

THE VALUE OF SOCIAL RELATIONS

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This paper outlines how social and affective relations shared via online social media sites are integrated into the process of value creation and transformed into tangible monetary value in the financial circuit in Informational Capitalism.

The development of an information economy, and in particular its more recent “social economy” phase, has seen the “pluralisation” of conceptions of value (Stark, 2009). The rise of brands, the growing importance of reputation, both for individuals and for companies, the need to attract affective investments and in general to establish a positive large-scale recognition for companies are all manifestation of this. While companies have clearly identified the strategic importance of these intangible assets, an adequate and broadly accepted interpretation of how such immaterial wealth is transformed into tangible monetary value still lack.

The process of value creation in Informational Capitalism

Traditionally, the process of value creation was conceived as a firm-centric issue. Particularly, Marxist labour theory of value identifies two essential processes in value creation: production and circulation. The production process takes place within the firm and is hierarchically organized by the employer who owns the means of production. The value is created by the “living labour” - i.e. the workers – and the specific value of a good is determined by the amount of labour time needed for its production (Marx, 1976). The labour force is exploited mainly because the price they have sold themselves in the labour market is less than the value gained from selling the goods produced and this difference represents the surplus value appropriated by the employers. The value extracted from the workers is “realized” in the circulation process: when commodities are effectively sold in the market place.

The advent of an informational economy has changed both the production and the circulation processes. The end of mass production capitalism and the transformation of productive systems that this has entailed have made measurable forms of labor time less essential as a source of value while the relevance of innovation, flexibility, brand and other intangible resources has risen in proportion.

The important thing about such intangible resources is that their production often occurs outside the control of single organizations, and sometimes, as in the case of brands, it builds on input from non-salaried actors including consumers and the public at large (Arvidsson, 2006). The creation of intangible value in the form of either a corporate culture conducive to innovation and teamwork, or an attractive brand, involves the appropriation of common knowledge, symbols, relations and competences, or General Intellect (Virno, 2004).

In its broader sense, General Intellect represents an emerging property of complex and heavily socialized forms of productive cooperation. As a consequence the value is based increasingly on the general productive power of the “social”. The achievement of cooperation and engagement, i.e. the mobilization of such networks, relies on the ability to establish affective recognition, such as reputation and goodwill, as well as to mobilize these affective bonds, like the ties that bind consumers into a community of interest or “tribe”. The ability to “activate” affective investments is considered a signal of

company wealth in financial markets, which increasingly represent the arena where the realization of value takes place in the circulation process (Marazzi, 2008).

However, the “intangible” nature of such affective bonds and consequently the complexity of their measurement represented a problematic issue until the diffusion of social media platforms.

Indeed, with the advent of Internet, and in particular the diffusion of social media platforms, such as Twitter and Facebook for customer co-production, or “prosumption” (Toffler,1980; Tapscott,1995), the influence of these new socialized networks and their productive power have become more visible and “tangible”. These platforms represent a materialization of what Gerlitz & Helmond (2010) call a “like economy”. In the like economy the main determination of value is direct forms of user engagement which has been objectified through the proliferation of “social buttons”, like Facebook’s like button, twitter’s re-tweet button, or bookmarking buttons on Digg or Reddit. Such social buttons “allow for transforming intensive social and affective dynamics into comparable metrics and thus add a social and personal qualification to the hit economy” (Gerlitz & Hemond, 2010: pp.3). In other words, the introduction of social buttons allow for an objectification and valorization of the users’ ability to create webs of affective attachments around informational objects, such as a corporate or a brand.

As a consequence, in the last few years a new set of data mining techniques, such as opinion mining and sentiment analysis has been developed in order to analyze massive data produced in social media sites and blogs and to quantitatively measure affective ties and opinions.

Particularly, sentiment analysis is part of the affective computing paradigm and refers to the process of categorization of unstructured human-authored documents “based on their affective orientation, meaning the emotional attitude of the person expressing the opinion” (Mølgaard & Szewczyk, 2010: p.1). Among other things, what sentiment analysis and opinion mining produce is an objective and “tangible form” of the affective investments around an object resulting as an emerging property of grassroots collective wisdom. In other words, they are transforming “intangible values” into a tangible form.

Social media and General Sentiment

These new data mining algorithms have created a recognized measure of social affective investments around a brand or a company which now can serve as a base to establish a new “general equivalent” - i.e. general sentiment – (Arvidsson, forthcoming). In Marx’ analysis of value, the labour time represents the general equivalent in the production process: It does not matter if you produce textile or concrete in your company, with different means of production or under different legislations. Labour time is an abstract unit of measure aimed at creating a common space for market exchanges. In the same way, general sentiment functions as a general equivalent in the ethical economy (Arvidsson, 2006). Individual expressions of affective attachment are converted into signal of wealth and trust as objectified flows of ‘potential’ value which is then realized into the financial markets.

According to this analysis, the role of social media and of web data mining is far beyond of being conceived as a new tool for targeted advertising. Indeed, social media platforms play an important role in defining the parameters of the distribution of such financial value by enabling the affect of the

multitude to be objectified into a brand, or conventions that can justify financial valuations. Consequently, online social media sites represent a unique place where the affective flows deriving from attention and “prosumer” inputs on the part of the multitude are organized and controlled.

References and Notes:

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