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DIPLOMOVÁ PRÁCE

**Towards a new social media model: the redistribution of power in the
subscription-based creator economy**

Směrem k novému modelu sociálních médií: přerozdělení moci v ekonomice
tvůrců založené na předplatném

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Prohlašuji, že jsem bakalářskou práci vypracovala samostatně, že jsem řádně citovala všechny použité prameny a literaturu a že práce nebyla využita v rámci jiného vysokoškolského studia či k získání jiného nebo stejného titulu.

V Praze dne 15.12.23

I declare that the following MA thesis is my own work for which I used only the sources and literature mentioned, and that this thesis has not been used in the course of other university studies or in order to acquire the same or another type of diploma.

Prague, date 15.12.23

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1. Introduction

The prevailing sentiment in the contemporary digital and social media environment is sombre, marked by pessimism and weariness. From the general awareness of and hypervigilant approach to algorithms that have seized almost all major social media feeds, to distrust in the people running those platforms, highlighted by Elon Musk's irresponsible leadership of X, formerly Twitter, the overall atmosphere has left users fatigued and cautious. The Internet – what was at one point foretold to be the free social space that would democratise knowledge production and emancipate users to freely consume and contribute to this knowledge, has been quietly harnessed into a process in which individuals are used as profit-making cogs in the machine. In the 21st century, Bernard Stiegler attributes the nihilistic outlook of modern generations on the internet to the tragic extent to which cultural memory and expression are shaped by information congregators guided by algorithms and oriented towards profit motives. He notes the systematic exploitation and “physical reticulation of interindividual and transindividual relations – serving what is referred to today as the ‘data economy’, itself based on data-intensive computing, or ‘big data’.”¹ Digital tech giants, or the Big Four – Google (Alphabet), Meta, Amazon and Apple have hijacked the Web 2.0 revolution by centralizing user-generated content on a handful of platforms controlled by the desires of advertisers. The users of these platforms, who are simultaneously the customers and the workers, are reduced to mere data points, the value of which can be extracted and sold without the users' intervention. This hijacking resulted in major social media networks posing as environments where users have power in theory, yet in reality, that power is consistently expropriated. The new user-generated web became an infinite stream of images curated by algorithms, collecting the valuable watch time of millions of passive consumers with radically increasing screen time

¹ Bernard Stiegler, *The Age of Disruption: Technology and Madness in Computational Capitalism*, translated by Daniel Ross (Cambridge, UK: Polity, 2019), 7.

and equally decreasing attention spans. Gilles Deleuze accurately described how the Internet has reached a stagnation period in its bid for attention: “We’re riddled with pointless talk, insane quantities of words and images. So it’s not a problem of getting people to express themselves but of providing little gaps of solitude and silence in which they might eventually find something to say.”² Private companies harnessing users’ online interactions has been instrumental to the success of this emerging digital economy, fundamentally reshaping how users engage with the internet. There is a notable absence of democratic supervision concerning the operational mechanisms of social media platforms, despite the evolution of their role in society as a basic public utility. Consequently, private enterprises have stepped in to manage fundamental functions essential for the functioning of civil society, while at the same time evading accountability to the larger societal framework.³ The era of social media monopolies has had a detrimental effect on our collective digital experience, resulting in online spaces that promote consumerism, commodify human experiences, and encourage political polarization. On a more practical level, the online experience is declining in quality – more and more users consider the time spent on social media a mindless waste, with never-ending streams of unmoderated content reportedly exacerbating mental health issues,⁴ and made worse during the pandemic as reliance on online content increased. Stiegler describes the frustration and the spiritual malaise representative of the average experience of the youth on the Internet: “When I talk to young people of my generation [...] they all say the same thing: we no longer have the dream of starting a family, of having children, or a trade, or ideals. [...] All that is over and done with, because we’re sure that we will be the last generation, or one of the last, before the end.”⁵ This sentiment is underlined by the feeling of powerlessness before the fact that cultural

² Gilles Deleuze, *Negotiations* (New York: Columbia University Press, 1995), 129.

³ Justin E.H. Smith, *The Internet Is Not What You Think It Is: A History, a Philosophy, a Warning* (Princeton: Princeton University Press, 2022), 29.

⁴ Jean M. Twenge, and W. Keith Campbell, “Media Use Is Linked to Lower Psychological Well-Being: Evidence from Three Datasets,” *Psychiatric Quarterly* 90.2 (2019): 330.

⁵ Stiegler, *Age of Disruption*, 9.

expression, thought, and radical movements are centralized within platforms that seek to exploit these expressions for financial gain. There is a disparity between the entitlement to self-expression and the ability to govern the arenas where such self-expression holds significance.⁶ This discrepancy is indicative of the broader consequences of existing within a late stage of capitalist development, and is not exclusive to digital platforms. Stiegler spends much of his monumental work *The Age of Disruption* describing the catastrophic outcomes of the digital disruption initiated by major technology companies, and yet, eventually, hopes to inspire his readers to “make a dream.”⁷ The present thesis will attempt to build on Stiegler’s argument and present a new, better alternative to algorithmic information flow adopted by current social media networks, in the form of a system that utilizes subscriptions as a way of disseminating information and organising monetization. It aims to analyse the feasibility of three of the major subscription model platforms, such as Patreon, a membership service for fans, Substack, a newsletter and blogging platform and Nebula, a video-streaming platform. The present work will argue that the subscription economic model represented by these platforms, will clear the way for a better, more equal relationship between its entities, and allow for a more enjoyable and hopeful digital experience for the audience.

The extent of Stiegler’s original argument which describes a very pessimistic view of the current media and Internet landscape is quite broad. As this thesis has a limited scope, it will focus on the creator economy, which refers to a type of digital economy facilitated by social media companies that allow content creators and so-called influencers to generate income from their work.⁸ The reason for this is the fact that the creator or influencer economy is woven into the majority of online experiences of the average consumer and therefore presents

⁶ Smith, 32.

⁷ Stiegler, *Age of Disruption*, 286.

⁸ Iryna Radionova, and Iryna Trots., “Creator Economy: Theory and Its Use,” *Economics, Finance and Management Review*, 3.7 (2021): 50. <https://doi.org/10.36690/2674-5208-2021-3-48>.

an apt slice of the digital dystopia described by Stiegler. The main influencer-making platforms, such as YouTube, Instagram and TikTok are also the platforms that lead the centralization of the “digital tertiary retention”⁹ and exemplify the broader complications in the realm of digital capitalism. The YouTube Partner Program is a prominent example and a major milestone for the development of the creator economy. It was launched in 2007 as a hand-picked pool of the most popular creators and has grown into one of the most successful revenue-sharing programs, which has defined the digital environment of the new creator economy and solidified the relationships between its entities – or players as will be referred to later. The creator economy consists of four major entities – creators, human, or later company users that manufacture art and knowledge, otherwise known as content; consumers, who, depending on the opportunities digital platforms provide, can also become creators; IT companies who facilitate and maintain the social media platforms within which users concentrate; and advertisers, who trade with IT companies for user data and attention. “Attention” is a pivotal resource within this exchange, so much so that researchers validate the transformation of the “attention economy” into the “creator economy.”¹⁰ Preferences in consumption, allegiance to specific content creators, and a keen interest in explicitly defined informational spheres – in other words, attention and its various derivatives, characterize the creator economy. The creator economy as we know it today is marked by the prominent existence of the creator, creating within the confines of a platform, and their loyal audience, in some cases emulating the structures of the celebrity culture. The shortage of the attention resource gives rise to peculiar kinds of products that are being traded within this economy. Those include content, which is an umbrella term for all knowledge, art and artistic expression distributed on the internet; attention metrics, which measure community engagement with said content; and behavioural

⁹ Stiegler, *Age of Disruption*, 14.

¹⁰ Radionova and Trots, 52.

surplus, which is the exhaust data that users provide on the back-end in the course of their interactions, and which is the most valuable asset in this economy. This might seem counterintuitive to the audience's understanding of the creator economy, who most value the content they consume; however, in the market of free and accessible knowledge and art, the only relationship which involves exchanging tangible value – money – is the relationship between the platform and the advertiser, making it the most worthwhile interaction in the whole system. The advertisements are only one monetary expenditure of this economy – other money exchanges include audience subscriptions and contributions which materially reward the content they find useful or insightful, as well as the platform's financial support of the creators in the form of project funding. Otherwise, the revenues of the creator economy are two-fold: creator revenue, consisting of AdSense, private sponsorship, fan donations, merchandise and other physical product sales; and platform revenue, consisting largely of AdSense and fan donations cuts. Figure 1, illustrating the relationships between the current creator economy players, showcases the trickle-down effect of AdSense that is first processed by the IT company before being distributed to the creator. Moreover, the behavioural data produced by individuals only trickles back instead of being fed into service improvements. The consumer and the creator remain at the bottom of the pyramid, with content value reduced.

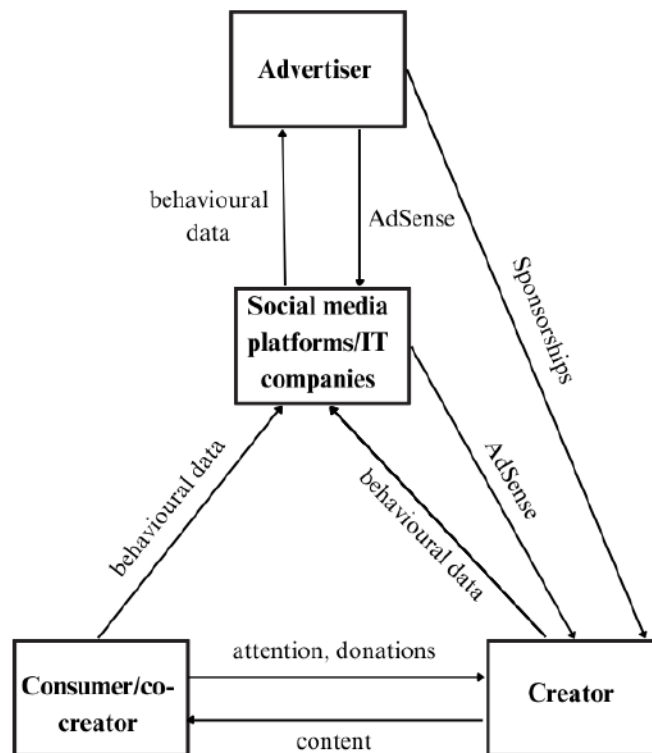


Figure 1. The contemporary creator economy.

Revenue from online advertising remains the biggest piece of the overall revenue pie that is usually processed by the tech companies owning the platforms and then redistributed to the creators after a considerable cut. However, the financial distribution of the advertising income stream is not dispensed evenly even among the major creator-making platforms. YouTube, for example, takes approximately 45% of the overall AdSense profits.¹¹ At the same time, it is one of the only creator platforms to share its advertiser revenue with creators. Instagram, TikTok and Twitter have no dedicated creator fund, which means the only way to earn a living on those platforms is through private sponsorships which involve promoting a product to an audience. Creators on those networks have no control over which ads appear alongside their content and

¹¹Jean Burgess, and Joshua Green, *YouTube: Online Video and Participatory Culture* (Cambridge, UK: Polity, 2018), 123.

do not get an equal share of their revenue despite being the main drivers of audience interaction so valued by advertisers. This means that “vanity metrics” such as likes, views, comments, retweets and shares do not, in reality, translate to a liveable income unless they are being used in negotiations with sponsors. In this context, we can see that the state of the creator economy is dire, as in the majority of the cases the value-making producers of the product have little or no control over the product lifecycle, as well as their income. Some scholars argue that the “platformization of cultural production”¹² is simply an attempt of online media industries to fit creative production within the parameters of labour and compensation already present in the gig economy which currently controls traditional cultural production.¹³ Online creators in this reading are simply a different kind of creative freelancer facing the same precariousness of industry that their traditional counterparts were generally accustomed to. This comparison, however, is not entirely accurate as the digital labour of content creators has not been recognised as such for the longest time¹⁴ as they are competing in the same space that millions of users use without expecting any compensation. Under the current conditions, professional creators or freelancers belong to the same playing field as “amateur” consumers who contribute to social networks for the social aspect. However, the fruits of their labour, paid, unpaid or sponsored, still fall under the umbrella of “content,” which is being used by the IT companies who extract data value, at the same time devaluing artistic expression and muddying the parameters of quality. Creative freelancers encounter an unequal landscape when contributing to platforms predominantly frequented by the average consumer. A paradigm shift within the

¹² Daniel B. Nieborg, and Thomas Poell, “The Platformization of Cultural Production: Theorizing the Contingent Cultural Commodity,” *New Media & Society*, 20.11 (2018): 4277, <https://doi.org/10.1177/1461444818769694>.

¹³ Bernhard Rieder, Erik Borra, Òscar Coromina, and Ariadna Matamoros-Fernández, “Making a Living in the Creator Economy: A Large-Scale Study of Linking on YouTube,” *Social Media + Society* (April-June 2023): 3. <https://doi.org/10.1177/20563051231180628>.

¹⁴ Christian Fuchs, *Digital Labour and Karl Marx* (New York: Routledge, 2014), 2.

creator economy is needed, and the subscription economic model emerges as a potential democratic alternative.

The question of power and labour, as well as who is holding the whip at the factory of online spaces is a subject that will underline the latter half of this work. Control over how culture is produced online has been slowly redirected to the entities that are never directly involved with or benefit from cultural production, namely the advertiser industry. The free-for-all nature of major social media networks has led to a widespread acceptance of being “the product” in exchange for access to cultural knowledge; but it is this substitution of roles that allows the Internet industry to devalue knowledge and art, reducing users and artists into gluttonous and addicted consumers of “content”, the by-product of whose consumption is being sold to advertisers. The Internet and social media have invaded nearly all aspects of our lives and while there are many different angles from which one can analyse the dystopian nature of the 2023 Web, this present work will be concerned with the impact of social media on the culture industry, cultural production and the relationships between all the players within it, as well as broader consequences for culture, as has been observed in the *Age of Disruption*. A pivotal text for Stiegler is, as anticipated, Theodor Adorno and Max Horkheimer’s seminal work, *Dialectic of Enlightenment*. Adorno and Horkheimer foresaw the emergence of cultural “barbarism,” primarily instigated by Hollywood cinema and the “culture industry,” and astutely anticipated the increasing interconnection between the cultural and advertising sectors, as well as its adverse outcomes.¹⁵ In their scathing critique of their contemporary culture industry, they accurately predicted the standardisation and mass production that technologies, usurped by the advertising industry, would encourage cultural production, reducing it to cyclical and circular ideas that are both new and familiar. Describing a dangerous future for the Western culture,

¹⁵ Theodor Adorno, and Max Horkheimer, *Dialectic of Enlightenment* (Redwood City: Stanford University Press, 2007), 134.

they supposed that it would be caused by an inversion of enlightenment, and the creation of an integrated system for controlling and capturing the expressions of producers and the attention of consumers.¹⁶ In contemporary times, the widespread reliance on information technology, reducing culture to byte-sized formats is predominantly employed for marketing objectives by a tech giants' monopoly. Stiegler posits that this scenario poses a significant threat to the dissolution of social bonds that historically integrate individuals into communal modes of existence.¹⁷ Building on his argument, it is possible to also trace the dangerous proletarianization of cultural producers and the consumers' attention to the powers that run popular social spaces and arenas for artistic expression. Weaving technology into the fabric of human existence has led to a dangerous transformation, a new type of capitalist accumulation that includes the reconfiguration of facets across the social, cultural, artistic, scientific, emotional, and political dimensions of life. Therefore critique of these systems cannot be divorced from critique of labour under capitalism. The structure of labour and the exploitation of cultural workers have a direct influence over the artistic expression that these systems govern. Bernard Stiegler builds on Marxist theory and calls this process the age of disruption, which leads the world "on the path to ruin."¹⁸ He explains it further by alluding to the fact that Marx had already described it in *The Communist Manifesto* of 1848, which supposes that industrial capitalism, by capturing knowledge and holding it within the apparatus of production, would make "abstract labour" to destroy it.¹⁹ The concept of living knowledge and its circulation will be explored in detail in the current work, as knowledge is one of the products that the players of the Internet economy exchange. However, as was predicted by Jean-François Lyotard, today knowledge itself

¹⁶ Kate Eichhorn, *Content* (Cambridge, MA: The MIT Press, 2022), 17.

