

08. Digital Capitalism and Distributive Forces

Digital capitalism refers to a modern phase of capitalism driven by digital technologies and network economies, focusing on the rapid, risk-free realization of value (selling goods) rather than just production. Distributive forces, a concept coined by Sabine Pfeiffer, are the digital tools (algorithms, platforms, logistics) that accelerate this realization, turning circulation into a core power source.

Key Aspects of Digital Capitalism and Distributive Forces

- ❖ **Focus on Value Realization:** While traditional capitalism focused on "productive forces" (making things), digital capitalism focuses on the "distributive forces"—ensuring goods or services are sold quickly and efficiently in the market.
- ❖ **Role of Distributive Forces:** These include technologies and strategies such as targeted advertising, digital marketing, logistics, transport, and data-driven prediction algorithms.
- ❖ **Data and Platforms:** Digital capitalism relies on platform companies that control the infrastructure of circulation, creating a "network economy".
- ❖ **Capitalizing Everyday Life:** Distributive forces often turn leisure, private resources, or small tasks into capital-generating resources (e.g., Airbnb, Uber), squeezing value from new areas.
- ❖ **Economic Impact:** Distributive forces enable rapid, often, risk-free market transactions, making the circulation and sale of commodities more crucial for profit than production itself.

Pfeiffer's analysis suggests that digital capitalism's power lies in controlling how products reach consumers, rather than just how they are produced.

Technological development has been one of the most influential factors of social development in the past decades. New technologies have brought marked changes to communications, the production and distribution of goods, food production, medical treatment, but also to methods of warfare. More than anything else, it is information technology that has contributed to boosting development of the world economy, integrating existing markets and opening up new ones. And there is no danger that technological development will run out of steam in the years to come.

There is no doubt that a far-reaching technological revolution is in progress at the moment. Digitalisation is changing the world. The interaction of data acquisition, networking, artificial intelligence and robotics is leading to radical global changes in the personal, social and economic sectors. The difference between the new technological revolution and previous developments in digitalisation is the speed of the innovations, their global reach and increased interlacing of the different technologies.

This new quality in digitalisation is driven largely by progress and interaction in three particular areas: First of all, IT and software: Processor performance is increasing exponentially and now facilitates the use of cloud technologies and mobile applications. The fast-learning algorithms being used today can justifiably be referred to as artificial intelligence. Secondly, robotics and sensor technology: While the size and cost of systems decrease, application possibilities and operability continue to grow. This makes them increasingly interesting for small companies and customised production. Thirdly, and most importantly, networking and connectivity of the systems are creating a "digital ecosystem", in which networks of small computers integrated into various devices and objects can communicate with each other via the Internet.

Even if we cannot currently predict what innovations will be invented and how fast they will be put into practice, the technological facts are more or less on the table already – especially regarding the rapid dynamic developments of the past few years. Still unpredictable are the effects on the economy, on society and on every individual. The question of what is technically possible is already largely answered, but not the questions surrounding the purposes for which these technologies will be used.

Similar to the globalisation discourse of the 1990s, the current digitalisation discourse is both a promise, a threat and reality. Some people regard digitalisation as the ultimate answer to all problems still facing the economy and society, others see the technological developments as an inherent necessity, which there is no point in opposing and which cannot be controlled.

Opportunities usually involve risks. For a lot of people, digitalisation is the magic wand of progressive politics. Others suffer from digital nightmares. The dream of boundless decentralised solutions to the benefit of mankind on the one hand and Internet giants on the other, digital democracy versus hate speech and political trolls, infinite information possibilities versus fake news and echo chambers, networking of different communities versus the polarisation of debates, personal development versus total surveillance, liberation from routine work versus increased inequality and job loss, the solution of development problems in the global south versus entrenchment of northern supremacy on the basis of technological lead. In contrast to the early days, when information technology was accepted without any large-scale social opposition, further advancement and networking of 21st century technologies will most certainly be met by widespread opposition, since the downside of these technologies is becoming increasingly obvious.