Putting people first in the digital age

The rise of digitalisation has made Karl Marx more significant for social democrats than ever

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Karl Marx is one of the towering figures of our recent history, so it's absolutely right for us to be celebrating his 200th birthday. All we need do is look at the books published in recent years to realise that Marx is 'in'. And that's a good thing because his work is more topical than ever, and contemporary efforts to build on his ideas have often been both valuable and insightful.

Almost 30 years after the end of the Cold War, we can talk about Marx without immediately having a label slapped on us. We can take in his full personality – the extraordinarily multifaceted yet also contradictory thinker, journalist, scholar and politician that was Karl Marx.

His analysis and thinking had an unparalleled influence on the 20th century, both in Europe and across the world. It inspired social democracy and gave us a clear view of the essence of capitalism.

Karl Marx was a formative influence on Germany's Social Democratic Party (SPD), which primarily defined itself as a Marxist party – from the introduction of the Anti-Socialist Laws in the 19th century until the Godesberg programme of 1959. The party was guided by the idea that the old order would someday collapse and that something new would emerge in its place.

This certainty of the coming of a future socialist society, taken from Marx, fostered a clear direction, faith in progress, fighting spirit and sense of community.

Of course, it wasn't long before the Marxist social democrats witnessed a difficult-to-bridge gulf open up between two different programmes: on the one hand, the perspective of a grand revolutionary transformation; on the other, a practice of concrete, gradual reform aimed at improving living conditions – what Günter Grass once called the 'arduous snail's

crawl'. Disputes between these two sides raged within the SPD: fascinating debates about the party's goals and the best ways to achieve them. We too need to cultivate passion about the direction in which we want to lead our society.

The days when the SPD was an exclusively Marxist party are of course long gone today, but views and values that can be traced back to Marx still have their place in our pluralistic 'broad church'.

Marx becomes of interest again when the welfare state, social mobility, middle-class society and the value of work can no longer be taken for granted. Today's unfettered capitalism operates according to the Marxist dialectic: on the one hand, it generates incredible technological and economic progress, which has led to the prosperity of the modern era.

But on the other, it subjugates people to these conditions and brings crises, loss of control, alienation, exploitation, inequality, concentration of power and environmental destruction. In Marx's analysis, the maximisation of profit is structurally embedded in capitalism. Deregulation and neoliberalism have brought this inherent dynamic back into view.

Since the 2008 financial crisis, there has been renewed analysis of what Marx called 'fictitious capital', which had a devastating effect on many people when the crisis broke out, with repercussions that can still be felt right down to the present. Meanwhile, Marx's notion of the 'world market' is relevant to our present-day experiences of globalisation.

So, yes, it is worth taking a closer look at digital capitalism through the prism of Marx. Because many of the developments during the First Industrial Revolution, which Marx was so occupied with, are similar to ones in the Fourth Industrial Revolution, which we are occupied with today.

At the start of the First Industrial Revolution, a completely unregulated, uncoordinated, at times erratic and contradictory phenomenon emerged: early capitalism. This new 'mode of production', as Marx called it, arose through a combination of social, technological and economic developments.

As this new mode of production established itself, there was a gold-rush atmosphere on the one hand, with ingenious ideas, exorbitant profits, enormous new monopolies and a vast concentration of economic power. On the other hand, there was also impoverishment, insecurity and a degrading lack of autonomy. Only when workers began to organise and

unite were they able to prevail against what Marx called the 'exploitation of man by man'.

The abolition of child labour and the introduction of the eight-hour day, worker participation in companies and factories, protection from dismissal – all these and many more things were achieved by the labour movement. And they were inspired and motivated by Marx.

In this process, the SPD functioned as what German author Sascha Lobo has called the *Technologie-Bewältigungspartei*, or the 'dealing-with-technology party'. It helped to ensure that technological progress led to social progress too.

I believe this is more topical than ever in the present day; we are experiencing something similar today. We are witnessing the rise of digitalisation, which is leading to a new mode of production – a new, digital capitalism.

We are at the beginning of this development. And it's a deeply impressive one. Digitalisation permeates every area of our work and lives. All social relations are being revolutionised, to paraphrase Marx.

And just like at the start of industrialisation, we see incredible wealth, impressive and sometimes globe-spanning monopolies – Google, Amazon, Facebook, Apple – and a vast concentration of power. At the same time we are witnessing new social upheavals and appalling forms of exploitation. Capitalism's Janus-faced nature, so precisely captured by Marx, has again become apparent – and with it a new mission for social democracy, which needs to help shape this development.

At the SPD party conference in Wiesbaden, I explained why we social democrats should be guided by the principle of solidarity when introducing new rules for digital capitalism – and ensure that technical progress serves everyone.

