



Digital Capitalism and Social Inequality: A Critical Analysis

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Abstract

Introduction: Digital capitalism has emerged as a dominant mode of economic organization in the twenty-first century, transforming production, labor, governance, and everyday social relations through data extraction, platformization, and algorithmic control. Although digital technologies are often celebrated for promoting innovation, efficiency, and inclusion, growing scholarly debates suggest that digital capitalism also reproduces and intensifies existing forms of social inequality. Previous studies have largely focused on either technological advancement or economic transformation, with limited emphasis on the interconnected structural, political, and social dimensions of inequality within digital capitalism.

Methods: This paper adopted a conceptual and critical research design based exclusively on secondary data. A comprehensive review of peer-reviewed books, journal articles, policy reports, and scholarly publications was conducted using perspectives from critical political economy, sociology of technology, neoliberalism, and theories of power and inequality.

Results: The study demonstrates that digital capitalism generates and sustains inequality through platform monopolies, surveillance practices, precarious digital labor, unequal digital infrastructures, and algorithmic forms of control. These mechanisms disproportionately disadvantage marginalized populations along lines of class, gender, geography, and the Global North–South divide. The analysis further reveals that states and global regulatory institutions often facilitate digital accumulation by weakening labor protections and limiting democratic accountability. At the same time, technological change operates within broader structures of neoliberal globalization and capitalist power relations rather than as a socially neutral process.

Conclusion: Digital capitalism reflects the complex interaction between technological innovation, economic accumulation, and structural inequality. Addressing the widening socio-economic disparities of the digital age requires democratic governance of digital



infrastructures, stronger regulatory frameworks, protection of labor rights, and alternative models of inclusive digital development.

Originality: This study contributes to existing scholarship by integrating political, economic, technological, and sociological perspectives into a single analytical framework to examine how digital capitalism reproduces inequality. Unlike many studies that focus narrowly on technological innovation or economic growth, this research provides a comprehensive critical analysis of the structural mechanisms and power relations shaping inequality in the digital era.

Keywords: Digital capitalism, social inequality, platform economy, political economy

Introduction

The rapid expansion of digital technologies over the past few decades has fundamentally transformed the organization of economies, governance systems, and everyday social life. “Each technological revolution, originally received as a bright new set of opportunities, is soon recognized as a threat to the established way of doing things in firms, institutions, and society at large”, (Hilbert, 2020, p. 191). Digital platforms, algorithmic decision-making, big data analytics, and networked communication systems now mediate how people work, communicate, consume information, and participate politically. While these transformations are often celebrated for their promise of efficiency, innovation, and democratization, they have simultaneously given rise to a new phase of capitalism such as commonly conceptualized as digital capitalism. “Social Media technologies have affected norms of political communication in general and political activism in particular”, (KhosraviNik, 2018, p. 430). This emerging form of capitalism reorganizes production, accumulation, and power through digital infrastructures, enabling unprecedented concentrations of economic and political influence in the hands of platform corporations, data monopolies, and transnational technology firms. As a result, the digital realm has become a critical site where contemporary inequalities are produced, normalized, and contested.

Digital capitalism differs from earlier industrial and neoliberal forms of capitalism not merely in its technological base but in its capacity to commodify information, attention, and human behavior itself. Data has emerged as a central source of value extraction, transforming users into both consumers and unpaid producers of digital labor. “Platformization can thus be broadly understood as the employment of new digital mechanisms for market dominance, driving a process of privatization and digitalization of regulatory functions for which capitalism have previously had to rely on the state”, (Törnberg, 2023). Social media interactions, online searches, biometric data, and digital footprints are continuously harvested, analyzed, and monetized, often without meaningful consent or transparency. “Social media platforms have become a primary source of political discourse, making them valuable tools for studying political opinions and trends”, (Ahmed, 2021, p. 207). This process has intensified existing class inequalities while simultaneously creating new hierarchies based on digital access, algorithmic visibility, and platform dependency. Those who control digital infrastructures gain disproportionate economic power, while marginalized populations are frequently subjected to



surveillance, exclusion, and precarious forms of work, reinforcing structural inequalities under the guise of technological neutrality.

Beyond the economic domain, digital capitalism has profound socio-political implications that reshape democratic practices, citizenship, and public discourse. Digital platforms increasingly function as political intermediaries, shaping what information is visible, whose voices are amplified, and how political opinions are formed. “They are all united through one platform – a platform that knows more about voters’ personal preferences, political engagement and psycho-graphic trigger points than many governments in this world”, (Helberger, 2020, p. 842). Algorithmic governance influences electoral behavior, policy priorities, and public opinion, often in opaque and unaccountable ways. While digital spaces have enabled new forms of political mobilization and resistance, they have also facilitated misinformation, polarization, and the manipulation of public sentiment. “These geographical relationships evoke political and historical patterns of domination, affecting users in different ways depending on their location”, (Casilli, 2017, p. 3943). Consequently, socio-political inequality is not only reflected in unequal access to digital tools but also in unequal capacities to influence political narratives and decision-making processes within digitally mediated public spheres.