¹⁷ Stiegler, *Age of Disruption*, 39.

¹⁸ *Ibid*, 11.

¹⁹ Bernard Stiegler, *The Neganthropocene*, edited and translated by Daniel Ross (London: Open Humanities Press, 2018), 208.

circulates as an “informational commodity”²⁰ separated from its use value. The confines of the industry reduce all knowledge and artistic expression to “content” – an abstract word that simultaneously refers to all cultural products on the internet and none.²¹ Content abstracts away the value of which it signifies, preparing the product to be exchanged, and not used. It is in this content exchange that traditional social media networks derive real economic value from which they do not share with the producers of these products. Stiegler writes on this: “The annihilation of living knowledge to which we contribute with the data economy [...] is the most advanced stage of fixed capital as it becomes a production force that excludes living knowledge.”²² According to him, we must be concerned about this “absence of epoch” because not only does it exacerbate political and spiritual hopelessness, but it also negates the possibility of thinking itself, contributing to an “emptiness of thought.”²³ This age of disruption brings forward the absence of any discernible strategy or the specific authority to mitigate its effects. Audiences find themselves in a pivotal moment in history, living through a kind of crisis of knowledge distribution and creator compensation. Stiegler prompts us to deliberate on the extent to which we are willing to entrust our lives to computational rationality tailored for market purposes and perhaps consider what kind of transformation could take place to mitigate the exacerbation of this situation. In an earlier work, he posits that “time saved by automatization must be invested in new capacities for dis-automatization, that is, for the production of negentropy.”²⁴ As Erik S. Roraback argues, there is a need to turn these effects into negentropic ones “so as to service neither the Anthropocene nor the so-called Capitalocene, but rather for the cultural commons

²⁰ Jean-François Lyotard, *The Postmodern Condition: A Report on Knowledge* (Minneapolis: University of Minnesota Press, 1984), 5.”

²¹ Eichhorn, *Content*, 18.

²² Stiegler, *The Neganthropocene*, 208.

²³ Stiegler, *Age of Disruption*, 15.

²⁴ Bernard Stiegler, *Automatic Society, Volume 1: The Future of Work*, translated by Daniel Ross, (London: Polity, 2016), 7.

in an emancipated Neganthropocene”.²⁵ He further posits that the reimagining of the wealth/capital as “neganthropic (trans-)cultural non-capital” would be an “epochal-altering idea” that would shift the relationship between cultural production, capital and the individual.²⁶ The present work will proceed on the assumption that this transformation cannot be divorced from upheaving the very structures of digital labour and therefore requires brand-new models of knowledge exchange that place the tangible monetary value exchange in the hands of the producers and consumers of knowledge instead of the managers. The subscription model offers that type of alternative and arguably has the potential to change the status quo and mitigate the effects of late-stage capitalism in the digital realm.

The concept of paying online creators directly, whether on a subscription or an ad-hoc basis, has emerged around the same time as the Internet received its first “famous” creators. In 2008 Kevin Kelly published an essay titled “1000 True Fans,” in which he described a model which involved cultivating a relationship with a small, loyal fanbase through whose modest financial contributions creators could earn a middle-class living outside the confines of the traditional ad-driven space.²⁷ In 2013 Patreon came about as the first membership platform that connected creators and fans who are willing to support them financially; several similar platforms which facilitated irregular financial contributions such as BuyMeCoffee, Only Fans and Ko-fi, as well as crowdfunding platforms like Kickstarter and Indiegogo were competing for this space around the same time. The subscription model has garnered such widespread popularity that prominent social media networks have integrated it into their service offerings like YouTube Memberships and Facebook Subscriptions. The specifics of the model vary

²⁵ Erik S. Roraback, “Toward a New Frame; or, Trans(in)fusing the Capitalocene into Neganthropocene Cultural Capital,” in *Trans(in)fusion and Contemporary Thought: Thinking in Migration*, edited by Jayjit Sarkar (Lanham: Lexington Books, 2023), 90.

²⁶ Ibid.

²⁷ Kevin Kelly, “1000 True Fans,” *The Technium*, March 4, 2008, accessed November 10, 2023. <https://kk.org/thetechnium/1000-true-fans/>.

slightly from service to service, but the fundamental concept is straightforward: enabling enthusiasts to provide financial support to their preferred creators in exchange for exclusive privileges. While the concept has been around for a long time, it never received much popularity due to the free nature of social media platforms that hijacked the evolution of the creator economy. In recent years, platforms facilitating subscriptions and memberships have garnered notable recognition from audiences.

This might be perceived as an overly optimistic and granular argument against a vast issue that touches on hundreds of topics related to digital technologies, economies and cultural philosophies. However, it is the view of this work that the creator economy presents an opportunity for tangible, real change that will be the first knocked domino. Players of the creator economy encompass almost every aspect of our collective interaction with the online world, ranging from social to educational and entertainment spheres of the Internet. Influencer-making platforms such as Instagram and YouTube have centralized major uses of the Web onto their spaces, encouraging users to seek information, connection and pleasure on these platforms. But it is not the altruistic anonymous contributors to Wikipedia or the trained journalists on news portals that contribute to the infinite flow of knowledge and art on social media – it is content creators and consumers, whose roles are unfixed, but distinct. Therefore, it is possible to consider the creator economy the microcosm of digital technologies that went through all the same changes and challenges of various capitalisms as the wider Internet. The core argument of the current work is thus concerned with the distribution of power and agency in the dynamics of the players of the creator economy and the inherent inequality that these systems pre-suppose by placing the platform-advertiser relationship on top of the hierarchy. This thesis imagines that the shift represented by subscription models puts the power back into the users' hands and therefore eliminates the damage done by traditional social media networks. By power and agency in this context, the author understands control over revenue, audience

interaction and distribution for creators, and control over content consumption habits for the consumer, all of which are currently held by social media platforms. To prove this point, the present work will trace the evolution of Web 2.0 through the advent of advertising and Google's reinvention of knowledge distribution and describe the current state of the digital landscape through a theoretical lens in the next chapter. Chapter 3 will be concerned with alternative models, mainly describing and analysing the three use cases introduced earlier – Patreon, Substack and Nebula, outlining their business models, failures, successes and relationships with their creators. Chapter 4 will analyse the new shifting power that these platforms represent, describing its benefits for both creator and consumer, as well as delineating the possible pitfalls that subscriptions will be met with, namely the financial imbalance criticism of this theory. Finally, this work will conclude by reiterating the previous argument and suggesting further directions for research, as well as admitting the limitations of the current work. As many of the events recorded in this thesis are unravelling in real time, some information may be outdated by the time this work is published.

There is a significant theoretical body of work written on the topic of digital capitalism, content, social media and the culture industry, as has been touched on earlier and will be explored in more depth in the later chapters of this thesis. Bernard Stiegler's *The Age of Disruption* will play a pivotal role in the development of the present argument, providing the necessary high-level overview. This thesis aims to walk the fine line between the theoretical and the practical, bringing down Stiegler's distinguished analysis of the "absence of epoch" onto the tangible issues users/creators/consumers in the current creator economy face, as well as proving the efficacy of the "new macroeconomic and epochal framework constituting a general economy of contribution" which he insisted must be formed.²⁸ Existing economic and political systems, tech giants and people's over-reliance on the Internet for information and

²⁸ Stiegler, *Age of Disruption*, 25.

entertainment are not going to change overnight; and believing in moving backwards towards a world in which the Internet (along with radio, film and television) has never existed is counter-productive and naive. The most realistic way forward involves taking tangible steps to recognise the shortcomings of these systems and gradually changing them. This is why analysing the feasibility of subscription-based creator economies proves to be an optimistic, but practical application of the theories proposed by Stiegler, by focusing on the efforts of the solid players who have stakes in the current systems – creators and consumers. To accurately relay the state of the Internet industries today as well as the events that led up to advertiser takeover of online spaces, this thesis will lean on the American scholar Shonana Zuboff and her monumental work *The Age of Surveillance Capitalism: The Fight for a Human Future at the New Frontier of Power*. Zuboff outlines how the Internet has evolved into a ubiquitous surveillance instrument, and for this very reason, cannot protect our political liberties. Zuboff's definition of surveillance capitalism and her insightful analysis of Google's involvement in the evolution of the Internet we know today is one of the major pillars of the present work. Kate Eichhorn's book *Content* will shed some light on the definition of this elusive term and delineate its importance for the creator economy. *The Internet Is Not What You Think It Is* by Justin E. H. Smith is one of the more recent books that will provide much-needed context for the development of the argument. The practical part of this thesis, namely the use cases will be supported in large part by the author's personal experience and empirical evidence, with some data provided by peer-reviewed research on the subject. However, as some platform developments described in this work are as recent as September 2023, such research may be limited. This thesis will touch on various disciplines, ranging from media to economic studies and will attempt to edge the line between practical application and theoretical understanding of these events.

2. The state of the creator economy

The political and spiritual malaise that haunts the chronically online present generations and is witnessed today by both experts and amateurs in the digital space, is a recurring leitmotif in Bernard Stiegler's *The Age of Disruption: Technology and Madness in Computational Capitalism*. Delineating the gradual loss of rationality to the so-called computational capitalism that centralizes cultural expression in the hands of "new barbarians," and drawing on the work of Adorno and Horkheimer, he concludes that it is this synchronization of consciousness perpetuated by the industry of cultural goods that threatens to dominate the "tertiary memory" and subjugate the human mind. By "tertiary memory" in this context he refers to the third kind of memory of humankind, with the first being genetic information stored in the DNA, the second being the accumulation of histories and experiences that end with death. Among higher life forms, human beings are distinctive as prosthetic organisms, transmitting their accrued experiences through exosomatic or "tertiary" memory, predominantly manifested in tools, notably written language. According to Stiegler, centralizing digital tertiary expressions on a select number of major internet networks can lead to the homogenization of secondary retentions, which would have a detrimental effect on cultural expression as a whole. Under this new system, he writes, the so-called industry of cultural goods, which will later be referred to in this thesis as the content industry, "psychic and collective protentions are replaced by purely computational automatic protentions – eliminating the unhopd-for, essentially destroying every expectation of the unexpected, and thereby attenuating every form of desire."²⁹ It likewise destroys the power to derive knowledge based on previous processes of knowledge production, leaving users' protentions to be transformed into stereotypes of purchasing behaviour, as it is the only value derived by the content industry. Stiegler describes how the media economy, which operates as a part of the consumerist economy, leads to a loss of

²⁹ Ibid, 20.

meaningful symbols for the public. The cultural goods industry started to influence and define the ways in which people connect and interact with each other through technology, resulting in a situation where users experience a lack of significant symbolic content in the media. He identifies these regressive processes as the attention economy, later refined as the data economy, which substitutes the content industry by eliminating the individual and collective expression in the process of “automated ‘dividuation.’”³⁰ In this process, individuals themselves become the producers of digital tertiary retentions under the appearance of being participatory, as can be gleaned from the current state of social media networks. The insistence that “anyone” can become a content creator and participate in the creator economy allows going beyond the traditional confines of the producer-and-consumer relationship and effectively eliminates functional opposition between the two, resulting in digital labour exploitation, later identified by Christian Fuchs. At the top level, however, these processes are initiated by the enormous power centralized in the data economy that has taken over online spaces and Internet expressions. Shoshana Zuboff accurately describes the gradual ascent of data and ad-driven Internet economies that have usurped the monetization strategies on the Internet.

The dystopian capitalist chaos that is our collective digital experience today has not always been like this. In the 1990s and early 2000s, the internet was a rapidly evolving, but still novel and experimental space, used primarily by technically knowledgeable users who shared in the dream of liberating and democratizing knowledge, transcending borders and globalizing the world further. There was a certain technical barrier for entry: at the time, the knowledge on the internet was mainly populated by libraries and academic journals, and only a handful of social websites such as GeoCities, Blogger and LiveJournal provided the early opportunity for user-generated content, which required at least a basic knowledge of HTML.³¹

³⁰ Ibid, 25.

³¹ Eichhorn, *Content*, 9.

The notion of “creator” online had not yet been conceived, as everyone was a contributor and user at the same time, and no single individual yet made a living online. Types of content and its distribution were also limited by slower internet speeds. During the 1990s, majority of people depended on dial-up internet connections, which, at peak, could only stream approximately 56 kilobytes per second, causing significant delays in accessing webpages compared to today's speeds of 217 megabits per second.³² Sharing any music or video files was phenomenally difficult – not only would it take an extremely long time on early web speeds, but platforms that would later facilitate the production and circulation of such content in other mediums (e.g. YouTube, Vimeo, and Spotify) had yet to launch in the 1990s. With all these technical challenges, native monetization was practically non-existent, as most advertisements on websites were still being treated like traditional advertising (e.g. billboards and newspaper ads), with advertisers being wary of spending their money on an unfamiliar and niche internet industry. But the biggest challenge by far was the fact that this ever-expanding treasury of information was not yet searchable. It is this desire to catalogue and organize information, finally making it accessible and user-friendly, that began the real transformation of internet spaces, and it was headed by Google.

“Google is to surveillance capitalism what the Ford Motor Company and General Motors were to mass-production based managerial capitalism,” is how Shoshana Zuboff describes Google’s relationship to monetization practices on the Internet.³³ While Google wasn’t the first search engine to emerge in the late 1990s, it was the first one to find a profitable business model and put roots in a phenomenon Zuboff describes as surveillance capitalism. Google was founded in 1998 by Stanford graduate students Larry Page and Sergey Brin at a time when the first browsers started opening the web to the computer-using public. From the

³² Ibid, 8.

³³ Shoshana Zuboff, *The Age of Surveillance Capitalism*, (London: Profile Books, 2019), 63.

beginning, the company embodied the utopian promise many early users of the Internet had – that information (or information capitalism) was a liberating and democratic social force that invigorated “second modernity populations” around the world.³⁴ While on the surface the mechanics of Google’s search engine did not differ much from its competitors (such as Yahoo, Bing, etc.), Google revolutionized the search capabilities with the use of the so-called “exhaust data”.³⁵ Each search query produces an aggregate of collateral data such as the number and pattern of search terms, how the query is phrased, the location, time, spelling, punctuation and click pattern. This accidental cache data was realized to be a significant insight into a pattern of broader human behaviour. Google’s engineers have realised that this continuous flow of collateral behavioural data could turn the search engine into a “recursive learning system” that would consistently improve search results.³⁶ By feeding the by-product of user interactions back into the system, Google transformed its search engine to be a continuously learning and responsive algorithm which would later give rise to further services like spellcheck, auto-fill and voice recognition. At that early stage of the product’s development, this continuous feedback loop created a balance of power: the search needed its users as much as users needed the search. More queries meant more learning, more learning led to more sophisticated, relevant search results. More relevance meant more searches and more users, which resulted in Google processing nearly 7 million searches a day in 1999.³⁷ It is mostly the same system Google employs today at a larger scale, with one key distinction – in 1999, the data exhaust feedback loop focused entirely on improving the user experience. The user data was provided at no cost; the ensuing enhancements to the services, facilitated by such data, incurred no monetary expense to the user. Zuboff calls it “the behavioural value reinvestment cycle”, that exists outside the marketplace, in which early Google users were nearly equal partners instead of

³⁴ Zuboff, *The Age of Surveillance Capitalism*, 67.

