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Introduction: Information Capitalism

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The far-reaching social, economic and political changes due to recent advances in information and communications technologies (ICTs) in tandem with the globalisation of trade, investment, production and consumption have heralded the rise of ‘information capitalism’, or ‘knowledge capitalism’. Information capitalism is referred to as the economic logic of post-industrialism that posits a rupture in the articulation of industrial capitalism, which was based on social labour, industrial capital, manufacturing and bulk production. Information or knowledge capitalism is not a continuation of industrial capitalism by other means. Also, it is not merely a form of hyper-industrialism or post-Fordist flexible production arrangement. It indicates a rupture of industrial capitalism and the evolution of an entirely new economic dynamics. The morphing of industrialism into informational capitalism occurred with a fundamental change in the meaning and significance attributed to knowledge as well as the changing relationship between capital, labour and knowledge. Economic changes do not take place in a political–economic vacuum. The newly evolving informational economy is a reflection of the social and political changes taking place in the world at large due to various factors, most notably the globalisation of businesses and the increasing global integration of local and national economies and markets.

Until the rise of the so-called knowledge capitalism, the industrialised world was made up of Western Europe, North America and Japan; only a handful of developing countries, especially the four Asian ‘tigers’, seemed to have made it to the industrial capitalist camp as fully fledged members. Of late, China has made tremendous progress as an industrial manufacturing giant whose export-led economy has been growing at breakneck speed, while neighbouring India has made only marginal
strides in the area of manufacturing and export-led industrialisation to eradicate rampant poverty and deprivation. China has also performed better than India on every economic indicator.

In a totally unexpected way, recent advances in ICTs appeared to have opened up new opportunities for India as a major exporter of information technology-enabled services (ITES) and software services, thanks to economic globalisation and liberalisation of the domestic economy. Information technology-led development has spurred renewed hopes and expectations of India’s becoming a major economic power. For example, India’s emergence as an outsourcing ‘super power’, made possible by its capabilities in the software and ITES sectors, has rekindled the hope that large-scale employment possibilities would be opened up for millions of college-educated Indians. The foreign exchange windfall from the export of software and ITES is touted to power the engine of India’s economy in the coming decades.

Concurrently, a resurgence of ICT fetishism and cyber-libertarian development thinking has enveloped the discourse on information revolution and socio-economic development in the world, which has been spearheaded by prominent international development institutions since the 1990s. This euphoria on the prospects of IT-led development is more rampant in India than anywhere else in the developing world. This euphoria also occurred with the gradual disappearance of various modernisation theories of development and their displacement with neo-liberal development discourse towards the end of the twentieth century. What globalisation and the emergence of the so-called ‘knowledge economy’ has brought about is a total erasure of such hitherto notions as agency, causality, historical memory, welfare state, social democracy and, ultimately, the very idea of progress through large-scale social transformation. In developing countries, debates on such historical legacies as colonialism, imperialism and exploitation of their resources have been turned upside down. In the evolving neo-liberal political discourse on change and development, victims have become the new aggressors. Their poverty and deprivation is blamed on their own intransigence and failure to help themselves. Although most developing countries’ abject failure to eradicate poverty and deprivation cannot be blamed exclusively on geo-political problems they had inherited post-independence, and, of late, vitiated by the dizzying frenzy of the forces of globalisation, the larger political economy question of external factors that also compounded their impoverishment and economic dependence became a non-negotiable or even non-debatable topic. The radical turnaround in the terms of development debate from its geo-political dimensions