Importantly, the inequalities generated by digital capitalism intersect with existing social divisions related to class, gender, ethnicity, geography, and global power asymmetries. The digital divide persists not merely as a question of access to technology but as a deeper issue of digital literacy, cultural capital, and institutional inclusion. “These digital platforms enable rapid, wide-reaching communication and have facilitated both global and local campaigns with unprecedented speed and scale”, (Hasan & Paul, 2025). In the Global South, digital capitalism often reproduces dependency patterns, where local economies and political systems are integrated into global digital networks dominated by corporations based in the Global North. “This is also due to the fast spread of ride-hailing apps and location-based platform work in the Global South, and the transnational learning processes of digital platform workers in informal cross-border networks”, (Schmalz et. al., 2023). This uneven digital integration exacerbates socio-political inequality by limiting local autonomy, weakening labor protections, and reinforcing asymmetrical relations between states, markets, and citizens.

Against this backdrop, this study seeks to critically examine the relationship between digital capitalism and socio-political inequality through a sociological and political economy perspective. By situating digital transformations within broader structures of power, capital, and governance, the article moves beyond technological determinism to reveal how digital systems are socially constructed and politically embedded. The central argument advanced here is that digital capitalism does not merely reflect existing inequalities but actively restructures them, creating new forms of exclusion while reshaping the conditions of political participation and social justice. Understanding these dynamics is essential for rethinking democracy, regulation, and social equity in an increasingly digitalized world.



Sources and Methods

This study adopts a qualitative, interpretive research design grounded exclusively in secondary sources to examine the relationship between digital capitalism and socio-political inequality. The research is conceptual and analytical in nature, drawing on interdisciplinary scholarship from sociology, political economy, media studies, and digital governance. Rather than treating digital transformation as a neutral technological process, the study situates digital technologies within broader social, economic, and political structures that shape inequality, power, and democratic participation.

The literature review was conducted through systematic searches in major academic databases, including Google Scholar, JSTOR, Scopus, and Web of Science. Additional materials were collected from reports and working papers published by international organizations, policy institutes, and research centers focusing on digital governance, inequality, and technology policy. The literature reviewed primarily covered publications produced between 2000 and 2025, reflecting the rapid expansion of platform economies, data-driven technologies, and digital governance during this period. However, selected classical works in political economy and sociological theory were also included to provide historical and theoretical grounding.

The search strategy employed combinations of keywords such as “digital capitalism,” “platform economy,” “digital labor,” “algorithmic power,” “surveillance capitalism,” “data commodification,” “digital divide,” “platform monopoly,” and “socio-political inequality.” Sources were selected based on three main criteria: (1) theoretical relevance to digital political economy and inequality, (2) methodological rigor and scholarly credibility, and (3) contribution to debates on power, governance, and technological transformation. Peer-reviewed journal articles, academic books, edited volumes, and authoritative policy reports written in English were included. Sources lacking scholarly credibility, clear methodological grounding, or direct relevance to the research topic were excluded.

The analytical procedure involved thematic and conceptual analysis of the selected literature. Texts were systematically reviewed to identify recurring themes and analytical patterns related to data commodification, platform governance, digital labor, surveillance, political participation, and algorithmic control. Comparative analysis was used to examine convergences, contradictions, and tensions across different theoretical perspectives, particularly between neoliberal, critical political economy, and power-centered approaches. Thematic saturation was considered achieved when newly reviewed sources no longer introduced substantially new conceptual categories or explanatory dimensions. In cases where scholarly disagreements emerged, the study adopted a critical synthesis approach by comparing competing interpretations and situating them within broader structural debates on capitalism, democracy, and technological power.

Through this method, the study develops a coherent analytical framework that explains how digital capitalism reproduces and intensifies socio-political inequality across economic, institutional, and cultural domains. The secondary-source-based methodology enables a



theoretically grounded and reflexive interpretation of digital inequality while minimizing empirical overgeneralization and contributing to broader discussions on regulation, democracy, and social justice in the digital age.