³⁵ *Ibid*, 68.

³⁶ *Ibid*, 69.

³⁷ *Ibid*, 70.

customers.³⁸ Individuals were regarded as inherently valuable entities, constituting the focal point of a non-commercial, self-contained system that closely aligned with Google's initial mission to "organize the world's information and make it universally accessible".³⁹ However, despite its rapidly growing user base and ground-breaking technology, there was no way to turn that self-contained cycle into revenue for Google's investors. By the early 2000s, the "dot com" bubble was imploding, and Google was faced with pressure to turn a profit or go bankrupt. The company primarily relied on revenue from licencing their technology to other prominent platforms like Yahoo and Japan's BIGLOBE, while the service itself remained free to all users.⁴⁰ Earlier on the founders displayed a general antipathy towards an advertising model. At the 1998 World Wide Web Conference Larry Page and Sergey Brin presented their milestone paper which contained a prophecy: "We expect that advertising-funded search engines will be inherently biased towards the advertisers and away from the needs of the consumers. We believe the issue of advertising causes enough mixed incentives that it is crucial to have a competitive search engine that is transparent and in the academic realm."⁴¹ However, for all their principles, Brin and Page could not ignore the rising sense of emergency – the fact that investors were looking for not only a profitable business but one that could sustain its business model in the long run. Thus, Google's reinvestment priorities have shifted from improving the user experience and search function to revolutionizing online advertisement which was made possible thanks to the discovery of behavioural surplus data.

At the time the dominant model for online ads used by Google's competitors relied on serving ads to relevant keywords, with a limited amount of demographic data, which turned advertising into a guessing game. Page and Brin were determined to divorce advertising from

³⁸ Ibid, 72.

³⁹ "Our approach to Search," *Google*, accessed November 10, 2023.
https://www.google.com/intl/en_uk/search/howsearchworks/our-approach.

⁴⁰ Zuboff, *The Age of Surveillance Capitalism*, 72.

⁴¹ Ibid, 71.

keywords, and instead create the possibility to serve ads to a particular user by predicting their online behaviour in advance. This was made possible by large quantities of behavioural data, which, after being fed to improve the search engine capabilities returned a so-called behavioural surplus which would be used to predict users' search queries.⁴² Currently, the widespread experience of users encountering online advertisements shortly after thinking of a product renders this strategy largely unsurprising. But at the time this technology and the enormous amounts of data Google harvested not only from user profiles, but all their presence and interactions was ground-breaking, and signalled a cultural and commercial shift in what the internet would become from then on. Google no longer merely recycled behavioural data for the users' benefit – it was now using it to construct a new dynamic online marketplace, where the advertisers became customers and users (or rather user data) just another product.⁴³ In this new operation, Google has severed the mutually beneficial link between the user and the search engine that transformed the digital landscape, instead marking the user as another cog in the data economy, driven by advertisers. This began a phenomenon known as surveillance capitalism – the process of collecting and commodifying personal data by corporations.⁴⁴ The creation of AdWords, Google's first advertising service, was the beginning of a very lucrative and secretive surveillance project that would shape advertising and content for years to come. The new digital market, with Google at its helm, maintains that the genuine needs and desires of people – users – are less lucrative than the by-product of their behaviour.⁴⁵ Put differently, the emerging digital experience prioritizes captivating users' attention on the screen rather than solely catering to their preferences or desires, feeding the machine and resulting in the political and spiritual malaise described by Stiegler. Google's discovery of behavioural surplus and consequent takeover of almost all significant online spaces has

⁴² Ibid, 73.

⁴³ Ibid, 81.

⁴⁴ Ibid, 80.

⁴⁵ Ibid.

commodified the human experience and sold it for profit. Stiegler describes this as “automatic dividualation,” that is, the process of replacing human expression by algorithmically determined information flow that homogenizes and massifies behaviour by reducing it to purchasing potential blocks.⁴⁶ This concept has seeped into the collective user consciousness as well, as the ordinary user generally possesses an awareness that the Internet is not devoid of cost but rather sustained through access to personal data. The new power structure under which the user is relegated to the position of a profit-generating data point that does not share in that profit makes it possible to theorise about labour exploitation on the Internet. Christian Fuchs, in particular, stands at the front of the digital labour theory and argues that the “dominant capital accumulation model of contemporary corporate internet platforms is based on the exploitation of users’ unpaid labour.”⁴⁷ Reducing the human experience to behavioural data points renders users into free raw material sold to the marketing industry, while at the same time being forced to become the producers of value-driving content or digital tertiary productions under the guise of participation is the exact catastrophic scenario outlined by Stiegler. The crucial point in this exchange is the fact that the user/creator lacks agency over this data exchange, as well as fails to receive the monetary fruits of this labour. It is this confiscation of user rights that defines the unequal and hopeless feeling Stiegler’s teenagers associate with cultural production to this day – a complete reduction of any agency or power of any participating user. New models of organising online information and user participation will have to consider the power distribution between all players in the data economy.

While Adorno and Horkheimer accurately predicted the negative consequences of the growing connection between the culture and advertising industries, in 2005 social media was still viewed with optimism. Media theorist Henry Jenkins made a hopeful prediction that this

⁴⁶ Stiegler, *Age of Disruption*, 25.

⁴⁷ Fuchs, *Digital Labour*, 6.

new web would be a place “where grassroots and corporate media intersect, where the power of the media producer and the media consumer interact in unpredictable ways.”⁴⁸ Parts of this dream may have come true – it is hard to deny the tremendous impact social media has had on social justice, political discourse and online communities. However, the concept of consumers becoming producers was predicated on the notion that online users would be the real consumers; instead, this vision was co-opted by the owners of social media platforms to exploit the free content users produced under the guise of cooperation and user empowerment. Fuchs writes that just as capitalists would exploit the collective labour in the form of appropriation of surplus value and thus alienate workers from the fruits of their labour, so would users be exploited for their behavioural surplus.⁴⁹ Previously Campbell and Andrejevic identified “abstract modes of exploitation”, in which “the worker may remain unaware of the wealth his or her activities generate for a small class of people.”⁵⁰ Users were not being compensated because time spent online could not be considered “work” and under the guise of a second wave of participatory culture, the networks coerced users to contribute for the social benefits and “fun atmosphere.”⁵¹ As a result, user-generated data became a commodity produced by unpaid labour, utilized by private companies to build and maintain social platforms. Hence, the recently established content industry plays a pivotal role in fostering the prosperity of the digital economy.

Clear paths to monetization led by Google, as well as catching up technologies, such as faster internet speeds and the increasing ubiquity of the home computer have led to the most significant transformation of the web known as Web 2.0. Whereas Web 1.0 was mostly text-

⁴⁸ Henry Jenkins, *Convergence Culture: Where Old and New Media Collide* (New York: NYU Press, 2006), 3.

⁴⁹ Fuchs, *Digital Labour*, 7.

⁵⁰ Mark Andrejevic, and John Banks, John Edward Campbell, Nick Couldry, et al. “Participations: Dialogues on the Participatory Promise of Contemporary Culture and Politics,” *International Journal of Communication*, 8 (2014): 1092.

⁵¹ Fuchs, *Digital Labour*, 8.

based, Web 2.0 was characterised by diverse types of content, such as video, photo and music files, with the most important distinction being that it was now primarily user-generated. There was a considerable uptick in social media sites such as YouTube, Twitter, MySpace, Facebook and Tumblr which expanded the social spaces and democratized content creation for users regardless of their technical expertise. Going online and sharing information became a universal everyday practice, giving rise to a new mode of information exchange – the content industry. Content became one of the main resources of behavioural data, swiftly recognised by Google as an invaluable product ready to be exchanged in the data, and later the creator economy. To facilitate content expansion and promote user expression on the web, Google launched AdSense in 2004, a service enabling anyone who owned a website or a domain with relevant content to earn money from automatically placed ads.⁵²

Content is a notoriously elusive term to define, with the meaning having shifted multiple times since its conception in the early 2000s. In its most basic form content encapsulates all digital material, including text, video and images,⁵³ though in recent years the line between digital material and digital art has increasingly become blurred. What started as an all-encompassing term for digital information has now expanded to mean any kind of material on the internet, including, but not limited to traditional film and TV media on streaming services like Netflix and Disney+. Equating value, art and information with content reveals a devastating new future for how art will be perceived. The reduction of diverse cultural production forms to mere content serves the dual purpose of conveniently obliterating the distinctive characteristics inherent to various cultural production genres and facilitating their interchangeable substitution and exchange. As noted by media historian Kate Eichhorn, content is digital material that “may circulate solely for the purpose of circulating,”⁵⁴ as demonstrated

⁵² Eichhorn, *Content*, 63.

⁵³ *Ibid*, 2.

⁵⁴ *Ibid*, 3.

by the phenomenon of the Instagram egg – a stock picture of an egg that gathered over 60 million likes and was briefly the most liked image on the platform. She draws on *The Postmodern Condition* published by Jean-François Lyotard in 1979, which observes that “knowledge is and will be produced in order to be sold, it is and will be consumed in order to be valorised in a new production: in both cases, the goal is exchange. Knowledge ceases to be an end in itself, it loses its ‘use-value.’”⁵⁵ It is this knowledge circulation that stands at the centre of the content industry. The major players in the social media landscape – YouTube, Twitter and Instagram are truly merely dealers in “informational commodities,” divorced from their use value which they receive for free, all while extracting monetary value from the act of circulation for advertising, rather than democratic distribution of knowledge.

As Eichhorn notes, for the hamster wheel of the content industry, genre, medium and format are unimportant.⁵⁶ The user-generated web controlled by a handful of corporations today has become an infinite stream of indistinguishable images, text, short-form videos, audio and ads. Every piece of media – be it an educational video, news, memes, personal life updates or a podcast episode – is being fed into the frenzy of an algorithmic flow under the dehumanizing and meaningless term “content.” The feverish experience of algorithmic content is nowadays universal for nearly every major social media: an artist’s paintings will appear alongside a friend’s vacation photos, followed by a plea to help in the most recent global catastrophe, immediately concluded with a video of a cute puppy. It is partly the nature of a user’s individual choices on what media they like to consume, and partly the platform’s algorithm, usually designed to keep the user on the platform for as long as possible. In this context, the content algorithm refers to a kind of machine intelligence that learns from users’ behaviour to serve the most relevant content. Users and content creators aware of the algorithm

⁵⁵ Lyotard, *The Postmodern Condition*, 5.

⁵⁶ Eichhorn, *Content*, 27.

have often used it as a scapegoat to blame for the injustices incurred by the IT platforms.⁵⁷ The notion of an algorithm first entered public consciousness after the major change YouTube performed to its recommendation system in 2013 when the platform introduced a new metric for successful videos and shifted focus from viewership and likes to watch time, prioritizing, once again, time spent on the platform.⁵⁸ This has significantly impacted the type of content that was being made and received attention. Nowadays the platform has solidified its position as a distributor of long-form video, despite attempts to chase the short-form video trend that defines the era of 2020-2023 video hosting. Other successful social media, such as Facebook, Instagram, and Twitter have also revamped their core service to follow the algorithmic model, the most radical and impactful perhaps being TikTok. TikTok's infinite scroll feature with an uncannily accurate algorithm that recommends deeply personalised content based on the user's data is designed to keep the user's attention for as long as possible by offering a never-ending stream of bite-sized videos. This model has been immensely successful, which has forced other mainstream players to adopt an infinite scroll feature or short-form video, in most cases both. However, the frenzy of content that is "anything and everything all of the time", despite its reported harmful effects on mental health, screen time and the collective digital experience is merely the tip of the iceberg. Almost all social media platforms that rely on content recommendation have implemented censorship techniques that suppress content covering certain sensitive topics, specific words or "non-advertiser friendly" themes. Such topics usually include LGBTQ+, sex, violence, death and others, but their restriction is inconsistent and unregulated, as well as poorly communicated to the content producer.⁵⁹ TikTok is one of the most famous examples of such censorship as it specifically bans videos that contain words like

⁵⁷ Robyn Caplan, and Tarleton Gillespie. "Tiered Governance and Demonetization: The Shifting Terms of Labor and Compensation in the Platform Economy," *Social Media + Society* (April-June 2020):

5. <https://doi.org/10.1177/2056305120936636>.

⁵⁸ *Ibid*, 6.

⁵⁹ *Ibid*, 5.

“sex”, “kill”, “suicide” and most recently “pandemic”. This has led to a new type of TikTok speak that started as a replacement for undesired words but has slipped into the cultural vernacular of younger people on the internet, such as “unalive,” “seggs” and “panini.”⁶⁰ The platform’s explanation of these restrictions boils down to necessary content moderation, however, it is unclear if this moderation is done for the sake of users, who are often underage, or its advertisers. YouTube reportedly suppresses videos by LGBTQ+ creators as well as content mentioning violence, death, sex and other “unfavourable” topics.⁶¹ It is often done both covertly (video does not get recommended or more often, does not appear in the user’s subscription box) and overtly, where YouTube automatically marks the video as age or advertiser-restricted, therefore limiting its chances at higher viewership. Over the years YouTube has also performed multiple changes to its “advertiser-friendly” guidelines as well as the algorithm that automatically determines the suitability of video content for audiences, accurately deemed by the community as an “Adpocalypse.”⁶² The platform was criticised for its black box approach to the algorithm and advertiser guidelines, as various creators lost their revenue overnight and without any explanation. YouTube’s behaviour and communication strategy at the time which seemed to favour the major creators while leaving smaller channels in the dark, signalled the platform’s readiness to comply with advertisers’ demands, as some of the biggest advertisers threatened to pull out of YouTube for its various controversies.⁶³ The message was clear – the platform could threaten, punish and take away compensation from creators on a whim to satisfy the needs of its main customers. “Limited or no ads” restriction signals to the creator that the video does not meet the “advertiser-friendly guidelines”. It must

⁶⁰ Ella Steen, Kathryn Yurechko and Daniel Klug. “You Can (Not) Say What You Want: Using Algospeak to Contest and Evade Algorithmic Content Moderation on TikTok,” *Social Media + Society*, 9.3 (2023): 3. <https://doi.org/10.1177/20563051231194586>.

⁶¹ Sangeet Kumar, “The Algorithmic Dance: YouTube’s Adpocalypse and the Gatekeeping of Cultural Content on Digital Platforms,” *Internet Policy Review*, 8.2 (2019): 3. <https://doi.org/10.14763/2019.2.1417>.

⁶² Kumar, “The Algorithmic Dance,” 5.

⁶³ *Ibid*, 7.

therefore be punished in terms of lower revenue and view count. This is just one of the obvious ways in which the private platform prefers to agree to the wishes of the real stakeholder – the advertiser – at the expense of the value creator – the content creator.⁶⁴ The content itself, the author and their audience are viewed as a means to each of the participants' ends: YouTube sells user data and content space to the advertiser who desires the audience's eyes. The desires of both content producers and consumers are not considered anywhere in this equation. Censorship and algorithms are just another puzzle piece that content producers must consider while earning a living on the internet.

