

Digital Capitalism: Embryonic Dynamicism of Cyber-Imperialism?

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This essay critically reviews two new, important works on socio-economic and political impact of the informational society, with special attention onto the new social contours of transnational activism in a seemingly borderless, just-in-time, globalizing world system.

Key Words : Cyber-Activities, Capitalism, Communication Technologies, Globalization, Imperialism, Informational Society

Aided by modern information and communication technologies (ICT), we are entering into a new epoch of capitalism, in terms of its digital economy, polity and society. Socio-economic activities at a global scale seem more and more borderless and just-in-time, allowing most forms of communication: one-to-one, one-to-many, many-to-one and many-to-many. Cyber-linkages are revolutionary in changing the mode of socio-economic interactions locally and globally, behavioral repertoires among people in different geographical regions and time zones. The key issue here is the opening up of new ways and modes of communications as far as interactivity, timeliness, active participation, and the agenda setting are concerned, both in virtual and real social communities.

Enigma of Digital Capitalism

Dan Schiller's *Digital Capitalism* is not just another work on the burgeoning social scientific interests in the rise of the globalization of market capitalism, coupled with the emergence of the informational / network society (Hirst & Thompson 1999, Castells 1996). It is a well-researched empirical account on the instrumental role of the information and communication technologies (ICTs) have on global capitalism, or what Schiller refers to as "digital capitalism." In Dan Schiller's terminology digital capitalism refers to the condition where "(ICTs) Networks are directly generalizing the social and cultural range of the capitalist economy as never before" (xiv) and, as such, is an important contribution and a welcome addition to the debate on the *problematique* of our present and coming modernity.

Stimulating our continual debate on the informational society are the analyses of the book: they are diverse studies covering a wide range of issues with interpretive insights. The analyses contextualize particularly the local and regional levels of institutional and socio-cultural dynamics, which have been influencing and continuously shaping the digitalization of global economic production and social spaces of the developed economies (USA in particular). Yet the digitalization processes follow the differential trajectory of digital capitalism at supra-regional (North America), national, sub-regional, and local spaces: Sophisticated network systems in turn comprised the increasingly essential infrastructure for engaged transnational corporations, pursuing export-oriented, regionally or even locally integrated production strategies. Corresponding to the ongoing buildup of transnational

production chains, therefore, was a powerful pan-corporate attempt to subject worldwide telecommunications policy to United States - originated, neo-liberal regulatory norms”(p.40).

In spite of the diversity of issues covered in this volume, three major themes are especially well-articulated here and there (though not consistently argued in analytical terms throughout); namely: (1) the tendency of ICTs' growth and applications that are controlling most if not all aspects of our society, under the domination of the neoliberal, pro-market, profit-driven policies, which in turn reinforce socio-economic and political inequalities in the advanced capitalist world - this is the very essence of digital capitalism; (2) digital capitalism further enables and hence reinforces the globalization of capitalist governance and corporate-led rule, particularly in the deepening of consumerism on a transnational scale with both virtual and real encounters in and beyond the cyberspace; (3) that ICTs enhanced capitalist, market forces and their dynamism evoke the transformation process in the educational arena — and higher education in particular — as argued that the high education institutions will be newest, yet the last, battlefield between digital capitalist forces and the enlightened intellectuals.

The book has four main chapters, coupled with a short introduction and conclusion. Each one addresses a particular (sub)theme with unique perspective, contributing to the revelation of the underlying dynamics of digital capitalism, with numerous empirical examples. After the introduction which highlights the main line of debate — namely, that ICTs enhance the governance of global capitalism via the digitization of information — Chapters 1 and 2 address the neoliberal and capitalist networking drive, originated in the United States, which foster the emergence of digital capitalist processes at the global scale. The importance of geo-techno-political dynamics in and outside USA and the instrumental role of ICTs economic giants (like MCI, Microsoft and America Online) are also specified, highlighting the inherent contradictions in and between the Old (materials production) and New (knowledge production) Economy. This part, though theoretically underdeveloped, parallels recent observations on the transformation of capitalism in the informational age (Robert McChesney, Ellen Wood and John Foster, Eds., 1998).

Chapter 3 addresses specific changes in the market place with the increasing use of ICTs in advertising, marketing, and delivery of services and products, and rightly argues that “there is a reason to believe that the Internet is bound up in a profound threefold shift of the greater media system, from ‘mass’ to ‘class’ marketing, from national to transnational marketing, and from what we called probabilistic to individualized marketing. Advertisers have been pivotal to this triple- reorientation”(p.135). In other words — and this reviewer wholeheartedly agrees — digital capitalism redefines the class society in production, consumption, and exchange arenas, representing a new epoch of capitalism and market governance.

