era (e.g. Andrejevic 2002; 2007a; 2011; Cohen 2008; Fuchs 2010; 2011b; 2012). For that reason, I argued that audience labor remains a concept to be more fully integrated into the political economy of communication. I argued further in chapter one that the lack of attention to audience labor has resulted in inaccurate understandings of the basic processes of capital accumulation by communication industries in the digital era, necessitating a theoretical revision based on a focus on digital audience labor and its relationship to the treatment of communication as capital, but also a focus on audience labor in general.

In chapter three, I developed the outlines of a new theoretical framework to understand audience labor and its relationship to capital accumulation. I called it a political economy of audience labor within the political economy of communication. That political economy of audience labor provides a way to understand the accumulation of capital through processes of communication as dependent on the exploitation of audience labor. I conceptualized audience

labor as an activity that involves both cultural consumption and signification. I theorized the audience labor process as the work of audience signification through cultural consumption involving the use of means of consumption that are also means of communicative production as objects (culture) and instruments (media) of labor. As an act of individual consumption, however, audience labor is a “singularity” from the perspective of political economic theory. For that reason, audience labor-power cannot be commodified. Contrary to the claims of Smythe (1977) and others, there is no audience commodity. But an understanding of the audience labor process makes it possible to see that audience labor is exploited by communicative capital.

The way in which the audience labor process is exploited is the crucial insight I derived in Part I of this dissertation. Because audience labor is a singularity, it does not produce surplus-value in the audience signification process, thus it cannot be exploited in the way capital generally exploits wage labor. Audience labor is exploited in the distribution of value, rather than its production. Capital still appropriates value in connection to the work of audience labor, but it does so in a way similar to the appropriation of value by landlords. Communicative capitalists are, fundamentally, those capitalists that control the means of audience signification — specifically, the cultural object of audience labor. Through that control, those communicative capitalists have power over audience activity but still cannot force audience laborers to work or appropriate the product of that work. Instead, like a landlord, a communicative capitalist controls access to a resource wanted by audience laborers and can thus appropriate value in exchange for access. Communicative capitalists can extract that value from audience laborers as rent in a direct process of exploitation, or they can extract that value from advertisers as interest in an indirect process of audience labor exploitation. In the latter case, the capital accumulated is fictitious capital.

The general model of capital accumulation through *profit* is a process of capital circulation in which, at the end, a consumer is a purchaser of a commodity produced through a production process that is simultaneously a process of producing surplus-value. The consumer in communicative production is quite different because the object of consumption is the meaning of a signified object, which I called culture. It is that difference that defines communication as capital. It is also that difference that determines the political economy that explains the fundamental aspect of communication as capital as a political economy necessarily focused on relations of distribution (rent, interest) that affect the communicative production of audience signification, which means those relations of distribution also affect audience consumption activities. Value in capitalist communicative production cannot be appropriated as surplus-value in the form of profit, but only (in the first instance) as rent because the consumer does not purchase a commodity but rather gains access to a resource that is used in another process of labor (audience labor) and communicative production.

One of the major limitations of this study is its neglect of the role of digital *cultural* labor, both the work of employees of communication industries and the work of digital media users in creating cultural products. Although I have argued that the exploitation of digital audience labor in the process of cultural consumption and audience signification is the fundamental aspect of the capitalist mode of communicative production, including in the digital era, communicative capitalists could not exploit that digital audience labor without the existence of the digital cultural products on which that labor works. One productive avenue for future research, then, is to integrate an analysis of digital cultural labor with an analysis of digital audience labor. However, I maintain that this dissertation has made a contribution to the field of the political

economy of communication despite that limitation. It is specifically audience labor to which that field has paid inadequate attention.

Another major limitation of this study is its neglect of the specifics of actual human consciousness despite its emphasis on the importance of seeing audience labor as one kind of work contributing to signification and, ultimately, consciousness, and on the exploitation of audience labor as a process in which communicative capital controls a means of signification and has some power over the process of audience signification. Another direction for future research, then, is an integration of empirical analysis of the exploitation of audience labor with empirical analysis of the actual consciousness produced by specific individuals or groups. The latter is outside the bounds of political economy however, and this dissertation has specifically sought to deal with issues of political economic theory and analysis.

I have developed just the outlines of a political economy of audience labor within the political economy of communication, so there remains significantly more theoretical work to do. I have also provided only the briefest history of audience labor exploitation in the capitalist mode of communicative production, so there remains significantly more historical analysis to do. I have analyzed two companies from the perspective of their efforts to accumulate capital through the exploitation of digital audience labor. A deeper understanding of the contemporary importance of digital audience labor exploitation obviously requires more studies along the lines of the studies of MediaNews Group and Google presented here.

Through the empirical analysis, historical inquiry, and theoretical development summarized above, this dissertation has contributed to an understanding of an issue of communicative power in the digital era as an issue of class struggle in communication. My analysis of digital communication processes as capital accumulation processes has provided an

insight into the ways communication is treated as capital in order to appropriate value from the exploitation of digital audience labor. In contrast to the new political economy of the audience commodity, this study has focused on the specificity of audience labor and demonstrated the centrality of that labor to contemporary communication industries. Communication is still capital in the digital era, as the communicative activities of audience signification through cultural consumption remain processes by which capital is accumulated, and audience labor is still exploited.

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