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Elon Musk's Twitter Capitalism

Christian Fuchs makes the case for turning the internet into a public service

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As of November 2022, Elon Musk is the **richest man** in the world, with a fortune of 195 billion US dollars. In late October 2022, he bought social media platform Twitter for 44 billion dollars. With over 430 million monthly active **users**, Twitter was ranked the sixteenth-most popular social network worldwide in 2022.

Musk, whose immense wealth is largely due to his automotive and energy corporation Tesla, is himself an enthusiastic and eccentric Twitter user with over **115 million followers**. After Barack Obama, who has more than 130 million users, Musk's is the second-most followed Twitter account worldwide. He attracts more attention than the **Twitter profiles** of pop stars such as Justin Bieber, Katy Perry, Rihanna, Taylor Swift, and Lady Gaga, sport stars like Cristiano Ronaldo, and politicians such as Barack Obama and Narendra Modi.

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Capitalist social media is characterized by asymmetrical economics of attention. It accumulates economic capital by selling digital advertising, but is also a platform for accumulating cultural capital. According to French sociologist Pierre Bourdieu, cultural capital comprises the power of reputation, recognition, and visibility. These cultural goods are distributed as asymmetrically in the capitalist internet as they are in capitalist culture.

A small number of celebrities controls and centralizes online attention. In the case of Elon Musk, economic and cultural capital converge on Twitter. He has made a capital investment in a communications corporation, through which he himself has a great deal of cultural capital.

Why Did Elon Musk Buy Twitter?

The economy does not determine politics and culture automatically. Therefore, it cannot be assumed that Musk simply wants to make even more money with the help of Twitter. Multimillionaires such as Musk, Bill Gates, and Jeff Bezos are so wealthy that they can invest without necessarily pursuing the goal of capital accumulation.

Regarding his acquisition of Twitter, Musk **has said**, "I don't care about the economics at all". His intentions relate more to Twitter's importance "to the function of democracy" and "to help freedom in the world".

Musk wants public recognition and influence. Being in the spotlight on Twitter entertains him, and he wants to shape the platform the way he has imagined it. He is using his own money to buy an internet platform that forms an important part of culture and politics today.

In a certain respect, Musk is also clearly trying to make Twitter more profitable, which is why he has fired 3,700 employees and came up with the idea of charging 8 dollars per month for verified profiles, which have a blue tick next to a person's name. Changing Twitter's economics is therefore certainly a goal for Musk, although it is probably not his primary motivation.

His understanding of democracy is libertarian – he is aiming to make Twitter a medium for libertarianism. Musk's intentions are thus also political and ideological. Libertarianism is characteristic of what Richard Barbrook and Andy Cameron have **described** as the "Californian ideology". This, the dominant philosophy in Silicon Valley and the tech industry, is characterized by market fundamentalism and opposition to state regulation and regulation in general. One classic manifestation of Californian ideology is *A Declaration of the Independence of Cyberspace*, written in the 1990s, in which John Perry Barlow, former lyricist for the band the Grateful Dead, demanded that the "governments of the industrial world" stay away from the internet.

It is certainly true that state monitoring and censorship, such as in China, is destructive to democracy. Nevertheless, a capitalist colonization of the means of communication is also a danger to the democratic public sphere – and it is precisely this dimension that libertarianism, both in Barlow's declaration of independence and Musk's worldview, ignores.

What Does "Freedom of Speech" Mean to Elon Musk?

Musk understands "freedom" to mean unchecked communication by anyone about any topic. However, there is also no shortage of fascism and hate on the internet. Since the Cambridge Analytica scandal and due to the rise of a new form of fascism, conspiracy theories, and attempts to undermine democracy through fake news, etc., democratic powers have increasingly exerted pressure on platforms such as YouTube, Twitter, and Facebook to remove problematic content and profiles.

Musk is not happy about this, as it contradicts his libertarian ideology that allows for anyone to say what they want without restriction, and for anyone to become as rich as they want without restriction.

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Musk **calls himself** a “free speech absolutist”. He has refused to have Starlink, the satellite network that facilitates internet access and is operated by his space company, block access to Russian news sources. Yet even according to the ethical principles of Immanuel Kant, one of the early proponents of liberalism, the **Golden Rule** of the categorical imperative does not simply refer to absolute freedom, but rather to freedom that does not harm others, since one does not themselves want to be harmed.