Chapter 4 focuses on digital capitalism in education and training proper in the midst of the so-called Knowledge Economy, and draws the contours of the on-line delivery of educational products and services and their specific investments by both traditional and emerging knowledge providers, like universities and media corporations. In short, education becomes a booming industry of its own, replete with profit-making drives, and hence follows traditional market logic, which stands in opposition to the fundamental ethos of education: values and norms. The impact of the digital and capitalist governance in the educational arena is emphasized and held up to question by the author through a clear illustration of the organic interplay of the old and new (ICTs enhanced) education models for mass education and corporate labor development. According to Schiller, this revolutionary change is embedded in the differential functional and socio-cultural networks of the developed economies. All these changes reinforce the syndrome of the digital divide (between the

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haves and have-nots) which is structurally anchored in social reality.

Clearly and with numerous empirical examples, Schiller successfully introduces digital capitalism as a new idea for discursive function. That said, there are some caveats, especially in terms of methodology, source of information and data for analysis, and geographical coverage of Digital Capitalism. First and foremost, what is missing in the book is an analytical/theoretical construct(s) to further explore the multi-dimensional manifestations and contradictions of digital capitalism. Although there is much said about the phenomena/happenings about the “new” way of doing business, mediascape, and economic restructuring and transformation in the core chapters, the very basic analytical question of how structurally different (or revolutionary) is “digital” capitalism from the advanced global capitalism is not fully elaborated.

Missing a well-articulated theoretical-analytical construct and framework, Schiller seemingly adopts a one-directional, deterministic (system over people, technology over society) and pessimistic view on interpreting the interplay, interactions, contradictions, and synergies between the corporate-led economic system (digital capitalism) and the societies that are embracing or resisting such transformation. In reality, there are more occurrences of peoples’ fight against the global capitalism in general and digital capitalism in particular, including organized protests (against the World Trade Organization, for example) and social movements (say, for environmental justice) against corporate-led capitalism. Further, ever-increasing informational viruses, hacker activities, and cyber-terrorism illustrate the dynamic and creative social forces in redefining spheres of control over digital capitalism.

Regarding the sources and data analyzed by the author to support his case for digital capitalism: against the backdrop of the cyber-communicative (Internet/cyber-based) information regime, Schiller’s source of information, raw materials, and data are predominantly gleaned from the printed medium, including the Financial Times, Los Angeles Times, New York Times, and the Wall Street Journal. Obviously, the selection of printed media is in strong contrast (irony?) to the claim that we are in a digital era. Furthermore, these printed media are very authoritative in empirical terms but how analytically sound they are still remain a question. In other words, without a vigorous articulated analytical framework yet with a highly empirically focused study, the idea with Digital Capitalism is, or might be, a valid one as an idea but not — as Schiller presents it — an analytical concept that we can further explore.

As Schiller’s discussion on the idea of digital capitalism is predominantly a North American (and, to a certain extent, the the Organization for Economic Co-operation and Development (OECD) countries’) experience, his assertion that the corporate-led market system is somewhat globally transcended is highly questionable, if not especially problematic. He notes: “What is historically new, or so it seems to me, is a change in the sweep of corporate rule. For the first time since its emergence in the early twentieth century, the corporate-led market system no longer confronts a significant socialist adversary anywhere on the planet. Digital capitalism also is free to physically transcend territorial boundaries and, more important, to take economic advantage of the sudden absence of geopolitical constraints on its development. Not coincidentally, the corporate political economy is also diffusing more generally across the social field”(p.205).

Historically, the hegemony of global capitalism (or its counterpart, socialism) has never been able to transcend regional and local spaces, nor the ethnic-cultural spheres, though it has been adapting differentially in different socio-polities. Hence digital capitalism seems to have a local, ethnic, and culturally shaped life course of its own. How the digital capitalism

will (fail to) develop and penetrate into different, developing, ethnic-cultural spaces remains to be seen.

In spite of these problems, this work is a highly significant success in bringing out new illuminations, contextualizations, and interpretations of the facets of digital capitalism, in developed economies (North America) in particular. Furthermore, its richness in case studies and lively deliberations on them should undoubtedly be of great interest for students and scholars of ICTs development and advanced global capitalism.

That said, it is important to keep in mind that due to the opaqueness of human meaning of the changes in the informational society, innovations in ICTs are revolutionizing information, education, and entertainment delivery, affecting their production and consumption and transforming all aspects of social life and behaviors (Nie and Erbring 2000). For that reason, there is an urgent need for theoretically-and analytically-informed intellectual explorations of the etiology, processing, and impact of digital capitalism, as well as the alternative policy options, advocating different and better mode of coping strategies in a digital world. Obviously, this is a challenge for both Dan Schiller and for all of us!