Literature Review

Scholarly discussions on digital capitalism have evolved from earlier analyses of information society and post-industrial economies. Early theorists such as Daniel Bell (1973) emphasized the growing importance of knowledge and information in advanced societies, while Manuel Castells (1996) conceptualized the ‘network society’ as a new social structure shaped by information technologies and global flows of capital. “The network society is less inclusive than the mass society”, (Dijk, 2001, p. 36). These foundational works highlighted the transformative capacity of digital technologies but often maintained an optimistic outlook regarding connectivity and innovation. “With rising connectivity in the industrial Internet and falling costs for connecting, storing, and processing machine data, predictive maintenance and optimized operations have enhanced efficiency and contributed greatly to more sustainable resource use”, (Brenner, 2018). Subsequent scholarship, however, has problematized these assumptions by demonstrating how digital infrastructures are embedded within capitalist relations, thereby reproducing power asymmetries rather than dissolving them. “Data infrastructural systems need radical democratic restructuring and redistribution of responsibility which actively centers the voices and experiences of those most negatively impacted by the ongoing and expanded inequalities of material extraction during current environmental transitions”, (Brodie, 2023, p. 14). This shift marked the emergence of digital capitalism as a critical analytical framework rather than a descriptive technological category.

A substantial body of literature situates digital capitalism within the tradition of Marxist and neo-Marxist political economy. Scholars such as Christian Fuchs (2014) argue that digital platforms extend capitalist exploitation into everyday life by extracting surplus value from user-generated content and unpaid digital labor. Similarly, Nick Srnicek (2016)’s analysis of platform capitalism highlights how monopolization, data accumulation, and network effects enable a small number of corporations to dominate global markets. “Platforms extend the ambit of global production and trade beyond the conventional pillars of commodities and manufactured goods, and financial markets”, (Howson et. al., 2022, p. 634). These studies emphasize that digital capitalism intensifies class inequality by concentrating ownership and control over digital infrastructures, while workers and users face precarious labor conditions, algorithmic management, and declining bargaining power. “Digitization is transforming work in numerous different ways, and changing business strategies, job profiles, organizational policies, chains of productions, and forms of employment as well as labor relations”, (Philipp Staab, 2016, p. 458). In this view, digital technologies do not eliminate exploitation but reconfigure it in more diffuse and less visible forms.

Another influential strand of literature focuses on surveillance, data commodification, and power. Shoshana Zuboff (2019)’s concept of ‘surveillance capitalism’ has been particularly significant in demonstrating how personal data is transformed into predictive



commodities for behavioral control and profit. This literature highlights how digital platforms systematically monitor users, eroding privacy and autonomy while reinforcing asymmetrical power relations between corporations and individuals. “The platform owner accumulates power in five forms: constitutional, juridical, discursive, distinction, and crowd”, (Harracá et. al., 2023, p. 442). Scholars argue that surveillance practices disproportionately affect marginalized communities, who are more likely to be subjected to algorithmic profiling, predictive policing, and welfare surveillance. Thus, socio-political inequality under digital capitalism is not only economic but also deeply rooted in differential exposure to monitoring and control.

The relationship between digital capitalism and political processes has also received growing attention. Research on algorithmic governance and platform politics reveals how digital technologies shape political communication, public opinion, and democratic participation. Scholars have examined how social media platforms influence electoral campaigns, amplify misinformation, and facilitate political polarization. “Access to digital technology is about digitally including all people”, (Evans et. al., 2022, p. 5). While some studies emphasize the emancipatory potential of digital activism and networked movements, others caution that corporate control over digital spaces limits genuine democratic deliberation. “The internet was positioned as causing the protests, as technological modernity was positioned as bringing with it political modernity, thus leading to the overthrow of long-standing dictatorships”, (Smith, 2017, p. 1). The privatization of digital public spheres, governed by opaque algorithms rather than public accountability, has emerged as a central concern in understanding contemporary socio-political inequality.

The concept of the digital divide constitutes another major area of scholarly debate. Earlier studies focused primarily on access to technology, but more recent literature adopts a multidimensional perspective that includes digital skills, usage patterns, and outcomes. Researchers argue that inequalities in digital literacy and cultural capital reinforce existing class, gender, and ethnic hierarchies. “They hone their digital skills and seamlessly integrate them into school and classroom activities, a trend highly appreciated and valued by teachers, albeit not in terms of a valued signal of cultural and class distinction”, (Pitzalis & Porcu, 2024). Access alone does not guarantee empowerment; rather, the capacity to meaningfully engage with digital technologies determines who benefits and who is excluded. This perspective highlights how digital capitalism creates stratified forms of inclusion, where marginalized groups are often integrated into digital systems in exploitative or subordinated ways.