Content producers and content consumers are the only two active players in the content industry who, despite their importance, lack power and agency. It is also important to note that these terms in the context of the content industry are often used interchangeably. The online landscape today is far from the utopian dream of democratic participation, as astutely noted by Mark Andrejevic that “the contemporary deployment of interactivity exploits participation as a form of labour. Consumers generate marketable commodities by submitting them to comprehensive monitoring. They are not so much participating, in the progressive sense of collective self-determination, as they are working by submitting to interactive monitoring.”⁶⁵ Under the platforms' empowerment rhetoric, the lines between consumer, producer and product are becoming increasingly blurred. Jean Baudrillard described how production would collapse into culture and consumption: “The entire sphere of production, labour and the forces of production must be conceived as collapsing into the sphere of “consumption”, understood as the sphere of a generalised axiomatic, a coded exchange of signs, a general lifestyle.”⁶⁶

⁶⁴ Susanne Kopf, “‘Rewarding Good Creators’: Corporate Social Media Discourse on Monetization Schemes for Content Creators,” *Social Media + Society* (October-December 2020): 6. <https://doi.org/10.1177/2056305120969877>.

⁶⁵ Mark Andrejevic, “The Webcam Subculture and the Digital Enclosure,” *MediaSpace: Place, Scale and Culture in a Media Age*, edited by Nick Couldry and Anna McCarthy (London/New York: Routledge, 2003), 101.

⁶⁶ Jean Baudrillard, *Symbolic Exchange and Death* (London: Sage Publications, 2016), 36.

Everybody participating in social media would be forced to become a content producer, while simultaneously consuming content as well as providing data that helps build and maintain the platforms which control content production and distribution. The homogenization of content sets a dangerous precedent that in time, distinctions between mediums (film, video, trailer, book, audio recording) disappear, leaving only the need to produce more and contribute to the single flow of never-ending consumption. Eichhorn points out how in the context of “content is content is content”, we also lose the distinction between a skilled cultural producer and a content producer, in the end reducing all cultural workers to content creators.⁶⁷ Established artists, such as musicians, filmmakers, and authors, are compelled not only to refine their artistic skills but also to invest significant time in creating supplementary content to promote their work in the online domain. Frequently, this involves commodifying their life experiences to adhere to the regulations of specific platforms. In effect, she writes, “cultural capital has given way to content capital,” as traditional cultural practitioners face pressure to assume the role of de-facto influencers, fostering an authentic connection with their fanbase.⁶⁸ It is this relationship that social media platforms appear to sustain and extract data from.

Authenticity is another layer of content production that social media is exploiting. Cultural workers on social media platforms – particularly those who reached fame through the internet alone – seemingly do not need a traditional cultural apparatus. The monopoly of power is no longer concentrated with critics, reviewers, academics, publishers, curators, and collectors, and is in the ideal world distributed in the hands of consumers. YouTube, Instagram and TikTok, the major platforms on which influencer culture originated, pedal this as part of their user empowerment rhetoric, on the surface decentralizing the power and giving every user the chance to take centre stage. However, this kind of success comes with its own set of strings

⁶⁷ Eichhorn, *Content*, 96.

⁶⁸ *Ibid*, 102.

– mainly the need to develop and maintain a deeply parasocial relationship with an audience by performing authenticity. The very nature of social media implies closeness – intended from the beginning for keeping in touch with friends, it is not unusual for users to extrapolate that relationship and expect authenticity from actors, writers and influencers. Instant accessibility to depictions of other people’s lives from pocket-sized machines has physically reduced the TV and newspaper distance between creator and consumer, with creators playing that game as well. It is not uncommon now to see a celebrity welcoming a viewer into their home in a YouTube video or sharing personal struggles on Instagram stories. Authenticity and relatability are taken to the extreme by online influencers – what was once reserved for the personal domain, is now neatly packaged into content, the parameters of which are set by the platform, and put on display for thousands of people to see. By manufacturing authenticity online, these creators can build a parasocial relationship with their viewers by constructing a separate pseudo-world, an “inversion” or “representation of life”, “a domain of delusion and false consciousness,”⁶⁹ to sell merchandise, products, personalities or simply be successful tools of advertising for other major companies. Successful influencers have normalised the commodification of ordinary life and capitalised on human relationships, both on camera and between the camera and the audience, turning their content, as well as their personalities into consumer objects. The current social media climate where video dominates, such as YouTube, Instagram and TikTok presents viewers with a modernised version of spectacle society, as described by Guy Debord: “Everything that was directly lived has receded into a representation.”⁷⁰ The abundance of online video mediates a version of reality that is simultaneously instantly recognizable and only exists within the confines of a platform. Even

⁶⁹ Nello Barile, “Branding, Selfbranding, Making: The Neototalitarian Relation Between Spectacle and Prosumers in the Age of Cognitive Capitalism,” *The Spectacle 2.0: Reading Debord in the Context of Digital Capitalism*. edited by M. Briziarelli, and E. Armano (London: University of Westminster Press, 2017) 160.

⁷⁰ Guy Debord, *The Society of the Spectacle*, translated by Fredy Perlman and Jon Supak (Detroit: Black & Red, 1970) 16.

the most authentic representation of life is still only a representation which conforms to the structures of digital spaces. Too much of human experience has been flattened into a single “technological portal,” Justin E. H. Smith writes. “The more you use the Internet, the more your individuality warps into a brand, and your subjectivity transforms into an algorithmically plottable vector of activity.”⁷¹ The danger of warping subjectivity into algorithmically favourable structures is the fact that it is precisely the tool of global capital used to commodify every aspect of social life. Almost every trend or aesthetic popularised by TikTok not only encourages creators to represent their lives as a palatable and sellable commodity but also promotes consumerism within audiences. Thus, the average content creator becomes a vehicle for advertising, both natively on the platform and within their content through sponsorships. This is precisely where the proletarianization of the mind theorised by Stiegler, takes place.

Popularised by Google, advertising is still the only reliable way of earning money on social media. Whether it is ads appearing alongside videos, or creators taking on sponsored segments in their work, content is still being used to spread advertisement. Twentieth-century philosophers could not predict, was the extent to which global capital would turn every user of the free and open Internet into a spokesperson for any brand. By erasing the differences between creator, consumer and product, social media gives all users the potential to perpetuate the system by which they are enslaved, dressing it up as an alternative and desired empowered lifestyle. However, what it truly does through the technological confines within which it exists is promote the relentless pace towards passive consumption of both culture and advertisement, erasing the distinction between the two. The existing platforms are not equipped to foster a genuine connection between creator and consumer. There is a significant and deliberate disconnect. In reality users and tech giants pursue entirely different goals, which does not allow the actual participants and benefactors of this system to exercise any real power over how this

⁷¹ Smith, *The Internet*, 35.

connection will be fostered. The new internet requires new, alternative ways of connection and information organisation.

3. The new economic model – use cases

The notion of compensating content creators through subscription-based models predates the contemporary manifestation of the creator economy. In 2008, Kevin Kelly, a respected figure in the world of Internet technologies and the founding executive editor of Wired, published an influential essay titled “1000 True Fans”, in which he made the case for how profoundly the Internet would transform creative work and the connection between creator and consumer.⁷² This essay responded to one of the more culturally significant models for monetization on the Internet at the time which was the concept of the “long tail”. Coined by Chris Anderson, the “long tail” referred to the ability of internet-based companies to offer a vast array of less popular products beyond the traditional best-sellers.⁷³ As such, unlimited by the constraints of physical storage, large Internet companies such as Amazon and Netflix could carry many times as many products as their brick-and-mortar competitors and therefore could generate the bulk of the revenue outside the few bestselling products. Kelly, however, challenged the efficacy of the long tail for creators, arguing that such a model does not translate well to individual creators, and offers little help to artists in escaping obscurity and achieving sustainable income streams. He writes that “the long tail is famously good news for two classes of people: a few lucky aggregators, such as Amazon and Netflix, and 6 billion consumers. But the long tail is a decidedly mixed blessing for creators. [...] Other than aim for a blockbuster hit, what can an artists do to escape the long tail?”⁷⁴ In response to the challenges posed by the long tail, Kelly proposed the idea of “1000 True Fans.” The core premise of this concept is that a creator can achieve a sustainable income by cultivating a dedicated base of a thousand genuine supporters, or true fans, who are deeply passionate about the creator's work and willing

⁷² Kelly, “1000 True Fans.”

⁷³ Chris Anderson, *The Long Tail: Why the Future of Business Is Selling Less of More* (New York: Hyperion, 2006) 27.

⁷⁴ Kelly, “1000 True Fans.”

to support them financially. Kelly believed that advancements in the internet technologies allowed artists to directly connect with fans around the world, enabling the conversion of casual enthusiasts into devoted true fans who would provide consistent financial support. According to him, such fans would provide a stable foundation for the artist to make a living and create genuine relationships through their artwork. The current landscape suggests an impending arrival of a cultural transformation aligned with contemporary trends, indicative of the materialization of Kelly's envisioned future. This shift is realised in part by emerging subscription-driven creator platforms such as Substack, Nebula and Patreon, as will be explored further in this chapter.

The abundance of subscription services such as Netflix, Amazon Prime, and Disney+ have primed audiences for the expectation to pay for their entertainment. When Kelly published his essay, it was widely assumed that it would be difficult to make consumers of plentiful free content give out their money. Pirated content was ubiquitous as free Internet became a bedrock belief of dedicated Web users. However, the pandemic, at a time when people were forced to spend time indoors, elucidated the profound extent of their dependence on artistic and entertainment mediums, notably emphasizing the significance of online entertainment. As will be explored below, the 3 main platforms facilitating audience memberships saw a boom in subscriber numbers, as there was a growing cultural understanding that artists and creators need to be compensated for their work fairly. Another significant factor is content and advertiser fatigue. Frantically expanding social media feeds ripe with news, images, videos, opinions, and advertisements, especially at a time of a few major civil moments and a global pandemic, signalled to people the need to curate the time they spend online. Audiences developed a desire to control their content intake, to protect their mental health and attention investment. All these factors contributed to the popularization of the direct consumer-to-creator model.

Following the initial success of a select few individuals who achieved significant prominence on social media, numerous other creators adeptly employed direct engagement with their audience, circumventing conventional platforms. This manifestation not only substantiates Kelly's theory but also underscores its inherent potential and applicability. In his essay for the *New Yorker*, Cal Newport describes his experience with a modest, but sustainable Internet news show "Breaking Points" that relies on contributions from fans and direct subscriptions to generate an "upper-middle-class income."⁷⁵ Many other internet shows and online creators demonstrate the ability to sustain themselves through a strongly involved subscriber base, outsourcing their monetization strategies outside the traditional social networks, instead concentrating them on their own websites. As technology continues to evolve, and creators explore new platforms and business models, the concept's relevance and impact are likely to expand, offering hope for aspiring artists and creators seeking to thrive in an interconnected world. New subscription-based platforms, that realise the importance of connecting the consumer and creator without the ad-man in the middle, have become prime examples of a healthier alternative to their respective free-at-the-point-of-use competitors, signifying an important shift from mass appeal to meaningful connections, emphasizing the importance of nurturing a dedicated and supportive fanbase, and moving away from centralized monetization models.

3.1. Patreon

Perhaps the most successful example of a wide-scale 1000 true fans model was realised by Patreon, a platform that allows creators to earn recurring revenue by leveraging paid subscriptions and providing rewards, perks, and sellable digital assets to their fans. Launched

⁷⁵ Cal Newport, "The Rise of the Internet's Creative Middle Class," *The New Yorker*, June 15, 2022, accessed November 10, 2023. <https://www.newyorker.com/culture/culture-desk/the-rise-of-the-internets-creative-middle-class>.

in 2013, it amassed instant recognition from fans and creators alike, gaining close to 10,000 creators within a year of its operation.⁷⁶ By 2015, it established itself as a platform where individuals sought to provide financial support to their preferred creators, emerging as an indispensable revenue stream for successful YouTubers. Today, Patreon has brought over \$2 billion to its creators, with over 250,000 creators generating income on the platform daily.⁷⁷ Patreon made a substantial impact on the pre-existing creator economy, prompting YouTube, a few years later, to introduce a YouTube Membership feature that mirrors the fundamental value-for-value proposition of Patreon. This huge level of success can be explained by the unique story of the man behind the idea, Jack Conte. Unlike Google's founders Sergey Brin and Larry Page, who attempted a new approach in a saturated market of cutting-edge technology of the internet search, Jack Conte was himself a creator, with a sizeable following on YouTube for both his band Pomplamoose and his solo musical career. However, similar to the experience of many middle-of-the-road YouTubers at the time, the amount of effort and financial investment Conte put into his art did not match up to his YouTube earnings.⁷⁸ The landscape of content creators on YouTube during the early to mid-2010s replicated the scenario criticized by Kevin Kelly, wherein the absence of a middle class of YouTubers was evident. The YouTube Partner Program at the time allowed significant financial success to only a handful of creators whose videos amassed millions of views. By 2013, the idea that creatives might solicit funding directly from fans had been around for some time – as such, Kickstarter and Indiegogo had both played host to some significant creative success stories.⁷⁹ However,

⁷⁶ CNBC Make it, "How Patreon Became A \$4 Billion Start-Up," YouTube video, 7:56, March 28, 2022, accessed November 10, 2023.

<https://www.youtube.com/watch?v=HpPBmopDu4g&pp=ygUSaG93IHhhdHJlb24gYmVjYW11>

⁷⁷ Lana El Sanyoura, and Ashton Anderson, "Quantifying the Creator Economy: A Large-Scale Analysis of Patreon," *Proceedings of the Sixteenth International AAAI Conference on Web and Social Media (ICWSM)*, 16.1 (2022): 829.

⁷⁸ Tom Nicholas, "The Rise (and Fall) of Patreon," YouTube video, 5:38, October 1, 2023, accessed November 10, 2023. <https://www.youtube.com/watch?v=mXyN3-gQwJw>.

⁷⁹ El Sanyoura, "A Large-Scale Analysis of Patreon," 829.

Jack Conte introduced a pivotal innovation by recognizing that while these platforms were useful for individual projects such as albums or films, a substantial proportion of online creators operated on a continuous and iterative basis, constantly generating and releasing content. This realization prompted the idea of restructuring the crowdfunding paradigm to centre around a subscription model, particularly on a monthly basis. Patreon, while still in the development phase at the time of launch, instantly gained popularity. Within the first few weeks, Conte had accumulated pledges of more than \$5000, and his success story spread.⁸⁰ Creator communities on YouTube felt a special kind of connection to a fan subscription platform started by one of their own, who, on the surface, pursued the same goals and solved the same challenges that creatives from all niches experienced. The fact that a regular modest musician – in Conte’s own words, “not PewDiePie [the most popular channel in the history of YouTube], [...] just a middle-of-the-road bald YouTuber”⁸¹ – had amassed a 6-figure living outside the spaces dominated by advertisers, signalled the beginning of a new, fan-supported creator economy that would allow anyone to monetize their art on the internet.