Tolerance, diversity, and freedom of opinion are brought to a swift end by many companies when their profits are called into question. For example, media organizations that were critical in their reporting about Tesla, such as Germany-based ZDF, did not receive **accreditation** for the opening of its Berlin-Brandenburg Gigafactory in March 2022. The way some corporations view the world, freedom of opinion can only be granted to those who do not question the freedom of absolute capital accumulation.

Trump 2.0?

Right-wing demagogues are celebrating Musk's Twitter takeover. Donald Trump, who had almost 90 million followers before he was blocked after the events of 6 January 2021, welcomed the **purchase**, stating “I am very happy that Twitter is now in sane hands, and will no longer be run by Radical Left Lunatics and Maniacs that truly hate our country”. His account has since been restored, although remains inactive.

Since his Twitter ban, Trump's public presence has been quieter. He has retreated, along with his proclamations, to his website and his own online platform, which function as a “mesocosm”, a space that does not resonate broadly with the general public.

Truth Social is an online ghetto for hardcore Trump supporters – its primary goal is to collect donations for Trump. By contrast, Twitter is a large, global public forum through which Trump not only reached far more people, but that is also taken seriously enough that his tweets regularly resulted in headlines in *The New York Times*, *The Washington Post*, and on CNN – thus bolstering his media presence even further.

As Trump has announced his 2024 US presidential run, should Musk grant him a public forum, Trump will have a significant head start in terms of communication on Joe Biden or Kamala Harris, who have “only” 27 and 13 million followers, respectively, in comparison with Trump's 90 million. Musk would therefore be complicit if a Trump 2.0 era comes to pass. Considering Trump's admiration of authoritarianism, nationalism, militarism, and his delusions of grandeur, this is a frightening prospect.

A large, worldwide peace movement could, perhaps, hinder the worst effects – world war, nuclear war, and the destruction of life on earth. But in a political environment dominated by authoritarians such as Trump, Xi, and Putin, this may prove difficult.

Musk and Labour

The software industry is difficult for unions, given that it is dominated by the Californian ideology, and that software engineers constitute a highly paid twenty-first-century labour aristocracy whose members often do not consider themselves workers.

Musk's **dismissal** of 3,700 Twitter employees is an opportunity to rethink the class status of software developers and establish independent global unions for digital workers. Hostility to unions forms part of the libertarian ideology and its opposition to political institutions. Facebook also recently announced it was cutting **11,000 staff** members, and other corporations may follow, since advertising

is a volatile model for capital accumulation. In times of economic crisis, companies' advertising expenditure decreases.

Richard Ortiz, a worker who engaged in union organizing in a Tesla factory in California, was laid off in 2017. In 2021, a labour court found that his termination was **illegal**. Musk continues to express his opposition to unions, and has **tweeted**, for instance, that "The degree to which the unions control the Dem[ocratic Party] is insane". In 2022, **Musk announced** that he would vote for the Republican Party, since Biden "is simply too much captured by the unions".

Twitter co-founder Jack Dorsey **argued** in April 2022, that Twitter should be a "public good" and nobody should own it. That said, since this is not the case and Twitter is a company, he stated Elon Musk "is the singular solution I trust. I trust his mission to extend the light of consciousness". Laying off half the Twitter workforce points in the opposite direction to progress and wisdom.

The Political Economy of Twitter's Profitability Crisis

Personalized, targeted advertising is the primary model of capital accumulation used by **social media** networks. Google and Facebook dominate the global digital ad market, bringing in two-thirds of the revenue generated. Digital advertising is by far the form of advertising that brings in the most revenue and it has significantly contributed to the crisis in ad-funded news media.

Yet, this model has never worked well for Twitter. In contrast to YouTube, Facebook, and Instagram, where people's attention may be held for longer, Twitter has difficulty selling advertising. Processing short tweets at high speed makes it difficult to draw users' attention to ads.

Twitter was founded in 2006, and, with the exception of two fiscal years, it reported only losses until 2018. In both 2018 and 2019, it made over 1 billion dollars in profit, but lost money again in 2020, 2021, and 2022. This means that Musk has bought a company that is unprofitable. Twitter's inability to accumulate capital thus far explains why former company heads were so insistent on selling it, and sued Musk when he had doubts about proceeding with the purchase.