Global and postcolonial perspectives further complicate the literature on digital capitalism and inequality. “The economic gap between North and South is growing, the gap between rich and poor is deepening, and the environmental crisis has become a challenge for the survival of humanity”, (Magar, 2025, p. 50) Scholars examining the Global South emphasize how digital economies are embedded in unequal global power structures, where data extraction, platform dependency, and technological standards are dominated by corporations based in the Global North. “The future of digital technologies in the global South will be marked by many developmental benefits of digital systems”, (Heeks, 2022, p. 698). This



literature draws attention to digital neo-colonialism, arguing that digital capitalism reproduces historical patterns of dependency by limiting technological sovereignty and local regulatory capacity. In this context, socio-political inequality is shaped not only within states but also across transnational digital regimes that constrain policy autonomy and democratic governance.

Despite the richness of existing scholarship, the literature remains analytically fragmented, often treating economic, political, and social dimensions of digital capitalism in isolation. Many studies focus either on labor and economic exploitation or on political communication and governance, without sufficiently integrating these perspectives. This gap underscores the need for a holistic analytical framework that captures the interconnected nature of digital capitalism and socio-political inequality. By synthesizing insights from political economy, sociology, and critical digital studies, the present study seeks to contribute to this integrative effort, offering a structurally grounded understanding of how digital capitalism reshapes inequality in contemporary societies.

Results

Digital Capitalism as a New Socio-Political Structure

The findings from the reviewed literature strongly indicate that digital capitalism has evolved into a new socio-political structure that reorganizes power across society. Rather than functioning solely as an economic system driven by innovation and efficiency, digital capitalism reshapes the institutional foundations of governance, public authority, and citizenship. “It has been widely assumed that democratic governments are unable or unwilling to correct this through redistribution”, (Soskice, 2021). Digital platforms increasingly operate as quasi-political institutions, regulating social behavior, controlling information flows, and influencing policy agendas. In many contexts, they rival or even surpass the state in their capacity to shape everyday life. This transformation alters the balance of power between citizens, the market, and the state, often weakening democratic institutions while strengthening private corporate authority. “Digital transformation has brought fundamental changes to the global governance system”, (Asrijal et. al., 2025, p. 86).

From a socio-political perspective, inequality emerges because decision-making power is systematically displaced from public, accountable institutions to private, opaque digital infrastructures. Marginalized communities was a step in the right direction, the existing structural problems like high levels of poverty and unemployment remained potential sources of conflict in the country, (Pariyar, 2026). Platform rules, algorithms, and terms of service effectively function as forms of governance, yet they remain beyond democratic scrutiny. The literature emphasizes that citizens increasingly live under regimes of “platform governance,” where rights and participation are mediated by corporate logics rather than constitutional principles. This produces a structural form of inequality in which participation is widespread but power is narrowly concentrated, reshaping social hierarchies in subtle yet enduring ways.



Digital Labor, Citizenship, and Political Marginalization

The transformation of labor under digital capitalism has far-reaching socio-political consequences that extend well beyond economic precarity. “The global landscape of work is undergoing a profound transformation driven by rapid advances in automation, AI, and digital technologies”, (Ali, 2025, p. 31). Platform-based workers are not only economically vulnerable but also politically marginalized through legal and institutional exclusion. “These workers occupy a distinctly precarious position, characterized by minimal autonomy under strict algorithmic management, consistently low, with highly unstable and often insufficient earnings and heavy dependence on opaque platform rating systems”, (Dinika, 2025). By classifying workers as independent contractors rather than employees, states effectively withdraw labor protections, social security, and collective bargaining rights. This reclassification weakens workers’ capacity to make political claims, diminishing their visibility within democratic processes. As a result, digital labor produces a new form of “partial citizenship,” where individuals contribute economically but remain excluded from full political rights.

Equally significant is the political meaning of unpaid digital labor. Everyday acts of communication, expression, and political engagement are absorbed into data-driven accumulation systems without recognition as labor or civic contribution. This undermines democratic ideals by transforming participation into a resource for profit rather than a means of collective decision-making. The literature suggests that digital capitalism thus erodes the boundary between civic life and economic exploitation, redefining citizenship as a function of data productivity rather than political agency. Inequality, in this sense, is not merely economic but deeply political, rooted in unequal recognition and representation.

Table 1

Digital Labor and Socio-Political Inequality

Form of Digital Labor	Legal-Political Status	Socio-Political Outcome
Gig platform workers	Excluded from labor law	Weak collective voice
Un-paid user activity	Non-recognized labor	Democratic exploitation
Tech elites	Politically influential	Elite citizenship
Informal digital work	Un-protected	Structural exclusion

Source: Author’s development.