Locating Borderless Cyber-Imperialism in Global Capitalism

On the other hand, with less than 300 pages and 16 chapters, the edited volume of Ebo is indeed a great ambition for the project of *Cyberimperialism* to address the important yet enigmatic questions of the Internet:

- What new notions of national identities will emerge because of the Internet?
- Will the technology produce true globality by giving people all over the world an opportunity to participate in a wide range of regional and global activities?
- Will all nations actively participate in building the information superhighway or will the Internet simply replay perennial global technological inequalities?
- Will global cybercooperatives provide better ways to manage and share resources within nations and between nations?
- Will the Internet narrow the knowledge gap between the technology rich and the technology poor within nations and among nations? (x).

The informative book begins, in Chapter 1, by an analytical thrust of insightful examination on the multiplexity of cyber-globalization, the compression of time-space relations driven by digitized market force, and the emergence of new global relations shaping by real time, on-and-off line (e-) mobilization of nongovernmental organizations (NGOs) and cyber-activists towards participatory politics. It notes that the decentralized yet round-the-clock mode of e-mobilization is not just challenging the established inter-governmental governance structure but also extending the possibility for development of cross-national strategies to deal with supra-regional and global problems.

In four chapters, Part I of the book addresses to emerging analytical-conceptual issues in cyber-globalization. Frank L. Rusciano's chapter reveals the "Three Faces of Cyberimperialism," highlighting the strong corporate driven and pro-market approach for

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the developmental trend towards a new form of global (economic) imperialism which is beyond any state's governance. This critical observation is in line with the 'digital capitalism' debate (Schiller 1999). Yet, a more optimistic approach found in Marwan M. Kraidy's chapter moots a new theoretical framework of glocalization (the dialectics of local interactive / adaptive socio-cultural forces critically engaging with the globalization) to comprehend the complexity of global-local networking: the shaping of media technologies in cultural hybridization, economic decentralization, and political fragmentation. Here, the importance of the adaptive and creative local forces to challenge the globalization should be stressed.

On the other hand, Jonathan Mendilow brings the theories of Tocqueville and Carlyle back in, questioning the impact of the Internet upon the state's governmentality and legitimacy, as well as national sovereignty. Deborah Tong's chapter, "Cybercolonialism," reminds us the new form of imperialism aided by the expansion of the Internet access to/ from the developing economies. Both theses cast doubt on the offering and promise of the liberalization force of the Internet.

In my judgment, this part is the most stimulating one, especially when compared with the empirical oriented chapters, though the discussions are somewhat brief — a renewed discussion in future research exploration is highly expected.

Part II examines global politics in cyberspace. David J. Gunkel questions the over-optimistic view on the multicultural empowerment and draws the contours of a new cultural landscape that has strong structural linkage (and embeddings) to the traditions of cultural imperialism. Despite his somewhat pessimistic outlook on cultural politics, his timely reminder for the nurturing of a self-reflective critical perspective of the Internet's evolution should be fully taken. The empirical studies of Margot Emery and Benjamin J. Bates move into the largely uncharted territories of Internet development in Central and Eastern Europe — obviously, their development can offer us some insights for reflection, as well as providing alternative developmental models. The related development in the United Kingdom, as examined by Glen Segell in their case studies of May 1997 general elections and May 1998 local elections, echoes the call for a new democratic participatory mode -- the so-called electronic democracy. But the real issue seemingly is the people's control over the politics and their empowerment, rather than the mode of (e-)democracy.

With detailed case studies, I am more than satisfied with the case studies presented in this part, though more can be done in bridging the rhetoric, concepts, and reality of e-democracy. The four chapters in Part Three of the book address a (perhaps) frequently visited theme, namely, the global economic restructuring as shaped by the cyber-force. Vasja Vehovar's paper casts doubt on the prospects of small economies in the age of the Internet, as virtual monopolies can manage global sourcing and production. In reality, this regime is becoming the mainstream one: the global factory, retail, and marketing networking. Jeffery L. Blevins explores the (post)Marxian and critical political economy perspectives on the prospect of the counter-hegemonic media, and questions whether cyberspace can resist corporate colonization — though the answers are somewhat pessimistic and worrisome. Rodger A. Payne positions new media within the sustainability struggles in the South, and asserts that the Internet can help the mobilization of activists not just locally, but also with support from sympathetic individuals in the North. Focusing on Asian societies, Chung-Chuan Yang outlines the media development issues and the (over-)regulatory regime of these economies.