Following the takeover, Musk fired the nine members of the Twitter board, naming himself **sole director**. If he wants to make Twitter profitable, he will need to change the way the company operates, or its capital accumulation model, in a relatively radical way.

"The future will show whether we will succeed in promoting a democratic digital public sphere or sink into digital barbarity."

For instance, Twitter's functionality could be changed by creating a video function that holds users' attention for longer. This could then be used to try to sell more advertising. Or, the company could introduce an alternative advertising model in which users have to pay for access or certain services

Exactly what Twitter's political economics will look like in future is unclear and unpredictable. We don't know what changes Musk is planning, or how users and investors will react to them.

Musk is no classic media baron in the mould of Rupert Murdoch, who became rich through the media industry, and he is no digital capitalist like Steve Jobs or Bill Gates, who earned their fortunes through hardware and software. Musk was active in the internet industry in the 1990s. Among other ventures, he founded the online payment service X.com, which merged with Peter Thiel's company Confinity to become PayPal, of which Musk held around 12 percent in shares until it was sold to eBay in 2002. After that, Musk made most of his fortune through Tesla, the automotive corporation founded in 2003 of which he is the CEO and main owner.

Musk's purchase of Twitter means that industrial capital is being used to snap up digital capital. While Tesla manufactures self-driving cars, which do not have any direct impact on public communication, Twitter is a global public forum that people use specifically for communication.

Billionaires buying platforms that play an important role in public communication, and therefore in politics, is **nothing new**, but highly troubling nonetheless. It also poses a risk to democracy, since wealthy individuals such as Musk can dictate the conditions for public communication.

Are Mastodon and Co. an Alternative?

An alternative democratic model to the capitalist domination of public communication is the creation of a public service internet, in other words platforms operated by public service media networks. *The Public Service Media and Public Service Internet Manifesto* outlines this demand.

Twitter has public significance. As a public good that is public property and independent of state and capital, it would support the democratic public sphere and digital democracy. By contrast, nothing good can come of internet platforms that are the private playgrounds of billionaires. At best, they are influenced by particular interests – at worst, they facilitate war and fascism.

Scores of disappointed Twitter users are promoting switching from Twitter to Mastodon, a free software platform that was launched in 2016. This is a decentralized messaging service run by local organizations on individual servers, known as “instances”. New users register with one of these decentralized instances and, based on current functionality, remain mostly active there. It is possible to follow users in other instances, but there are no global hashtags or posts, and users cannot search globally, which allows micro-communities to emerge.

Such micro-communities facilitate the fragmentation of the internet. Under the buzzword of “cyber sovereignty”, there are frequent calls today to disconnect or ghettoize the internet into subspheres. This growing trend of fragmentation must be reversed rather than intensified. What we do not need today are echo chambers in which homogenous groups applaud themselves and sound off against opponents, but rather a broad, global public sphere, in which the things that unite us take precedence over what divides us.

As a medium, Mastodon currently operates on a “small is beautiful” principle. In the event of a large increase in users, this functionality may change and create a large online public forum.

However, the history of progressive media is unfortunately also a history of a lack of resources, marginalization, and voluntary, self-exploitative, low-paid, and unpaid work. If services remain small and on the margins, they cannot compete with the power of private media corporations and in many cases will, sooner or later, disappear altogether. If they increase in size, current conditions mean they will be confronted with the danger of capitalization, i.e. their transformation into capital. Whether successful alternatives to privately owned capitalist internet entities such as Twitter, YouTube, Instagram, WhatsApp, and Snapchat and (at least partially) state-owned internet entities such as TikTok, Weibo, VK, and Odnoklassniki can be created is unclear.

The prospects offered by a **public service internet** and **platform** cooperatives, as well as a combination of both, are real opportunities – which so far have been underdeveloped – for countering developments such as Elon Musk's takeover of Twitter. The weakness of progressive movements and parties in this age of new fascism is mirrored in the area of public communication. The future will show whether we can, and will, succeed in promoting a democratic digital public sphere – or sink into digital barbarity.