Data, Surveillance, and the Politics of Governance

Another critical finding concerns the political role of data and surveillance in contemporary governance. Data extraction under digital capitalism functions not only as an economic process but also as a mechanism of social regulation and control. States increasingly rely on digital data for welfare distribution, security management, and public administration, often through partnerships with private technology companies. “The state needs to leverage the digital revolution to make the public sector more cap able and responsive, to expand citizen participation in service delivery and policy making and enhance accountability and citizen voice in service delivery”, (Hanna, 2018, p. 13). This convergence of state authority and corporate surveillance blurs the distinction between public governance and private power, raising serious concerns about accountability and democratic oversight.



The literature consistently demonstrates that surveillance-based governance disproportionately targets marginalized populations. “Public debate, knowledge circulation, affirmative pursuits, and reportage have all become intimately dependent upon social media intermediaries and their secretive algorithms”, (Fourcade, 2021). Algorithmic systems categorize individuals based on risk, productivity, or compliance, transforming structural disadvantage into technical classifications. This process depoliticizes inequality by framing it as a matter of efficiency rather than justice. From a socio-political standpoint, surveillance represents a shift from rights-based governance to data-driven control, where citizens are governed as data subjects rather than as political agents with claims to equality and dignity.

Algorithmic Power and the Transformation of Democracy

The results clearly show that algorithmic systems have become central actors in shaping democratic life. Algorithms regulate political communication by determining visibility, relevance, and legitimacy within digital public spaces. “All systems of power are manipulated and there is little doubt that public spheres constructed through network technologies and algorithms can be manipulated, both by the architects of those systems and by those who find techniques to shape information flows”, (Robyn, 2016, p. 15). While digital platforms initially promised expanded democratic participation, the literature reveals that political influence is increasingly uneven and hierarchical. Political actors with economic resources, institutional support, or technical expertise are better positioned to navigate algorithmic systems and shape public discourse. “Politicians and their teams who use social media to publish short extracts of speech moments participate in the optimization process of algorithms”, (Dillet, 2022). Grassroots movements and marginalized voices, by contrast, often struggle to achieve sustained visibility.

More fundamentally, algorithmic governance operates beyond democratic accountability. Decisions regarding content moderation, political advertising, and information circulation are made by private corporations according to commercial priorities rather than public interest. Citizens have little recourse to challenge these decisions, resulting in a democratic deficit. From a socio-political perspective, this represents a privatization of democracy itself, where the rules of political participation are determined outside constitutional and representative frameworks.

Table 2

Algorithmic Governance and Political Impact

Dimension	Political Mechanism	Democratic Inequality
Visibility	Algorithmic ranking	Un-equal public voice
Information	Content moderation	Restricted deliberation
Participation	Engagement logic	Elite dominance
Accountability	Corporate opacity	Democratic erosion

Source: Author’s development.

Digital Divide as a Form of Political Inequality

The findings challenge conventional understandings of the digital divide by revealing its deeply political character. “Digital divide” not only covers different kinds of disparities with



different kinds of consequence, it also obscures the variety of ideas about the nature of the problem itself and the manner in which it should be resolved”, (Epstein et. al., 2011, p. 92). Digital inequality is not simply about access to devices or connectivity but about unequal access to power, representation, and decision-making. Many individuals are digitally connected yet remain politically marginalized, lacking the capacity to influence digital governance structures that shape their lives. “Material and informational considerations also shape low-literate citizens’ choices when seeking support”, (Smit et. al., 2025). This creates a form of symbolic inclusion that masks substantive exclusion.

Marginalized communities often experience digital inclusion as surveillance, low-value labor, or controlled participation rather than empowerment. The literature emphasizes that such forms of inclusion reproduce political inequality by maintaining hierarchies of voice and influence. From a socio-political perspective, the digital divide becomes a democratic divide, reflecting unequal citizenship rather than technological scarcity.

Global Digital Inequality and Political Dependency

At the global level, the literature reveals that digital capitalism reproduces and intensifies international power asymmetries. Digital platforms, standards, and infrastructures are overwhelmingly controlled by corporations headquartered in the Global North, while states in the Global South are integrated as markets, labor sources, and data providers. “The port speeds support the notion that Apple and Amazon focus on the information infrastructure in the global North, as their speed is faster on average there than in the global South”, (Rosa & Hauge, 2021). This uneven integration limits national sovereignty and constrains democratic governance, as states struggle to regulate powerful transnational corporations.

The findings frame this condition as digital dependency, where political autonomy is undermined by technological reliance. States face difficulties in taxing digital corporations, protecting citizens’ data, or enforcing labor rights. From a socio-political standpoint, this undermines democratic self-determination and reinforces global inequality, extending colonial patterns of domination into the digital era.

Table 3

Digital Capitalism and Global Political Inequality

Dimension	Global North	Global South
Regulatory power	Strong	Limited
Platform ownership	Concentrated	Minimal
Data sovereignty	Protected	Vulnerable
Democratic autonomy	Greater	Constrained

Source: Author’s development.