It is important to recognize, however, that despite distancing itself from the Googles and Metas of the world, Patreon is still a Silicon Valley VC-backed start-up founded by two Stanford graduates, therefore it follows a similar trajectory to the tech companies criticised in Chapter 2. Since its inception in 2013, Patreon has secured over \$400 million in venture capitalist funding,⁸² instigating an expectation to generate substantial revenue for its shareholders. The founders of Patreon are currently navigating a nuanced balance between the objectives of shareholders and the requirements of creators while implementing platform modifications aimed at enhancing profitability. Jack Conte believes that Patreon is “a company that looks at the world through the eyes of the creator and solves problems for creative people”

⁸⁰ Nicholas, “The Rise (and Fall) of Patreon,” 7:44.

⁸¹ CNBC Make it, “How Patreon Became A \$4 Billion Start-Up,” 0:11.

⁸² Nicholas, “The Rise (and Fall) of Patreon,” 22:10.

and maintains that “what’s best for creators is best for shareholders in the long run. [...] We don’t get paid unless creators are successful. What that essentially means is we don't have to choose between people and profit.”⁸³ However, these claims are not backed by the series of product changes Patreon has performed over the years. At the beginning of its run, Patreon took a flat 5% cut on all pledges after processing fees. In 2019, after pressure from shareholders to meet an unprecedented level of growth and revenue, the company tried to introduce an additional \$0.35 plus 2.9% in fees on top of every pledge burdened on the supporters. After a massive backlash, Patreon was forced to roll back the update, and later propose a scale-up model that introduced variable fees for the creator depending on their audience size, ranging from 5% for OG creators to 12% for those with a massive following.⁸⁴ Curiously, this new revenue split has transformed Patreon’s business model to resemble the “long tail.” According to Tom Nicholas’ research, more than 25% of public pledges processed through Patreon went to just 556 creators out of 222,126 earning creators, which makes up only 0.25% of the total creator pool. More than 50% of pledges went to the top 1.75% and in fact, the bottom 80% of creators received just 10% of all pledges.⁸⁵ Despite the huge number of participating creatives, Patreon’s business model relies on a handful of top earners, with their business model set to glean a larger sum from these creators. In September 2023, as a result of slowed growth post-pandemic, the company announced a new trajectory, rapidly rolling out features that would consolidate content creation to Patreon exclusively. For the longest time, Patreon had the reputation of being a supplemental income stream for creators – mostly YouTubers – and despite additional perks that they would offer to their Patreon members, patrons rarely used the website outside of dealing with payments. Today, the company is evidently on the path to becoming the first full creator platform with a recurring pledge model, offering video, audio,

⁸³ CNBC Make it, “How Patreon Became A \$4 Billion Start-Up,” 12:56.

⁸⁴ Nicholas, “The Rise (and Fall) of Patreon,” 20:32.

⁸⁵ Nicholas, “The Rise (and Fall) of Patreon,” 25:38.

image and other assets natively.⁸⁶ With the introduction of free subscription tiers and a digital asset store, Patreon aims to be the place where audiences consume content first, prompting creatives to move away from the unpredictability of big social media networks and onto a secure, supporter-backed platform.

3.2. Substack

Substack is a newsletter and blogging platform that is actively competing to establish itself as a prominent entity within the direct consumer-to-creator and long-form content domain. It was launched as a tool for paid subscription newsletters in 2017 by Chris Best, the co-founder of Kik Messenger, his former colleague Jairaj Sethi, and a tech journalist Hamish McKenzie.⁸⁷ Today the San Francisco-based company boasts over 20 million monthly active subscribers and 2 million paid subscriptions⁸⁸ and is firmly secured in the cultural zeitgeist among other disruptive Silicon Valley digital start-ups. Substack's mission is to "build a new economic engine for culture,"⁸⁹ giving publishers complete control over their relationship with the audience, their revenue, and editorial freedom. The platform has become a popular space for well-known writers and journalists looking to break out of the confines of traditional publishing and innovate the methods through which writing-generated income is attained. In 2017 the company started offering advances to major authors and journalists, which in some cases amounted to in 6 figure sums, to build an audience on the platform, doubling its number of active writers during the pandemic.⁹⁰ Some of the world's most celebrated writers are publishing Substack newsletters – Margaret Atwood, George Saunders, and Emily Nagoski.

⁸⁶ Patreon, "Patreon, reimagined — building a better future for creators and fans," October 4, 2023, accessed November 10, 2023. <https://news.patreon.com/articles/patreon-reimagined>.

⁸⁷ Dan Milmo, "What is Substack and why is it proving so popular?" *The Guardian*, September 20, 2021. <https://www.theguardian.com/books/2021/sep/20/what-is-substack-and-why-is-it-proving-so-popular>. Accessed November 10, 2023.

⁸⁸ Jairaj Sethi, Chris Best and Hamish McKenzie, "A new economic engine for culture," *On Substack* (blog), February 28, 2023. <https://on.substack.com/p/2million>.

⁸⁹ *Ibid.*

⁹⁰ Milmo, "What is Substack?"

Salmon Rushdie is publishing his next fiction work as a serialised novella on Substack, as well as trying out his hand as a film critic.⁹¹ The big names are joined by a new generation of writers who are building their livelihoods writing in multiple genres – personal essays, news roundups, fiction, poetry, as well as new institutions such as The Free Press, The Mill, The Ankler., and many more. The platform appears to have filled the gap for long-form written content with a transparent revenue structure within the social media sphere of the internet.

Best, Substack’s chief executive, said the site aimed to “allow writers and creators to run their own media empire”.⁹² The company’s business model is very simple – writers have the option to turn on individual paid subscriptions, starting at \$5/month or \$30/year, of which 10% goes to Substack and 3% to Stripe, the payment facilitator. There are no advertisements anywhere on the website, but the newsletters themselves are by no means paid-only – most writers offer a mix of paid and free content, and even though Substack encourages users to turn on paid subscriptions as soon as possible, there is rarely pressure to support writers financially. The most prominent contributors on the Substack platform generate substantial earnings, as evidenced by its top 10 publishers collectively amassing an annual revenue of \$7 million.⁹³ In 2021 the platform introduced Substack Pro, which was a more transparent version of the individual advances, a deal that offers professional writers an upfront sum to help them focus on building (or bringing over) an audience without the constraints of keeping a “day job.” In return for that financial security, a Pro writer agrees to let Substack keep 85% of the subscription revenue in that first year, with the split being flipped afterwards.⁹⁴ The company’s

⁹¹ Shelley Hepworth, “I guess I’m having a go at killing it’: Salman Rushdie to bypass print and publish next book on Substack,” *The Guardian*, September 1, 2021. <https://www.theguardian.com/books/2021/sep/01/i-guess-im-having-a-go-at-killing-it-salman-rushdie-to-bypass-print-and-publish-next-book-on-substack>. Accessed November 10, 2023.

⁹² Milmo, “What is Substack?”

⁹³ Ibid.

⁹⁴ Hamish McKenzie, “Why we pay writers,” *On Substack* (blog), March 12, 2021. <https://on.substack.com/p/why-we-pay-writers>.

focus on established writers or influencers with a large following on social media, as well as its weak discovery features have been criticised by users. Even though publishing a Substack, free or paid, is open to anybody, and free newsletters gather thousands of subscribers, becoming successful on the platform organically is not as easy as it is on other major influencer-building platforms like YouTube and Instagram. It is partly explained by the type of content – long-form text is much less likely to go viral than a video or an image. Substack is seemingly aware of its limitations and is constantly rolling out improvements aimed at discoverability and shareability. In April 2023 the company launched a new product called Notes, characterized by design and functionalities similar to X, formerly Twitter. Some viewed it as a response to limitations X rolled out on viewing and promoting Substack links. The release of Notes signalled another user base increase, pushing writers who previously used X for community engagement over to Substack.⁹⁵ The core proposition and business model worked – Substack offered a better user experience, a chance for more nuanced discourse and a clear revenue stream, the lack of which Twitter has been criticised for in the past.

The platform's founders are very vocal in their opposition to traditional social media models, advocating for alternative economies and innovative modes of media consumption. Substack's own blog "On Substack" features numerous contributions from Hamish McKenzie and Chris Best, recognising and criticizing the shortcomings of traditional social media networks, and presenting Substack alternatives in a relatable and inspirational manner. The issues with the attention economy, fostered by over-reliance on advertisers on big social media networks, outlined in Chapter 2 of this dissertation, are at some level felt and recognized even by their most dedicated users, and it is this dissatisfaction with the social internet today that Substack seems to take advantage of. The common refrain in the founders' writing is the belief

⁹⁵ Jairaj Sethi, Chris Best and Hamish McKenzie, "Introducing Substack Notes," *On Substack* (blog). April 5, 2023. <https://on.substack.com/p/introducing-notes>.

that readers and writers should have power over their content and media consumption, further encouraged by the systems in which they participate. This means the writers should “own their content and relationship with their subscribers, complete editorial control, and keep the lion’s share of the revenue.”⁹⁶ For the readers, it means a better, more conscious choice over who they choose to support financially. Substack’s core offer presents an alternative to the gruelling conditions of traditional publishing, the hamster-wheel of churning out content lost to the algorithm for content creators, and the digital junk food diet promoted by corporations to its users. So far, Substack has aligned its financial and product strategy with its articulated intentions. Their message seems to resonate with a lot of writers and creators, who can find a better experience on the platform. For example, Elise Loehnen, the author of “Pulling the Thread with Elise Loehnen,” has been able to move from the unpaid rat race of Instagram where she gathered 80,000 followers to direct ownership of her platform, revenue and audience on Substack.⁹⁷ Michael McLeod, the author of “The Edinburgh Guardian”, a daily local news roundup, has been able to cultivate a local Edinburgh community and quit his day job to focus on “make[ing] it easier to find local news without having to wade through problematic social feeds and noisy websites full of irrelevant clickbait.”⁹⁸ Beauty industry critic and author of “The Unpublishable” newsletter Jessica DeFino has found freedom in writing about the beauty industry without having to promote products, which is a common revenue stream for beauty publications, thanks to her popular newsletter. These stories showcase that a writer- and reader-first system is the future of the internet.

⁹⁶ Hamish McKenzie, “Making the internet work for writers,” *On Substack* (blog), September 14, 2023. <https://on.substack.com/p/internet-for-writers>

⁹⁷ “Grow: How Elise Loehnen moved her Instagram followers to Substack and got paid for her work,” *On Substack* (blog), September 27, 2023. <https://on.substack.com/p/grow-elise-loehnen-33>.

⁹⁸ “Grow: How Michael MacLeod quit his day job to focus on local news for the civic good,” *On Substack* (blog), September 11, 2023. <https://on.substack.com/p/grow-32-michael-macleod-local-news>.

3.3. Nebula

Unlike Patreon and Substack, Nebula, the final successful example of a subscription-based creator service, relied on \$0 of venture capitalist funding and is far from the shiny digital start-ups of Silicon Valley. Nebula is a video-on-demand streaming service that offers educational videos and classes from over 160 prominent YouTube creators in the video essay and educational content niche.⁹⁹ Its business model is closer to that of Netflix than YouTube or Patreon: subscribers pay a flat \$5 a month or \$50 a year fee for access to all video material, with no pre-roll advertisements or sponsored sections in videos.¹⁰⁰ However, access to distribution on Nebula for creators is limited to invitation-only. This is a considerable departure from YouTube's "everyone is a creator" model since to distribute content on Nebula, the creator already must have a large following and maintain a certain level of production value. Nebula's content producers are rarely limited to contributing only to the platform; many publish free videos to their successful YouTube channels, and create additional, often higher production value content, financially supported by Nebula, exclusively on the service. However, while it was originally thought of as a supplemental revenue source for creators in the same vein as Patreon, today many creators are moving towards distributing exclusively on Nebula, choosing to engage their already loyal fanbase directly, without relying on YouTube's AdSense. This shift is due to its unique value proposition, monetization options for creators and the curious history of its foundation by creators for creators.

Nebula originally began as Standard, an alternative to multi-channel networks, founded by Dave Wiskus and various other creators in 2017. At that time in the YouTube landscape getting advertiser sponsorships was crucial to building a full-time career, and companies known

⁹⁹ Nilay Patel, "The videos that don't work on YouTube and the future of the creator business with Nebula CEO Dave Wiskus," *The Verge*, May 17, 2022, accessed November 10, 2023.

<https://www.theverge.com/23076663/nebula-youtube-creator-business-future-startup-ceo-dave-wiskus>.

¹⁰⁰ Ibid.

as multi-channel networks dominated the space connecting the sponsor to the right creator. Their rise to prominence was also associated with unfair practices, opaque agency rates and exploitative and predatory contracts.¹⁰¹ Dave Wiskus along with a few other involved creators aimed to establish an alternative marketing agency, with stronger rates, ethical conduct and a creator-first approach: Standard, “a purposely forgettable name for a company designed to exist in the background, making life easier for the creators on centre stage.”¹⁰² The company had been doing relatively well when Wiskus approached the new creator rooster in 2018 with the initial idea for Nebula: Standard creators post ad- and sponsor-free versions of their videos with occasional exclusive content, for a \$5 monthly subscription. There had already been a few VC-funded start-ups at the time aiming to replicate YouTube’s success and promising creators large sums for involvement, but none had a value proposition strong enough to reach profitability and present real competition. The attitude towards digital creator-oriented start-ups proposed by business-savvy and profit-chasing venture capitalists was sceptical and cautious – YouTube still viewed as the only viable way of earning a living through video content creation. What Nebula had was a unique way for creators to monetize their content, namely that 50% of subscription revenue would be divided among participating creators based on the views, engagement and watch time.¹⁰³ This revolutionized the approach to the creator economy, tying creator success directly to the company’s success. The founders of Nebula recognized the inherent value that creators contribute to any platform they engage with, and they intended to cultivate this value rather than extracting it solely for the purpose of increasing revenue for

¹⁰¹ Ibid.

¹⁰² Wendover Productions, “How We Built a \$150 Million Streaming Platform with \$100,000” YouTube video, 5:58, June 15, 2023, accessed November 10, 2023.

<https://www.youtube.com/watch?v=Alqt6RCEWdM&t=1s&pp=ygUcaG93IHdIIHJhaXNIZCAxNTAgZm9yIG5lYnVsYQ%3D%3D>

¹⁰³ Ibid, 11:00.

stakeholders. Nebula and its creators were regarded as business partners rather than in the conventional roles of clients and service providers.

Using its creators' sponsored segments to promote itself, the platform launched in May 2019 with modest success.¹⁰⁴ One of the major driving forces for Nebula's popularity was its partnership with the educational streaming service CuriosityStream, founded by the CEO of the Discovery Channel John Hendricks. He, unlike many representatives of traditional media, did not see Nebula and YouTubers' content as competition – instead, he realised the value of their mutual collaboration. In October 2019 relevant creators started promoting a new offer which in essence gifted Nebula with every yearly subscription to Curiosity Stream. This partnership stimulated a massive spike in subscribers, bringing the number of active Nebula subscribers to 35,000 within the first 6 months of launch.¹⁰⁵ It was at the same time that the platform finally developed a content proposition formula for its subscribers. The source of audience enthusiasm did not stem from supplementary videos about behind-the-scenes processes or in a question-and-answer format. Instead, it was derived from more substantial, original, and higher-production-value projects. In March 2020, a group of educational creators who had already been involved with Nebula in a client capacity bought ownership stakes. The sale coincided with another massive uptick in subscriptions as the pandemic hit.¹⁰⁶ Nebula's success followed Patreon's story in mid-2020 when lockdowns caused a huge surge in subscribers and revenue for all digital content distribution platforms, including traditional streaming services. It was around that time that the creator group behind Nebula started seeking investments to grow the platform. However, selling a share to VC always comes with a set of strings that would inevitably alter the core idea of Nebula and its focus on creator success. With YouTubers at the helm, the leadership understood that should creators experience significant

¹⁰⁴ Nilay Patel, "Interview with Nebula CEO Dave Wiskus"

¹⁰⁵ Wendover Productions, "How We Built a \$150 Million Streaming Platform," 15:05.