Why do we need a new model of a solidarity-based market economy? The rules of the post-war social market economy were based on the assumption of continuous growth and increasing prosperity. With these rules, we ensured that increasing prosperity benefited everyone, that people had a safety net against the big risks of life and that mobility through education was possible regardless of gender, class or background.

This model has been in crisis since the late 1970s. The trickle-down effect of Western post-war capitalism has changed. Now those who are already prosperous and those who are top earners rise ever higher, while

the majority of workers are casting their gazes downwards rather than upwards.

For many, the issue is no longer about *improving* but *maintaining* their status. And this has far-reaching consequences including, unfortunately, for our country's political landscape.

On top of that, there's now also a new pattern of crisis: it is a characteristic feature of the digital, connected world that risks and crises become more unpredictable, without it being clear who will be affected. This is making the world nebulous, and people have a vague sense of insecurity. These days, we have simultaneous growth and insecurity.

De-skilling is as big a threat as job cuts. Digitalisation is upturning entire markets; someone who thought they had a secure job at Nokia yesterday can find themselves looking at an iPhone the next day. The libertarian pioneers from Silicon Valley describe this process as *disruption* in euphoric tones.

The belief that things are constantly getting better has disappeared from our world. It is possible this could change again, if we can set the rules for digital capitalism in a way that allows fascinating technical progress to actually benefit people too. For example, by improving medical care, by doing away with work that is hazardous to health or by generating more resources for human-to-human services, with mechanisms that allow everyone to share in the profits of this economy.

A solidarity-based economic order means having rules and rights that protect those who create value, rather than favouring those who skim off the value created by others – as is currently the case.

Since the transformation can affect anyone, with its impact extending deep into the well-qualified middle class – the hard-working master tradesperson, the family business owner, the highly skilled worker – the idea of a solidarity-based community is strong. A solidarity-based market economy means giving other people security and support, even if you yourself are not currently affected.

This promise of taking responsibility for each other can only be given by a community. It is the strongest answer we can give to the upheavals of our time. Stronger than nationalism and racism. Someone who promises they can make the world more manageable by embracing national and authoritarian solutions is simply preventing genuine social progress, and creating the opposite of security.

Marx frequently turned his attention to the significance of work, or, in his terminology, labour. He was interested not just in the role played by work and the surplus value it produces for an economic system, but also in its significance for every individual, as an activity that generates meaning and identity. It's precisely these questions that are once again at the heart of our discussions about the changing future of work today.

The most important means of production are no longer just machines and factories, but data. Data is the raw material of artificial intelligence, probably the most important cross-sectoral technology of our day. Without data, no algorithm can learn. Without data, there would be no search engines, no advertising-funded social media networks, no booming app industry, no internet of things, no self-driving cars. Whoever possesses data has power.

At the same time, data capitalism has a tendency towards monopolies. Platforms like Google, Facebook and Amazon are more attractive for everyone if they have lots of customers. This is what economists call the 'network effect'. This effect isn't just problematic in terms of competition: there's also the issue of whether these companies will have power over us in the future and will be able to control our behaviour.

We need answers to the question of how we can use the productive power of digitalisation for a modern, solidarity-based market economy.

How about for example requiring big platforms above a certain size to share their data (anonymised, of course) with their competitors? That would make data a common good and foster genuine competition. We need to consider issues such as whom data belongs to, and who can do what with it.

We also need to recognise that the old idea of cooperatives could have been made for the digital age. Under this model, the platforms and data would not belong to Silicon Valley monopolists, but to the involved companies or citizens, who would get to decide on the rules of the game and the data. Why don't delivery services belong to restaurants? And why is there no 'Facebook cooperative'?

These two suggestions aren't intended as fully worked-out answers, but we do need to get clear about the scale of the challenges, the questions and answers and, most dauntingly, the need to fight for the changes we want to see.

Because this kind of thing isn't going to be presented on a platter. Making data into a common good or at least regulating its use will be a

huge struggle every inch of the way, as we're already discovering at European and national level. With each of these measures, we can shift digital capitalism towards serving people a little bit more, and embedding and circumscribing it within society.

Another question that belongs at the centre of our democratic debate concerns the risks and opportunities that artificial intelligence brings with it and the political action that is needed to shape this process. Just like at the start of the First Industrial Revolution, it's a matter of not simply accepting a development, but understanding it as something made by humans and thus also capable of being shaped by them. The work of Marx offers crucial questions and impulses that help us to analyse capitalism and the forces that drive it.

The Marxian utopia – the 'association in which the free development of each is the condition for the free development of all' – will probably remain a dream. But it is a good dream.

And it can be a guiding vision for the day-to-day practice of reform and active solidarity that we urgently need in this country and that will hopefully invigorate our process of renewal.

This text is an excerpt from a speech given in German by Andrea Nahles at the SPD executive committee's commemorative event '200 Years of Karl Marx', which was held in Trier on 5 May 2018. This translated version was lightly edited for clarity.



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