Ideology, Consent, and the Politics of Normalization

Finally, the findings highlight the ideological dimension of digital capitalism. Dominant narratives of innovation, efficiency, and inevitability depoliticize digital inequality by presenting technological systems as neutral and unavoidable. “As our lives become increasingly digitized, an additional concern to our wellbeing arises: the threat to our attention posed by the abundance of digital technologies and the constant flow of information available



to us”, (Gardner, 2023, p. 158). These narratives obscure power relations and discourage public debate, transforming structural inequality into a matter of individual adaptation or failure.

From a socio-political perspective, ideology plays a crucial role in securing consent. Digital capitalism sustains itself not through overt repression but through cultural narratives that normalize inequality and discourage resistance. This ideological framing weakens collective political action and reinforces the legitimacy of unequal digital systems.

Discussion

Digital Capitalism and the Reorganization of Socio-Political Power

The findings of this study suggest that digital capitalism represents a profound reorganization of socio-political power rather than a mere extension of market dynamics into the digital realm. Power under digital capitalism no longer operates primarily through visible institutions such as parliaments, bureaucracies, or even corporations in their traditional form. “In an information civilization individual and collective existence is rendered as and mediated by information”, (Zuboff, 2022). Instead, it is embedded within digital infrastructures—algorithms, platforms, databases, and interfaces—that quietly regulate access, visibility, and participation. This infrastructural power is exercised indirectly, shaping behavior and outcomes without overt coercion, making it less visible and therefore more difficult to contest politically. From a sociological perspective, this marks a shift from disciplinary power to what may be described as ‘algorithmic governance’, where control is exercised through code rather than law.

This reorganization of power also challenges classical understandings of sovereignty and democratic authority. While states remain formally responsible for governance, their capacity to regulate digital spaces is often limited by the transnational nature of platforms and data flows. As a result, private digital corporations increasingly assume functions traditionally associated with public authority, such as rule-making, surveillance, and dispute resolution. This displacement of power weakens democratic accountability and creates a structural imbalance in which citizens are governed by systems they neither elect nor meaningfully influence. “With the rise of digital governance, inputs have begun to include social media, online campaigns, and algorithmic feedback, while outputs are being evaluated through criteria of transparency, accountability, and citizen participation”, (Magar, 2025, p. 43). Digital capitalism, therefore, must be understood as a political project that reshapes the terrain of power itself.

Class, Citizenship, and the Deepening of Political Stratification

The discussion further reveals that digital capitalism reconfigures class relations in ways that intensify political stratification rather than reduce it. Traditional class divisions based on ownership of the means of production are now supplemented by new forms of stratification rooted in access to data, digital expertise, and platform control. A small digital elite—comprising platform owners, data scientists, and technology executives—enjoys disproportionate economic and political influence, often shaping regulatory frameworks and public discourse to align with corporate interests. In contrast, digital workers and users experience fragmented and individualized forms of participation, limiting their collective political agency.



This transformation has significant implications for citizenship. Citizenship under digital capitalism becomes increasingly differentiated, moving away from the ideal of equal political membership. Some citizens enjoy enhanced visibility, voice, and influence, while others experience conditional or diminished inclusion. Platform workers, informal digital laborers, and marginalized users often contribute to economic and social life without enjoying corresponding political rights or protections. This stratification undermines democratic equality by creating tiers of citizenship defined by digital power rather than legal or civic status. In this sense, digital capitalism deepens inequality not only in material terms but also in the realm of political recognition and participation.

Democracy under Platform Governance and Algorithmic Mediation

One of the most critical implications of the findings concerns the transformation of democracy under platform governance. Digital platforms increasingly function as gatekeepers of political communication, shaping what information circulates, which voices are amplified, and how political debates unfold. While digital media initially raised hopes for a more participatory and inclusive public sphere, the literature suggests that these hopes have been tempered by the realities of algorithmic mediation. Engagement-driven algorithms prioritize content that generates attention and profit, often at the expense of deliberation, pluralism, and reasoned debate.

Moreover, platform governance operates largely outside the framework of democratic accountability. Decisions regarding content moderation, political advertising, and information prioritization are made by private corporations according to internal policies that are neither transparent nor subject to public oversight. Citizens affected by these decisions have limited avenues for appeal or redress. This privatization of the public sphere erodes core democratic principles by shifting political authority away from public institutions toward corporate-controlled systems. Democracy, under digital capitalism, risks becoming procedurally inclusive but substantively unequal.