¹⁰⁶ Ibid, 15:54.

financial gain, they would invariably produce more specialized content to cater to their audiences. Additionally, they are likely to invite fellow creators into the platform, furthering its promotion. Hence, adopting a strategy where a smaller proportion of revenue is retained by the platform, while a greater share is allocated to creators, could potentially stimulate substantial growth in the long term. This approach posits that by enhancing the creator's earnings, the overall revenue generated by the platform will increase considerably over time.¹⁰⁷ This approach would foster a symbiotic and mutually advantageous economic model, rather than one attempting to solely extract value from collaborative business associates. However, there existed a lack of confidence regarding whether most investors, particularly institutional ones, would understand this intricate dynamic of the creator industry and associated nuanced principles, with a notable exception. CuriosityStream which had already collaborated with Nebula on various projects before, invested \$50 million to grow their offer of original, high-quality content.¹⁰⁸ YouTubers who previously started as amateur video essayists now had the opportunity to produce professional documentaries, educational programs and other elevated content, helping them expand creatively and financially. Nebula offers unprecedented creative and financial support with a fair monetization strategy and platform ownership, which is uncommon in the online creative space. Today Nebula has over 650,000 paying subscribers and is focused on growth marketing.¹⁰⁹ By sponsoring their own creators' promotion spots in their YouTube videos, they gain revenue from new subscriptions faster than paying for the sponsorship segments. 4 years after its conception, Nebula has left the sceptic space of failed YouTube lookalikes and has gathered a reputation as a valuable, creator-owned streaming service for educational content. A few creators have now left YouTube to pursue Nebula exclusively – notably, one of the first successful video essayists on YouTube Lindsey Ellis.

¹⁰⁷ Ibid, 12:35.

¹⁰⁸ Ibid, 17:49.

¹⁰⁹ Ibid, 1:54.

After her departure from big social media networks in 2021 due to unfounded online backlash, she made a deal with Nebula to produce high-quality film and TV documentaries. Another popular YouTuber and actress Abigail Thorn, better known for her YouTube channel Philosophy Tube, released a recording of her first theatrical production *The Prince*, in part funded by and later distributed on Nebula.¹¹⁰ The platform, despite modest numbers, continues to present a creator-first alternative to YouTube, funding and supporting the creative pursuits of online creators while offering fair monetization and treatment.

Subscription services like Patreon, Nebula, and Substack have undeniably heralded a new era of creative freelancing on the internet. These platforms have empowered creators in unprecedented ways, providing them with the tools and support necessary to produce their art and establish meaningful connections with their audiences. One of the most significant shifts brought about by these platforms is the democratization of content creation. Traditionally, creators were reliant on intermediaries, which often stifled their creative freedom and earnings potential. In contrast, Patreon allows creators to cultivate a direct relationship with their supporters, bypassing the need for traditional funding sources. This direct connection not only provides financial stability but also enables creators to focus on producing content that genuinely resonates with their audience. Nebula, an ad-free subscription video platform, provides a sanctuary for creators to explore diverse and often unconventional content. It encourages experimentation and the pursuit of niche subjects that may not be financially viable on mainstream platforms. This freedom has fostered a flourishing community of creators who cater to specific, passionate audiences who appreciate their unique perspectives. Substack, on the other hand, has revitalized long-form journalism and independent writing. It enables writers to monetize their newsletters, offering a fresh alternative to traditional publishing houses.

¹¹⁰ Philosophy Tube, "How to Go From YouTube to Hollywood," YouTube video, 0:11, December 1, 2023, accessed December 2, 2023.
https://www.youtube.com/watch?v=mXoZWCdaD5E&ab_channel=PhilosophyTube.

Substack writers can establish loyal reader bases and gain financial independence while producing high-quality content. Subscription-based creators have brought forth a new age of creative freelancing on the internet. They have liberated creators from traditional constraints, providing them with the tools, financial support, and autonomy to produce their art and engage directly with their audiences. This transformation has not only elevated the role of creators in the digital landscape but has also enriched the content available to a global audience hungry for authentic and meaningful creative expressions.

4. The shifting power

On the granular level, the feasibility of the subscription model of the creator economy is realised by assessing the power and agency balance between all players of the creator industry – creator, consumer, advertiser, and platform – and how that balance shifts with the emergence of new technologies. Technology has always been central to the organization of power. Marx sees technology as an integral part of the class struggle, submerged and constituted by social relations. Numerous studies in the Marxist tradition show the impact of introducing technology in the workplace, central to the struggle between the worker and the capital, and specifically point to the weakening of the worker in relation to the capital. Indeed, as more technology has been introduced to the workplace, it gradually transferred control over the production process to the managers rather than the workers.¹¹¹ Scholars like Fuchs draw a parallel between the worker/manager power struggle and the power imbalance between the creator/consumer and the platform. According to him, the creator and consumer are different sides of the same exploited coin.¹¹² On a higher level, Stiegler similarly describes this relationship as predatory, as, according to him, psychic individuals themselves are the producers of digital tertiary retentions and reticulated digital tertiary retention “gives the appearance of being essentially participatory, collaborative and contributory.”¹¹³ At the same time, the crucial social aspect of these networks, which, according to Fuchs, constitutes an important factor in coercing user participation, in reality, becomes disintegrated, which results in “losing the notion of the value of life itself.”¹¹⁴ Shoshana Zuboff identified “instrumentarian power” in relation to the Big Four technology companies that have monopolised internet spaces

¹¹¹ Eran Fisher, *Media and New Capitalism in the Digital Age: The Spirit of Networks* (New York: Springer, 2010), 82.

¹¹² Christian Fuchs, *Internet and Society: Social theory in the Information Age*, (New York: Routledge. 2008), 122.

¹¹³ Stiegler, *Age of Disruption*, 25.

¹¹⁴ *Ibid*, 29.

and described it as a new species of power that “reduces human experience to measurable observable behaviour while remaining steadfastly indifferent to the meaning of that experience.”¹¹⁵ Undoubtedly, the existing model depreciates the artistic, intellectual, and experiential elements, which constitute the primary assets in this economy, by relegating them to the status of mere “content.” At the same time, it exploits both the creator and consumer of said content. Conventional social networks promised to emancipate and democratize personal expression, alleviating feelings of alienation through a free, user-friendly system in exchange for a user’s personal data. However, this model, in reality, intensifies the exploitation of creative endeavours. The users within this ostensibly free system are not the products themselves; rather, they merely generate the surplus of data from their interactions, which is the true product. As Stiegler points out, today’s users are merely data providers, deformed and “disindividuated” to feed the business model of the data economy. The creator economy in the current conditions is a term placating the fact that data is the true leader in this business model and constitutes the most substantial form of power to have arisen since the inception of the Internet.

The new creator economy, demonstrated by platforms such as Substack, Patreon and Nebula, presents a model in which power and agency shift to the players creating value, instead of extracting it for the platforms’ benefit. This shift represents a ground-breaking change in both practical and theoretical terms for all involved sides. The users of this model, both creators and consumers achieve a practical means of taking over control over their consumption habits, production means and revenue. This marks a novel and positive deviation from the exploitative strategies employed by the major tech conglomerates, which have historically not prioritized the interests of users. At the same time, the growing popularity of subscription and membership platforms signals a deeper mindset change over how labour on the Internet is conducted and

¹¹⁵ Zuboff, *Age of Surveillance Capitalism*, 376.

valued. The platforms themselves may be of secondary significance, but the rise of direct support systems allows users to take production into their own hands, “flattening hierarchies and eliminating existing power structures.”¹¹⁶ In the context of our existence and engagement within a capitalist system, financial gain will persist as the driving force propelling the cultural machinery, infiltrating spaces that may not have been originally conceived for financial transactions. Simultaneously, for the creator, financial compensation remains a more substantive metric of success compared to impressions and viewer engagement, objectives often prioritized by major social media networks. Figure 2 illustrates how the relationships between creators, consumers and IT companies change in the new subscription-based creator economy.

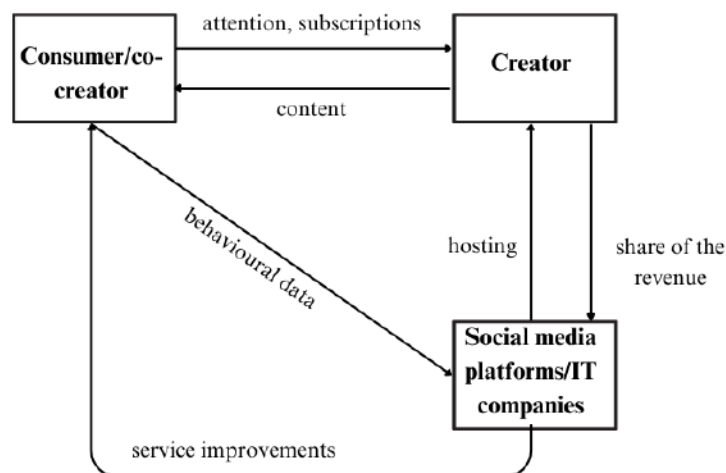


Figure 2. Subscription-based creator economy.

¹¹⁶ Fischer, *Media and New Capitalism*, 110.

Historically, creators faced limited avenues to monetize their work, predominantly through either driving viewer traffic or serving as conduits for advertisers, consequently diminishing their artistic endeavours into instruments that primarily serve the interests of data accumulation. In essence, the platforms that assumed control over user interactions and the creators/consumers did not align in their objectives, but rather established a hierarchical relationship, rendering one subordinate to the other. The subscription model changes this power imbalance. Direct fan support restores the economic order early adopters of social media were accustomed to – the content, the arts and knowledge shared by the creators, become the real product that consumers choose to actively support. Behavioural data produced by consumers would then be fed back into the system incurring service improvements for the platform. Revenue would be exchanged directly between the creator and the consumer, with the platform taking its share for information hosting afterwards. This model evokes early optimistic theories espoused by figures such as Kevin Kelly or Henry Jenkins regarding a liberated internet, in which users, rather than corporate interests, shape and cultivate a space that facilitates the authentic expression of creativity, stemming from genuine enthusiasm. After all, as evidence from existing power structures suggests, users' behaviour does not follow capitalist rationality for profit.¹¹⁷ Under subscriptions, data loses its significance, as direct revenue is a better metric for success than ethereal views that could be converted into revenue through advertisers. People are no longer mere data providers, but active players with the agency to choose the content they engage with. Platforms like the ones described in Chapter 3 are reduced to the role of facilitators, instead of value extractors, fostering deeper, meaningful connections between creators and their audiences and pursuing the same goals as the users they host. The subscription model wins when both creators and consumers are happy, not when they are engaged in an algorithmically optimized rat race of creating and consuming content. Direct

¹¹⁷ El Sanyoura, "A Large-Scale Analysis of Patreon," 839.

subscriptions make it possible to achieve the closest version of the early 2000s dream of social media, while still paying culture workers a fair wage and democratising creative expression. At the same time, subscriptions do not lock their users into the platforms, as is the case for major influencer-making social networks. The platform space and its audience are not merely rented but are owned by the creator. Direct subscriptions enable artists to transition their 1000 true fans to an autonomous, individually curated online environment, with the assurance that this audience will continue to engage. This creates an unparalleled degree of autonomy, a privilege not readily available to contemporary influencers constrained by platform policies.

4.1. The state of creators

Despite Kelly's insistence that categories such as consumers and creators would vanish in the Internet's utopian future, the current creator economy is presupposed on these groups having a significant distinction. The Big Four have already merged these two terms by allowing everyone to be a content producer; and yet as a result of these systems, the new class of cultural workers and their labour became indebted and tied down to the platforms which host them. Eran Fisher describes how early internet theorists, including Kelly, posited that power would be delivered to the people by the democratization and decentralization afforded by network technology, which in turn allows participation and collaboration.¹¹⁸ However, as has been established, this has not become the case. Pragmatically, social media systems face an influx of consumers turned creators who allow their artistic expression to be changed into algorithmically suitable versions for the benefit of these platforms. The subscription model draws clearer borders between creator and consumer but does not exclude the latter from creative expression. Instead, it places the focus on "what" is being produced, rather than how it was interacted with, and enables the production of better, unmediated and non-automatic

¹¹⁸ Fisher, *Media and New Capitalism in the Digital Age*, 53.

individual and collective expression. This repositioning returns product value – in this case art and knowledge – to this expression, and allows creators to capitalise on that value directly. Culture workers can limit the mastery of advertisement over the culture industry, reducing the amount of low-quality imitative culture commodities, as predicted by Adorno and Horkheimer. The word “content” will be finally divorced from its connotations with artistic expression and knowledge and stop invading traditional creative spaces, downgrading all art to data-producing commodities. In practical terms, it means that users will no longer be the vehicles of the advertisement industry, and therefore it is possible to reimagine the economic engine of the Internet.

The absence of the advertiser industry inserting itself in the relationship between creators and their audiences brings about several significant changes to the creator experience. Free of the constraints of ad-optimized algorithms, cultural workers can focus on delivering value to their audience. Currently, the process of gaining success on traditional networks, specifically YouTube, Instagram and TikTok requires knowledge of “gaming” the algorithm.¹¹⁹ As the technology itself is often a black box, companies do not rush to inform content producers of any changes or specifics, contributing to a culture of exclusivity. As such, influencers spend a moderate amount of time optimizing their production to fit into the arbitrary algorithmic rules, often modifying the form and the content to suit the virtual confines of the space.¹²⁰ Direct subscription platforms, despite centralizing cultural production within a certain technology, do not yet attempt to “massify behaviour” into algorithmically suitable cultural expression. The absence of the algorithmic approach allows for an uninterrupted and productive distribution of cultural commodities to their direct supporters, to whom it matters most. The interaction between the consumer and creator is thus delineated based on their

¹¹⁹ Rieder, et al, “A Large-Scale Study of Linking on YouTube,” 4.

¹²⁰ Eichhorn, *Content*, 97.

respective functional roles. Consequently, the valuation and quality of content evolve over time as determined by the audience rather than algorithmic optimization, thereby substantiating and justifying the financial investment.

Another consequence of the fan-supported model is the lack of advertiser censorship. During the various monetization crises that have occurred over the years on YouTube, it was revealed that advertisers have strict guidelines on appearing alongside a “suitable” list of video topics. The undesirable topics, (meaning those videos are offered limited or no monetization) are famously those concerning LGBTQ+, sex and violence. Despite YouTube's assertion that such strict guidelines come from a much-needed content moderation program, it does not justify effectively silencing LGBTQ+ creators or any content mentioning sex or describing violence in a news or historical capacity.¹²¹ Major networks’ content moderation practices are historically unfair, opaque and needlessly strict, forcing creators to censor their expression to perform in an algorithmically palatable way. Fan-supported models eliminate the issue of censorship completely. While the use cases still operate in the digital platform space and have a responsibility to limit hate speech and misinformation, there is no additional pressure to deliver only “advertiser-friendly” content. Substack, in particular, has faced prior criticism due to its lenient moderation practices.¹²² The intention of this study is not to engage in a moral debate concerning the implications of hosting far-reaching political ideologies on platforms. However, it could be contended that the alternative, where advertising companies dictate platforming regulations, might be considered more problematic. Substack and Patreon serve as tangible illustrations of the unparalleled autonomy afforded to content producers when creating content explicitly for their audience, with their only accountability being to their viewership.

