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Political Economy of the Internet

Economy – Work – Regulation

Two major transformations have been shaping the development of capitalism in recent decades: First, far-reaching socio-economic transformations towards privatization, deregulation and liberalization. Second, radical and ongoing socio-technical transformations, especially processes, patterns and variants of digitization, starting with the emergence and enormous performance gains of new digital information and communication technologies in the late 1970s, and the subsequent ubiquitous use of those technologies from the 1980s on, resulting in their gradual and comprehensive spread across all economic sectors and deep into society. Since a few years, we have been facing a new phase of this transformation that is technically based above all on: new possibilities of collecting and processing large amounts of data; the comprehensive digital connectivity not only of media, information and communication but also of material objects and production structures; and the classification and coordination of these processes through learning algorithms.

This project explores the digital transformation of the capitalist economy from a sociological perspective. Fields of research are: changes in markets and market regulations triggered by digital technologies as well as new forms of data-based value creation; socio-technical restructuring processes, (inter-)organizational upheavals and new competitive dynamics of industrial core sectors (e.g., through the penetration of the internet into the production of things); the distinct structural and process characteristics of new digital (e.g., internet-based) sectors and markets; the relationship between concentration and decentralization trends; the commodification of new areas that have so far escaped economic value creation (e.g., private communications and public exchanges on commercial online platforms such as Facebook). One central research need in this area is the investigation of the as yet unresolved relationship or interaction between liberalization and digitization.

The work on this project focuses on the socio-economic impacts of socio-technical transformation processes. In other words, the research is geared towards the examination of major changes in the economy, work and political regulation triggered by digitization processes (and not, for example, towards cultural aspects of digitization). Moreover, the project has a historically reconstructing and classifying focus. The vast majority of recent studies on topical issues around digitization (e.g., platform economy, digital capitalism, Industry 4.0) exhibit a considerable degree of ‘historical amnesia’. This can only be overcome by identifying, in a systematic historical manner, the place which new phenomena have within the great digital transformation—which, after all, didn’t just start in the 2010s.

The overarching goal of research in this field is to gradually develop a historically, empirically and theoretically sound overall picture of the great digital transformation and its various stages of development—with a focus on the socio-economic turns it has triggered.