Surveillance, Social Control, and the Transformation of Citizenship

The expansion of surveillance under digital capitalism has far-reaching implications for citizenship and social control. Surveillance is no longer confined to state security apparatuses but is embedded within everyday digital interactions. Through data collection and algorithmic analysis, individuals are continuously monitored, categorized, and evaluated. This produces new forms of governance that operate preemptively, managing populations through risk assessment rather than addressing structural causes of inequality. From a socio-political perspective, this represents a shift from rights-based governance to predictive control.

This transformation disproportionately affects marginalized populations, who are more likely to be subjected to intensified monitoring through welfare systems, policing technologies, and credit-scoring mechanisms. Such practices redefine citizenship in conditional terms, where access to rights and services is mediated by data profiles rather than legal entitlements. The literature suggests that this erosion of rights-based citizenship weakens democratic norms and legitimizes exclusion under the guise of efficiency and objectivity. Surveillance thus becomes a central mechanism through which socio-political inequality is reproduced in digital societies.



Rethinking Digital Inclusion as Political Empowerment

The discussion underscores the limitations of access-centered approaches to digital inclusion. While expanding access to technology is often framed as a solution to inequality, the findings demonstrate that access alone does not guarantee political empowerment. Individuals may be digitally connected yet remain excluded from decision-making processes that shape digital governance. Without meaningful control over digital infrastructures, inclusion can translate into deeper forms of surveillance, exploitation, and marginalization.

From a socio-political perspective, digital inclusion must be reconceptualized as political inclusion. This requires shifting attention from individual connectivity to collective control, transparency, and democratic participation in digital systems. Policies that focus solely on technological access risk reinforcing existing power asymmetries by integrating marginalized groups into systems that they cannot influence. Addressing socio-political inequality under digital capitalism therefore demands structural reforms that democratize digital governance rather than merely expanding access.

Global South, Digital Sovereignty, and Structural Constraints

At the global level, the findings highlight the uneven distribution of power within digital capitalism and its implications for political sovereignty. States in the Global South often face significant structural constraints in regulating digital platforms and protecting citizens' data. The dominance of transnational technology corporations limits national policy autonomy, undermining democratic governance and economic self-determination. This condition reflects a form of digital dependency that echoes earlier patterns of colonial and postcolonial domination.

However, the discussion also recognizes emerging forms of resistance and experimentation. Digital rights movements, data localization policies, and regional regulatory initiatives represent attempts to reclaim political control over digital infrastructures. "The new wave of policies preventing free flow of data across borders is feared to be one of the most critical barriers to 21st century trade", (Mishra, 2016). While these efforts face significant obstacles, they signal that digital capitalism is not uncontested. From a socio-political standpoint, struggles over digital sovereignty are central to broader efforts to reduce global inequality and strengthen democratic governance in the digital age.

Global South and Nepal-Specific Context

In the context of South Asia, and particularly in Nepal, the expansion of digital capitalism has created both opportunities and new forms of socio-political inequality. The rapid growth of platform-based services, including ride-sharing, food delivery, and freelance digital labor in urban centers such as Kathmandu, has increased economic participation for many young workers; however, these forms of employment often remain insecure, poorly regulated, and dependent on foreign-owned digital platforms. South Asia is depicted as a complex arena of power competition, resource control, and security balance, (Magar, 2025). At the same time, unequal access to digital infrastructure, internet connectivity, digital literacy, and online financial systems continues to marginalize rural populations, lower-income groups, and socially disadvantaged communities. After the implementation of federalism in Nepal, there



has been an emphasis on the protection and management of the diversity present here. The state policy-makers on the appropriate system of governance for states like Nepal, which are multicultural, multi-ethnic and undergoing transformation into a federal system, (Magar, 2025). Concerns regarding data sovereignty, cybersecurity, and dependence on global technology corporations have also emerged as important policy issues in Nepal, where institutional and regulatory frameworks for digital governance are still developing. These dynamics demonstrate that digital capitalism in Nepal operates within existing social inequalities shaped by class, geography, education, and state capacity, reinforcing the need for context-sensitive approaches to digital governance and social justice in the Global South.

Toward a Critical Socio-Political Framework for the Digital Age

Finally, the discussion emphasizes the need for an integrative socio-political framework capable of capturing the complexity of digital capitalism. Fragmented approaches that isolate economic, technological, or cultural dimensions fail to fully explain how inequality is produced and sustained. A critical socio-political perspective foregrounds power, governance, and ideology, revealing digital capitalism as a historically situated project shaped by political choices rather than technological inevitability.

Such a framework is essential not only for academic analysis but also for democratic practice. Understanding digital capitalism as a socio-political system opens space for contestation, regulation, and alternative futures. Rather than accepting digital inequality as an unavoidable consequence of progress, a critical approach insists on the possibility of more democratic and equitable digital arrangements. In this sense, the discussion moves beyond diagnosis toward the normative question of how digital societies might be reorganized in the interests of social justice and democratic accountability.