¹²¹ Robyn Caplan, and Tarleton Gillespie, “Tiered Governance and Demonetization,” 7.

¹²² Will Duffield, “Substack Embraces Tolerance,” *Cato Institute*, (2021) accessed November 10, 2023. <https://policycommons.net/artifacts/1453369/substack-embraces-tolerance/2085250>.

Finally, the simplicity and ubiquity of the value proposition of these platforms allow creators the freedom to choose the mode of interacting with their fans, without locking them in. As such, there is nothing entirely unique or unprecedented about their core features that could not be done independently elsewhere: unlike YouTube, which requires the advanced technology of video streaming, or Instagram, which provides a unique flow of images and videos in a centralized stream, sending newsletters and selling digital assets can be made possible with open-source software. Substack and Patreon offer a more convenient and cost-effective alternative, with the majority of intricate back-end processes managed behind the scenes. Nevertheless, on both platforms, creators possess direct access to their supporters' emails and other contact details. In contrast to established networks, they are not contingent on the platform for facilitating interactions with their audiences; instead, they have the capability to seamlessly transition both their audiences and operations to a new, autonomous space. The absence of a platform lock-in is also helped by the fact that paying fans develop a deeper parasocial relationship with the creator and are therefore more likely to follow them out of the platform. Moreover, this means a reliable and stable income, unbothered by the whims of the advertisers or technological changes. Kelly's dream of 1000 true fans is realised by supporting each creative person and truly democratizing artistic expression. Consumers are no longer transient observers mindlessly scrolling, prepared to move on to the next creator. Engaged and financially invested subscribers represent a valuable, involved audience capable of empowering creators to shape their own trajectory, artistic endeavours, and revenue streams. This, in turn, would allow for the unencumbered production of valuable tertiary memory and prevent the process of the diminishing epoch, returning the necessary significance to cultural expression opposite to Adorno's "barbarism."

4.2. The state of users

Creators form only a small part of the larger involved user base; in most cases, creators are also consumers. It is therefore important to explore the effect of fan-supported content creation on the broader social Internet and see how it could enhance our joint digital engagement. Stiegler has extensively covered the deteriorating experience and the hopelessness felt by modern generations exacerbated by technology; these sentiments are echoed on the social platforms themselves, as the collective digital experience has been gradually getting worse. What in the early 2010s started as a digital social system designed to connect friends and acquaintances has turned into a never-ending bid for one's attention in the 2020s. It is important to observe that not all digital platforms were conceptualized with sociability as a primary objective. While Facebook and Instagram overtly pursued this goal, Twitter aimed to establish itself as a virtual town square through concise 240-character blogs. Tumblr, on the other hand, played a pivotal role in fostering fandom culture and the dissemination of fandom-related content. Concurrently, YouTube emerged as a platform encompassing a diverse range of video content and was among the first to catalyze the emergence of online celebrities, commonly referred to as influencers. Each platform had a unique value proposition, its own atmosphere and mode of communication; and while their user bases overlapped, there was still no homogeneity in the way users were expected to behave. The cultural malaise imposed by Internet technologies, predicted by philosophers, had not yet been felt by the users. The platforms performed the functions they advertised, and the true nature of data extraction and value extrapolation had been obscured in favour of a revolutionary approach to the Internet. In some ways, it embodied the optimistic thinking of early media philosophers – a collaborative repository of knowledge and arts, open and free to anybody. The incredibly low barrier for entry and simple user-friendly interfaces that these platforms adopted, moved Internet communities from a nerdy niche to the general public. The imperative to establish an online

presence stemmed from the need to connect with friends, given that the internet served as the primary platform for such social interactions. The desire to discover and engage with communities of similar interests, maintain friendships, and exchange personal details constitutes a noteworthy determinant in the escalating ubiquity of social media.

Today, the digital landscape has undergone a tragic transformation. Differences in feature offerings and user bases are becoming increasingly blurry, and the predominant social media platforms project a comparable atmosphere characterized by the imperative to contend for users' attention. In a space with so few genuine competitors, these platforms aim to become their users' only point-of-contact with the social Internet, leading to a convergence where all platforms start to exhibit similar appearances and user experiences. Instagram started this trend with the introduction of the "story" feature which it blatantly appropriated from the messaging app Snapchat in 2016.¹²³ Before long, all platforms, and even other messaging apps, began to implement the same feature to such an extent that it was ridiculed by users on the platforms themselves. Instagram then implemented an algorithmic approach to displaying the image feed, serving users a mix of images from their subscriptions and new images, curated by an algorithm. While this reshuffling received significant backlash from users, more platforms abandoned a chronically ordered feed for an infinite feed of suggested content. The infinite short-form feed consisting entirely of algorithmically suggested content based on previous user interactions and additional data the app scrapes from people's phones in the background symbolises the epitome of the ad-driven social media model. All semblance of pretence is abandoned; the sole objective these platforms pursue from their users is to keep their attention fixated on screens for the maximum duration possible.

¹²³ Casey Newton, "Instagram's new stories are a near-perfect copy of Snapchat stories," *The Verge*, August 2, 2016, accessed November 10, 2023, <https://www.theverge.com/2016/8/2/12348354/instagram-stories-announced-snapchat-kevin-systemrom-interview>.

The subscription model presents an obvious alternative to these infinite feeds. The financial contribution made actively and directly to the creator forces consumers to actively engage with the content they produce. The habit of passive scrolling and consumption is being replaced by an active choice of the digital information diet. Within a system devoid of algorithmic influence, users have the liberty to engage in a more deliberate and thoughtful consumption of content. This allows for nurturing a version of themselves that is more refined and considered, in contrast to the impact exerted by social media platforms.¹²⁴ Subscriptions and memberships empower users to reclaim control over their individual and collective protections, enabling them to navigate the Internet with genuine agency and intention. Attention demands, prolonged screen exposure, and deteriorating mental well-being, while notable, may not adequately signify the true cost associated with prevailing platforms. By reintroducing a tangible asset – money – users are compelled to introspect on the content they engage with. Simultaneously, they gain the capacity to make deliberate choices regarding the creators and art they wish to endorse. In a subscription system, consumers revert to being the real customers and recipients of arts and knowledge, therefore creating the value attached to them. It is people, not algorithms, that moderate their digital intake, and it is again the customer that receives the opportunity to curate their own digital experience. In addition to that, a subscription-based creator economy can reduce the amount of harmful content for children that currently dominate YouTube, TikTok and Instagram. Ultimately, opting to transition away from ad-driven social media platforms necessitates acknowledging the impracticality and unsustainability of anticipating a continuous influx of content every minute of each day. This shift paves the way for a more promising, optimistic, and participatory landscape on the Internet.

¹²⁴ Chris Best, "An algorithm for quality," *On Substack* (blog), September 19, 2023. <https://on.substack.com/p/algorithm>.

4.3. The limitations of the subscription-based creator economy

For all its obvious advantages, the subscription-based creator economy has significant limitations that need to be mentioned. One of the most prominent criticisms against fan-supported platforms is the failure to provide egalitarian access and the evident financial disparity they create. Gated or paywalled access goes against the core tenets of the Internet philosophy, and any breaches of such conduct are readily recognised by users and academic thinkers alike. From its inception, the Web was conceived as a domain of freedom and egalitarianism, ostensibly dismantling prevailing hierarchies and dismantling power structures, particularly in juxtaposition to traditional media establishments. Pioneers of the Web proudly embraced its open and collaborative ethos. Open and community-supported enterprises such as Wikipedia embody the altruistic hopeful spirit with which the Web was conceived, making knowledge accessible to millions of people. Eran Fischer describes the network's influence on the discourse of class and notes that the "discourse of networks is devoid of such a conception of power and instead associates power with the characteristics of autonomous nodes (i.e., power resulting from ingenuity, techness, nerdiness, and entrepreneurship)."¹²⁵ Web users are no longer defined and constrained by their class; instead, their power derives in meritocratic terms, technical proficiency and the value knowledge they bring to the table. The "free" – in both financial and social sense – quality of the Internet in some way defines its content, user interactions and power relationships. It is an inherently inclusive model which contributed to globalisation and egalitarian access to knowledge. Today, over 65% of the world's population have access to technology and the Internet, allowing for a breadth of perspectives, regardless of social markers like class, race, gender, or nationality to be reached on the Web freely.¹²⁶ While technology has eradicated certain class struggles, it has paradoxically accentuated the

¹²⁵ Fisher, *Media and New Capitalism in the Digital Age*, 110.

¹²⁶ Ani Petrosyan, "Number of internet and social media users worldwide as of October 2023," *Statista*, October 25, 2023, accessed November 10, 2023. <https://shorturl.at/FTY07>.

financial disparities between users. The subscription model serves to underscore class divisions more prominently, primarily because not all users possess the financial means to support their preferred creators, and neither should such an expectation be imposed upon them. Moreover, the accessible nature of social spaces, despite being concentrated on corporation-run platforms, has cultivated a certain culture of entitlement to free content among users. “Paywalling” content where previously free is almost always met with backlash from fans, who view the financial barrier as a personal affront to their circumstances. Despite this, the practice of gating certain higher-production value content, or selling additional digital assets outside the above-described subscription platforms is becoming more common among popular influencers. Fair compensation for content creators outside the top level of the scale, has been a discussion point in the online discourse for a few years as the popularity of Patreon grew. Despite the financial freedom from advertiser-driven content promised by Substack, Nebula and Patreon, these platforms’ business model reintroduces the concept of the “long tail,” where a number of the biggest creators are driving most of the platform’s revenue. The “long tail” can be observed on Patreon and Substack specifically, where the majority of creators receive the minority of subscription revenue.¹²⁷ This highlights the inherent financial inequality present in this system for creators and consumers alike. The social chasm between the free and paying subscriber can contribute to feelings of inadequacy, missing out and class disparity which would force certain members of the audience to contribute financially when they do not possess the means. To combat this unequal aspect, it is common practice among writers on Substack to gift a subscription on request. However, as much positive change as the direct contribution model can bring to our collective digital experience, it still has the potential to be exploited, if the creator chooses to follow the capitalist reason. Either way, it would be a departure from the hopeful dream of Web 2.0.

¹²⁷ Nicholas, “The Rise (and Fall) of Patreon,” 25:38.

Further criticisms concern the technical limitations of the existing platforms that facilitate the subscription model. Specifically, in various capacities, all of the above-explored use cases lack the tools of virality and discoverability. Part of what makes traditional social media platforms so successful is their ability to share content en masse, and help assets be discovered and go “viral.” In the rudimentary version of the YouTube algorithm, for example, videos took their place on the front page according to their view count, enabling more users to see them. Twitter revolutionised discoverability with the advent of the retweet button, allowing a tweet to spread across thousands of users’ timelines in a chain reaction. The content was also widely shared between friends on platforms that allowed messaging. Today the AI-driven algorithms of these platforms have the uncontested upper hand in helping people discover new content. Gleaning data from a user’s behaviour and “cookies,” these algorithms can recommend content specifically tailored to their needs. The enormous amounts of data these technology companies process is derived from their monopolistic control over individuals’ digital experiences and behaviours. Both Substack and Patreon heavily rely on traditional networks to drive discoverability. Even though Substack is continuously improving its discovery tools, with the introduction of Notes, a new mobile app and recommendation newsletters, only about 25% of subscriptions come from within the app.¹²⁸ Patreon does not have an adequate discoverability system at all, and it is nearly impossible to find and connect with a creator within the app itself. As Patreon started as a supplemental income stream for YouTubers, these features were never designed in the first place. However, the platform’s recent changes indicate that this could be improved. Nebula allows for discovery in the same way Netflix recommendations work; however, the initial entry to the platform relies on being familiar with featured creators from YouTube. Nebula’s current marketing strategy is deeply

¹²⁸ “How the Substack app helps writers grow,” *On Substack* (blog), September 7, 2023. <https://on.substack.com/p/substack-app-helps-writers-grow>.

focused on advertising on YouTube, hoping to convert fans into paying subscribers. While the use cases can support existing creators and move some to produce on their platforms exclusively, building a dedicated audience in most cases starts on traditional social media.

These technical limitations, along with the economic barrier, compound another obstacle – slow user adoption. Despite the platforms’ growing popularity and the initial boom in subscriptions during the pandemic, active users still constitute only a fraction of the numbers traditional networks showcase. Most average consumers are either unaware of this model or unwilling to participate. Studies show that consumers are more inclined to subscribe to creators if they believe other sources of income for them are insufficient.¹²⁹ Substack has one of the highest paying subscriber conversions because the product they facilitate the distribution of – long-form written content – is unique in the social media space. There are no well-known ways of monetization of long-form written word in the cultural consciousness, therefore readers are more likely to want to support their favourite authors, especially those coming from niche, non-traditional backgrounds.¹³⁰ However, Substack’s individual subscription model is arguably unsustainable at scale for the average consumer. Another observed trend shows that the level of support drops drastically the more popular the creator becomes, as the audience believes ads and sponsorships to be sufficient income (and in some cases of multi-million subscriber channels, excessive).¹³¹ Ad- and sponsor-free alternative content does not constitute a powerful enough motivation to subscribe. According to one of Nebula’s co-owner creator channels, Wendover Productions, the reluctance to subscribe to Nebula primarily for ad-free versions or behind-the-scenes segments of free videos was evident.¹³² The principal incentive for financially supporting a creator, according to this perspective, lies in the increased value

¹²⁹ El Sanyoura, “A Large-Scale Analysis of Patreon,” 7.

¹³⁰ Hamish McKenzie, “Escape from Hell World,” *Disjointed* (blog), June 9, 2022. <https://hamish.substack.com/p/escape-from-hell-world>.

¹³¹ El Sanyoura, “A Large-Scale Analysis of Patreon,” 10.

¹³² Wendover Productions, “How We Built a \$150 Million Streaming Platform,” 14:28.

offered through exclusive content. While personal connection and a genuine desire to support remain noteworthy factors for many paying subscribers, the majority anticipate access to superior, more valuable, and substantive content.

Seeking out, curating and keeping up with such subscriptions requires a lot of time and energy investment, as well as critically thinking about one's content diet. Unfortunately, the majority of consumers are not accustomed to curating their feeds carefully thanks to the overwhelming power of algorithms, optimized to distract. Algorithms tend to lock consumers into informational bubbles, suggesting content suited to their niche interests and driving consumers deeper into their respective secluded rabbit holes. That is to say that the average consumer is not accustomed to having agency over the knowledge they absorb through mindless feed scrolling. Taking that power back requires conscious effort, an understanding of how algorithms work, and a complete overhaul of the way we view online media. Similar to Pavlovian conditioning, users have become accustomed to a continual loop of immediate gratification and distraction each time they engage with their devices. Transitioning to a subscription model necessitates a rewiring of behavioural patterns, which may not inherently be more enjoyable. For the promotion of conscious consumption, embracing the path of greater resistance is imperative, although it is understandable that the majority may lack the strength or motivation to do so.