The last section examines national-cultural identities and grassroots movements in global cyberspace. Laura B. Lengel and Patrick D. Murphy note the dramatic shaping of cultural identities under cyber-imperialism, with the manifestation of divided and differentiated

identity images between the rich and poor nations. On the other hand, Ellen S Kole examines the empowering processes for nongovernmental organizations, which contribute to a dilemma for activists to be skilled netizens yet alienated from their grassroots. This insightful observation can serve as a good reminder for further empowerment of people in cyber-imperialism. Robert G. White's exploration of the cyber-future of Africa highlights the dependency of external aid (from the World Bank alike) for its development of new media, and the potential of new media to transform the socio-economic livelihood of African. Leda Cooks examines the e-mobilization in and beyond cyberspace, reshaping the boundaries of economic space and territorial-based politics of the nation state.

The diversity of theoretical and practical issues covered in this volume is a welcome one. Indeed, four major themes are especially well-articulated in respective parts, yet not consistently argued in analytical terms throughout. The editor has, in most cases, succeeded in selecting the theses relevant to each theme, and most of the contributions are both accurate and concise. Yet, I would prefer more critical reflection from the debates articulated in this volume. First, the overall line of argument that cyber-imperialism becomes the dominant hegemony in global capitalism is rightly articulated, given the fact that the Internet backbone is still controlled by developed economies. For instance, 50% of the Internet communications among Asian countries are routed via US because of infrastructure.

More specifically, the ratio of the Internet population in Asia Pacific and South East Asia compared with the total of the population in the above area is about 0.5%. East Asia is 0.4%. South Asia is 0.04%. OECD except US is 6.9% and US is 26.3% (UNDP, 1999). The gap within Asian countries is also very deep: around 20% of the adults in the rich part of Asia are online but less than 1% of the people in the poor part use the Internet (ITU, 2000). These figures confirm the digital divides inside and between countries in Asia: the overwhelming majority, especially poor people in poor countries, are the victims of globalization and cannot receive the benefit of the Internet as well as their rich counterparts.

On the other hand, only a few chapters address the positive effects of the Internet on social development, the potential of the Internet's liberalization, and promotion of global and local justice is mostly under-articulated in this edited volume. More specific, the empowerment function of the Internet should not be underestimated, as shown in the networking of anti-globalization activists campaign at global level. Recent protests at the venues (the latest one is the G8 in Genoa, Italy, July 2001 and the G-8 Summits in Kananaskis, Canada, June 2002) of the EU, the G8, the IMF, the WTO, and World Bank summits have been forcefully articulating the fundamental contradictions between the haves and have-nots, and visualizing and exposing socio-economic fault-lines between the rich and poor, the developed and underdeveloped worlds. Operating at global level with local activism, these confrontational scenes have become routine at, as well as creating noises against, international summits of the rich and powerful supra-national agencies which control global capital.

Though it is highly questionable about the success of these 'anarchist like' campaigns (are these a new form of e-mobilization?), vis-a-vis global capitalism, the actively engaging developmental debates on equitable share of benefits derived from the economic liberalization / globalization project – a forgotten, dark and tragic dimension of the champion of global capitalism – are rejuvenated through the e-mobilization in the post-Cold War era. At the very least, the protesters have done what WTO, the IMF, the World Bank, and the EU have failed to do in half a century: making people aware of the problems of digital global capitalism. The critical engagement of global social movements with, and confronting, the inter-governmental / multi-lateral economic institutions seemingly is more promising than we once thought (O'Brien, et al. 2000). The missing of the elaborated framework with

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substantial case studies makes this volume lean towards a confirmation of the emergence and persistence of cyber-imperialism — isn't it too early to judge the trend of the Internet development which is in reality much more dynamic, mobile, contingent, and fluid?

The mapping of the new landscape of cyber-imperialism and global capitalism — characterized by eclecticism and the production of fascinating but mostly discrete work — is a welcome addition to an emerging field of study to understand the socio-political, economic, and cultural adaptation of the Internet, as well as their enhancement for the creative social forces at global scale. The editor and the contributors succeed in creating some order in innovative thinking about cyber-imperialism, digital capitalism, and social future and themes alike while embracing the enormous heterogeneity of the political economy of informational society.

The rapid changes which the Internet and cyberspace are undergoing world-wide have led to an increased literature on the topic. Analytically informed discussions, such as those presented in this edited volume, therefore come in handy. Many edited volumes on the interfacing (synergy or decoupling?) of the Internet, global relations, and civil communities suffer from the caveats of the disorganization or lack of focus. In my opinion, Ebo's edited volume stands out differently by combining both analytical insight and good empirical case studies, and is one of the rare exceptions.

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