Criticism

Limitations of the Existing Literature

Despite the valuable contributions of existing scholarship, the study of digital capitalism and socio-political inequality contains several important limitations. First, much of the literature emphasizes the structural and technological dimensions of digital capitalism while giving comparatively limited attention to the agency of citizens, workers, social movements, and grassroots actors in challenging or transforming digital inequalities. By focusing predominantly on the power of platforms, algorithms, surveillance systems, and data monopolies, many studies risk portraying digital inequality as inevitable or technologically deterministic. Such approaches often leave insufficient space for analyzing how marginalized communities actively resist, negotiate, adapt to, or repurpose digital technologies for social, political, and economic empowerment. Consequently, the dynamic processes of contestation, digital activism, and collective mobilization are frequently underexplored.

Second, existing research often struggles to integrate global and local socio-political contexts in a balanced manner. While there is extensive theoretical and empirical analysis of digital platforms, regulatory systems, and technological governance in the Global North, studies focusing on the Global South frequently remain descriptive and less theoretically



grounded. This creates an uneven understanding of how digital capitalism interacts with diverse political institutions, historical inequalities, economic structures, and cultural norms across different societies. For example, the ways in which state capacity, public policy, civil society engagement, and local political dynamics shape digital inequality in countries such as Nepal remain insufficiently examined. Furthermore, by emphasizing economic and technological determinism, some studies underestimate the role of legal reforms, democratic institutions, and civic participation in reshaping the socio-political consequences of digital capitalism. Therefore, although the literature provides important insights into structural inequality in digital societies, it still requires more context-sensitive, comparative, and actor-oriented approaches to fully capture the complexities of power, citizenship, and democracy in the digital age.

Limitations of the Present Study

This study also contains several limitations that should be acknowledged. First, the research is conceptual and interpretive rather than empirical in nature. Since the analysis is based exclusively on secondary sources, the study does not include primary data collection through interviews, surveys, ethnographic observation, or case-study investigation. As a result, the arguments developed in the study rely on the interpretation and synthesis of existing scholarship rather than direct empirical validation.

Second, the study depends largely on published academic literature, policy reports, and theoretical debates, which may reflect particular disciplinary, regional, or ideological perspectives. Although efforts were made to include diverse scholarly viewpoints, some relevant perspectives or emerging debates may not have been fully captured. The reliance on English-language sources may also limit engagement with local or non-English scholarship concerning digital inequality and platform governance.

Third, the study does not employ quantitative methods or statistical analysis to measure the extent of socio-political inequality under digital capitalism. Consequently, it does not provide empirical indicators, comparative datasets, or measurable inequality metrics that could strengthen causal explanations regarding the relationship between digital technologies and socio-political exclusion. In addition, the absence of detailed country-specific case studies limits the ability to examine how digital capitalism operates differently across varying political and institutional contexts.

Finally, because digital technologies, platform economies, and regulatory systems are rapidly evolving, some debates and policy developments may change over time. Therefore, the conclusions of this study should be understood as part of an ongoing scholarly discussion rather than as definitive explanations of digital capitalism and inequality. Future research could address these limitations by incorporating mixed-method approaches, comparative case studies, and empirical investigations that examine how digital inequality is experienced and contested in specific social and political settings.



Conclusion

This study demonstrates that digital capitalism is not merely a technological or economic phenomenon but a deeply political system that reshapes power, citizenship, and democratic processes. Digital platforms and algorithms have become central actors in governance, mediating both economic and social life while redistributing authority from states and public institutions to private corporate actors. The findings reveal that socio-political inequality under digital capitalism is multilayered, manifesting through unequal labor conditions, algorithmic control, surveillance, differential access to political participation, and ideological normalization. Citizens are often included in digital systems in ways that appear participatory yet limit genuine influence, producing a hierarchy of visibility, rights, and political voice. Moreover, these processes operate globally, creating asymmetrical power relations between the Global North and South, where the latter remains structurally dependent on corporate-controlled digital infrastructures.

The study also underscores the importance of conceptualizing digital inclusion not merely as technological access but as meaningful political empowerment. Addressing inequality requires more than providing connectivity; it demands democratic oversight, regulatory frameworks, and civic engagement that can challenge corporate dominance and redistribute power. Digital capitalism, while structurally powerful, is not immutable—emerging movements, regulatory experiments, and policy interventions indicate avenues for contestation and reform. In conclusion, understanding digital capitalism through a socio-political lens highlights that inequality is produced, maintained, and legitimized through complex interactions of technology, policy, and ideology, and that democratizing digital spaces is central to creating more equitable and participatory societies.

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