The "absence of epoch," or lack of a political ethos, direction and hope, described by Bernard Stiegler, is why so many Internet users today are increasingly experiencing a sense of disillusionment, rapidly evolving into a state of disaffection, characterised by being "mad with sadness, mad with grief, mad with rage."¹³³ Recognising that the root of this problem lies in the continuous centralization of cultural expression and thought within a handful of influential

¹³³ Stiegler, *Age of Disruption*, 20.

tech conglomerates that have warped the power relations between producers of digital labour and their managers in favour of an ad-driven and profit-chasing data economy, can be the first step to presenting viable solutions. The subscription-based creator economy offers a new mode of information dissemination that, by restoring the conventional power relations and putting agency back into the creators/users' hands, allows to cure the melancholic side effect of existing within digital structures and allows to dream of a better, freer expression of past and future memory.

5. Conclusion

Christian Fuchs argues in his essay “Class and Exploitation on the Internet,” that “users are unpaid and therefore infinitely exploited.”¹³⁴ While YouTube’s Partner Program of revenue sharing challenges that view on the surface by framing the digital labour of content creation as a passion and wilful participation, evidence shows that the platform still retains the power over content distribution, audience connection and revenue. Other influencer-centric platforms such as Instagram or TikTok do not even feign equal compensation for labour, compelling creators and consumers alike to navigate the algorithmic landscape without the assurance of advertiser revenue sharing. Instead, these platforms solely dangle the prospect of virality and social media fame as potential rewards. The significance of the advertiser in the current economic model of these social networks has eroded the very premise of their offer to provide tools that are democratic, simple and empowering. The current creator economy could never be empowering because the entities that produce value – consumers and creators are never allowed access to power in the first place. Relegated to the position of cogs in the machine, the by-product of whose work gets sold off to the IT companies and advertisers, modern culture workers are kept from receiving the full fruits of their work. Bernard Stiegler and Shoshana Zuboff both describe the details and effects of data harvesting that reduces users to unpaid data providers. While major social networks wield evaluations in the billions, creators that provide that value, only see a fraction of this revenue, and in most cases, none at all. Various scholars have posited that the precarious nature of the creator economy mirrors the challenges confronted by cultural workers since technology became intrinsically intertwined with culture production.¹³⁵ The key distinction between traditional culture workers and those in the online creator economy is the fact that the labour of online content creation is not clearly defined nor is it confined to a

¹³⁴ Fuchs, *Digital Labour*, 218.

¹³⁵ Rieder, et al., “A Large-Scale Study of Linking on YouTube,” 3.

specific set of workers. The sheer size of content output and the diversity of creators prevent a clear homogenized definition of the creator economy which makes it difficult to speak of any kind of specific “labour class” or “collective action against exploitation”;¹³⁶ on top of that, the distribution of wealth is not equal. Despite a large number of social media creators who get paid for their work, either through revenue sharing or sponsorships, there exists an even larger amount of consumers who produce content for free as part of their participation in the social aspect of these networks. These users would not be classed as culture workers under the parameters of this thesis, and it is this non-creator status that prevents them from receiving labour protection and therefore allows exploitation. As some critics of Fuchs’ digital exploitation theory argue, YouTube does not have an obligation to share revenue with its most popular creators, and the concept of a paid content creator is an almost charitable act on the platform’s part.¹³⁷ After all, social media networks can continue to extract value from their free digital labour readily provided by their “prosumers.” In this case, online culture workers are struggling for power, authority and protection in a system that was never designed for an equal distribution of this power. Despite major strides that YouTube has made in ensuring creators feel like they are equal partners in this equation – including the YPP, YouTube memberships and other perks, the network will continue being the aid, the advisor and the authority with the power to withhold these perks.¹³⁸ For this reason, the subscription and direct consumer-to-creator models present a viable, working alternative that restores order and delivers power to the culture of workers and consumers through democratization and decentralization.

The platforms that use the subscription model, such as Substack, Patreon and Nebula, which were explored in Chapter 3 of this thesis, were designed to facilitate cultural production from the creator- and consumer-first perspective. They were all founded by cultural workers

¹³⁶ Fuchs, *Digital Labour*, 6.

¹³⁷ Rieder, et al., “A Large-Scale Study of Linking on YouTube,” 4.

¹³⁸ Kopf, “Rewarding Good Creators,” 7.

who found the existing economic model insufficient or unfair and sought to create an alternative that would reduce their reliance on ad-based economic systems. The overwhelming success of these platforms could be in part explained by their connection to the world of creators and audiences and the audience's general understanding that traditional networks do not enable the creation of quality and worthwhile art and knowledge, as well as awareness of predatory techniques on the part of these big networks. For many, it became a story "of the people and for the people," exemplifying the exact type of collective action that much of the Marxist reading of digital labour calls for. Substack is an example of taking a prime position in the niche of long-form written content which did not have an adequate monetization system previously. Their decision to focus on the creator-consumer relationship, eliminating advertising and allowing authors to gather direct revenue from their readers recognises the value of this art form and allows audiences to decide its worth, rather than an algorithm that would favour the "emptiness of thought" for its ability to entice and distract. Nevertheless, a counterargument can be made against the optimistic interpretation of these platforms, in which they are perceived as centralizing the enthusiastic creative efforts of users under the purview of digital entrepreneurs, reminiscent of the prevailing control exercised by contemporary IT corporations. These platforms, often overseen by so-called "tech bros," exert authority over the spaces where cultural workers converge, profiting from the value generated by these creators.¹³⁹ Nonetheless, a glimmer of hope emerges from the historical narrative presented in prior chapters, suggesting the possibility of a divergent trajectory this time around. The success of subscription platforms such as these signals to us the audiences and creators' readiness to move to a version of cultural consumption that is not run by ads and algorithms but is instead decided by the people's financial investment. After all, money is the fuel that makes the engine for culture work, and under the current system, any viral digital asset is not guaranteed to have

¹³⁹ Fischer, *Media and New Capitalism*, 111.

earned its creator an income. By eliminating the advertising middleman, these platforms make way for a world in which value is determined by the audience in the form of direct financial compensation. In these conditions, users are no longer mere data providers while creators are reduced to eyeball accumulators and product influencers; instead, the users have the power and agency to choose the type of art they wish to create/consume, its distribution, relationship with consumers and revenue streams. In the case of Substack and Patreon, the platform takes a minimal cut of the subscription, transferring the majority of the value earned to the creator. While Nebula shares only 50% of its subscription revenue with its pool of creators in comparison with YouTube's 45% cut, it invests significantly more into the creators' original projects, facilitating the production of high-quality cultural assets. The platforms, then, lose the role of judge, jury and executioner and become mere facilitators of cultural production, rather than extractors of its value. Nor do they restrict the creator to produce within the confines of the platform, unlike traditional social platforms. Disconnected from the addictive web of never-ending content, audiences develop the agency to choose their content diet and grow a deeper relationship with creators.

The fan-supported model has a transformative impact on both creators and their audiences. These models liberate creators from the constraints of ad-optimized algorithms and allow them to focus on delivering value to their audiences. It highlights the prevalent reliance on algorithmic optimization in traditional networks like YouTube, Instagram, and TikTok, where content creators must adapt their production to align with opaque algorithmic rules. In contrast, the direct subscription platforms under examination offer user-friendly interfaces and do not impose stringent limits on content formats. This allows for a more unencumbered and productive distribution of cultural content to direct supporters. Furthermore, the fan-supported model negates advertiser censorship, which has been problematic on platforms like YouTube. Major network platforms have been criticized for opaque and stringent content moderation

practices, forcing creators to self-censor. In contrast, fan-supported models eliminate the pressure to conform to advertiser-friendly content, enabling creators to be accountable solely to their audience. These platforms also offer simplicity and universality in their value proposition, allowing creators the freedom to interact with their fans without being locked into the platform. Creators can easily access their supporters' contact information and move their operations to independent spaces. The absence of platform lock-in is further enhanced by the strong parasocial relationship between creators and paying fans, who are more likely to follow creators to new platforms. This model provides creators with a stable income independent of advertisers and technological changes, fostering the democratization of artistic expression. Active and paying subscribers become a valuable and engaged audience, allowing creators to shape their future, art, and revenue according to their artistic vision and audience preferences.

Delineating the transformation of the digital landscape through the ad-based model has emphasised the shift from a diverse and unique array of social media platforms to a more homogenized and attention-driven environment. Early social media platforms were distinct in their purpose, user bases, and features, creating a sense of community and personal connection. However, the current digital landscape is marked by a convergence of features and a competitive struggle for user attention. Major platforms increasingly resemble one another, and the need to capture users' attention has led to the adoption of similar features and algorithms. The emphasis on short-form video content, epitomized by TikTok, has further cemented the ad-driven social media model, focusing on prolonged screen time and passive consumption. From the consumer's point of view, the subscription model is an alternative to infinite feeds and algorithm-driven content consumption. Subscriptions encourage a deeper parasocial relationship between users and content creators, fostering active engagement and conscious content selection. By contributing financially to creators, users take control of their digital experience, curating their information intake and supporting the creators and art of their choice.

This approach shifts the balance of power from algorithms to users, allowing for a more intentional and thoughtful digital experience. Moving away from ad-driven social media platforms is essential to return to a path of a more optimistic and participatory Internet.

Digital technology, like any technology, remains a mere tool, the morality of which is determined by the hand that wields it. It is unrealistic to expect that the problems identified in this work, as well as by various philosophers, can be solved by eliminating the technologies that congregate cultural expression. At the end of *Age of Disruption*, Bernard Stiegler refrains from offering practical solutions, but his main goal is to reconsider the degree to which cultural expression is centralized and determined by algorithms and profit-driven information flow. The present work has attempted to elaborate his argument on a practical example and evaluate the viability of an alternative system. Future research on the subject could explore the intricate details of such models working in practice through thorough quantitative means. While there is already some research into Patreon, it would be worth looking into the missing figures from Substack and Nebula to further emphasise the point of this thesis. On a higher level, this thesis argues that the subscription-based creator economy presents a novel mode of information dissemination, reinstating conventional power relations and restoring agency to creators and users, because it is impossible to evaluate the state of our collective digital experience without taking into account the creator economy that permeates virtually all online interactions.

The sense of hopelessness articulated by Stiegler arises from the acute powerlessness ascribed to consumers and creators by IT platforms and advertisers. It is precisely this issue that subscription models attempt to address. This approach not only addresses the melancholic side effects of existing within digital structures but also fosters aspirations for a more liberated and expressive manifestation of digital tertiary memory. In the subscription-based creator economy, the three main entities – the creator, the consumer and the IT company – pursue the same goal of creating, finding and exchanging value knowledge. The exchange of behavioural

surplus, a practice commonly associated with major social media companies, no longer depends on advertisers' involvement and is redirected toward enhancing the core functionality of these platforms. Value knowledge or any other type of cultural production is no longer required to fit the algorithmically acceptable mould of omnipresent content, allowing for better, more thoughtful creation and distribution. As the financial aspect of subscriptions renders users' engagement with cultural products more tangible than mere time spent, the perceived value of these products appreciates. Consequently, over time, the audience ceases to anticipate entertainment and distraction from every social media application. Fan subscriptions give freelance cultural workers a new balanced model for fair compensation for their cultural labour, something that the traditional media apparatus continues to grapple with. As advertising and sponsorships became more prevalent and the influencer industry flourished, audiences became cognizant of differences between commercial and non-commercial content as well as the labour behind content creation.¹⁴⁰ By giving audiences the option to pay for their entertainment, knowledge or art directly, this model highlights the amount of productive labour that goes into creating these assets which was previously obscured by language of enthusiastic participation.¹⁴¹ This labour is no longer exploited but distributed to the hands of active value-adding creators, resulting in the democratization of cultural production. At the same time, it negates the detrimental effects of the homogenization of consciousness, allowing for novel forms of distributing art and knowledge, unencumbered by the algorithmic flow. The subscription model of the creator economy, demonstrated by Substack, Nebula and Patreon, shows that producing and engaging with cultural memory does not have to be restricted by the platformization of cultural expression, and instead provides avenues for free and participatory production of cultural goods.

¹⁴⁰ Rieder, et al., "A Large-Scale Study of Linking on YouTube," 5.

¹⁴¹ Fuchs, *Digital Labour*, 27.

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Abstract

This thesis evaluates the potential viability of the subscription-based creator economy by analysing three subscription creator platforms, Substack, Nebula and Patreon. Drawing on Bernard Stiegler's work in the sphere of digital technologies, this study argues that the alternative mode of information dissemination demonstrated by these platforms presents a more equal distribution of power between the players in the creator economy and a healthier, more thoughtful content creation and consumption, in contrast to the algorithmic distribution of information of the traditional advertiser-driven social media networks. The research focuses on delineating the circumstances which led to the political and spiritual malaise of modern online generations described by Stiegler and examines how subscription-based platforms attempt to combat the harmful effects of major social networks. The creator economy is an integral part of almost every online interaction, therefore evaluating alternative economic models can be the key to improving the declining quality of the online user experience. The use-case analysis will involve assessing the business model, as well as the impact on the relationship between the creator, consumer and the IT platform, employing the digital labour theory proposed by Christian Fuchs.

Findings indicate that subscription creator platforms hold the potential to restore the balance of power between the creator, consumer and the IT company. By allowing online creators to monetize their content through a direct relationship with their audience, this model gives the creator control over their content, its distribution and dissemination practices. For the consumer, a conscious monetary effort returns agency over content consumption absent from algorithmically driven networks. While the model has obvious drawbacks, it presents a better, more equal and more thoughtful alternative to traditional social media.

Keywords: digital capitalism, creator economy, user-generated content, surveillance capitalism, spectacle society, egalitarianism, digital labour

Abstrakt

Tato práce se pokouší zhodnotit potenciální životaschopnost ekonomiky tvůrců založené na předplatném analýzou tří platforem které jsou založené na modelu předplatného, Substack, Nebula a Patreon. Tato studie vychází z práce Bernarda Stieglera v oblasti digitálních technologií a tvrdí, že alternativní způsob šíření informací, který tyto platformy umožňují, představuje rovnoměrnější rozdělení moci mezi aktéry v ekonomice tvůrců a zdravější, promyšlenější tvorbu a spotřebu obsahu, na rozdíl od algoritnické distribuce informací tradičních sociálních sítí, které jsou řízené inzerenty. Výzkum se zaměřuje na vymezení okolností, které vedly k politickému a duchovnímu neklidu moderní online generace popsané Stieglerelem, a zkoumá, jak se platformy založené na předplatném pokoušejí bojovat proti škodlivým účinkům dominantních sociálních sítí. Ekonomika tvůrců je nedílnou součástí téměř každé online interakce, proto hodnocení alternativních ekonomických modelů může být klíčem ke zlepšení klesající kvality online uživatelské zkušenosti. Analýza případu užití bude zahrnovat posouzení obchodních modelů, a také dopadu na vztah mezi tvůrcem, spotřebitelem a IT platformou s využitím teorie digitální práce navržené Christianem Fuchsem.

Zjištění naznačují, že platformy pro vytváření předplatného mají potenciál obnovit rovnováhu sil mezi tvůrcem, spotřebitelem a IT společností. Tím, že online tvůrcům umožňuje zpeněžit svůj obsah prostřednictvím přímého vztahu se svým publikem, dává tento model tvůrcům kontrolu nad jejich obsahem, jeho distribucí a postupy šíření. Pro spotřebitele, vědomé peněžní úsilí vrací agenturu nad spotřebou obsahu, který chybí v algoritmicke řízených sítích. I když má tento model zjevné nevýhody, představuje lepší, rovnocennější a promyšlenější alternativu k tradičním sociálním médiím.

Klíčová slova: digitální kapitalismus, ekonomika tvůrců, uživatelsky generovaný obsah, dozorový kapitalismus, spektakulární společnost, rovnostářství, digitální práce