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The Algorithmic Rentier: Value Extraction and the Reconfiguration of Creative Labor in the Era of Global Streaming Platforms

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Abstract

Against the backdrop of the global streaming wars, the audiovisual industry is undergoing a rapid transformation towards video-on-demand (VOD) platforms. Leading streaming platforms like Netflix have built massive digital infrastructure; however, behind the industry's prosperity lies a severe distribution crisis. This paper focuses on the logic of algorithmic rent, analyzing how transnational streaming platforms systematically extract value and restructure creative labor. It adopts the political economy of communication (PEC), integrating platform capitalism and algorithmic governance theories to construct an analytical framework for algorithmic rent. Through a literature review and the case study of Squid Game, it explores how algorithmic-editorial power, and the data black box achieve institutionalized deprivation. The core research questions include how financialization weakens creators' bargaining power through global buyout contracts, and how algorithmic discipline erodes the aesthetic autonomy of creative subjects. The study argues that platforms have become digital landlords extracting economic rents rather than partners. To achieve distributive justice, this paper proposes policy intervention strategies such as strengthening local investment quotas, legislating to guarantee the right to fair compensation, and establishing third-party data auditing mechanisms.

Keywords

algorithmic rentier, streaming platforms, value extraction, creative labor, algo-torial power

1. Introduction

With the expansion of digital technologies and globalization, the audiovisual industry is undergoing a rapid transformation from traditional linear scheduling to video-on-demand (VOD) platforms [1]. Against the backdrop of the “streaming wars”, streaming platforms such as Netflix have built globally integrated digital infrastructures through large-scale capital investment and algorithmic innovation. As of 2023, Netflix alone had more than 200 million subscribers worldwide, and its annual content investment reached US$17 billion [2]. With the entry of platforms such as Disney+ and Amazon Prime Video to the competition, the global audiovisual market has entered a phase of intensified capital competition [2]. In this context, streaming platforms are no longer just simple content distribution platforms but have become central actors in content production [1].

However, despite the growing revenues and market capitalization of streaming platforms, the income of creative workers has been substantially reduced due to the implementation of buyout contracts. The residual profits that should belong to directors and screenwriters have been appropriated by platforms as market value [2]. In addition, algorithms are no longer neutral and objective algorithms [3]. Platforms have taken control of content visibility through algorithmic curation and have restricted access to performance data. Creators lack access to transparent data, so their bargaining position is undermined. The commercial value of works has been manipulated by the platform. As a result, the platform is no longer a content partner of creators, but an extractor of digital rents.

Although existing literature has extensively discussed the commercial success of streaming platforms [2] and deeply analyzed the technical logic of algorithmic recommendation [3], there are still research gaps. Most studies tend to regard the transformation of streaming platforms as an efficiency improvement or marketing model innovation, while ignoring the financial dynamics and power exploitation logic behind it, especially how to combine the financialization of media driven by private equity [4] with the black box control of algorithmic governance [5] to systematically explain the loss of benefits of creative workers, yet systematic analyses remain limited.

In response to the above gaps, this paper aims to provide a critical analysis of the value extraction mechanism in the process of platformization of streaming from the perspective of political economy of communication (PEC). By integrating platform capitalism and algorithmic governance, an analytical framework of algorithmic rent is constructed to reveal how platforms use infrastructure ownership to achieve institutionalized dispossession of global creative labor. This study provides theoretical support for understanding the current global screen labor strikes (such as the 2023 Writers Guild of America strike), but also provides empirical evidence for governments to formulate “distributive justice” policies for streaming platforms [1].

2. Theoretical Background

2.1 Algorithmic Governance Theory

From the perspective of the political economy of communication, the starting point for understanding the distribution crisis of streaming platforms is platform capitalism. Srnicek [6] points out that the platform has evolved into a new mode of production organization, the core feature of which is infrastructure. Unlike traditional film studios, streaming platforms platforms are not only content producers, but also digital space providers that connect creators, advertisers and users. In this model, the platform builds a closed ecosystem by monopolizing distribution interfaces and audience data. This infrastructural position gives the platform a new power, enabling it to exercise rule-making authority, thereby reshaping the production relations of the audiovisual industry at the macro level.

2.2 Value Extraction Theory in CPE

Based on the infrastructural position of the platform, its profit logic has shifted from profit-based accumulation to rent extraction. Srnicek [6] pointed out that the essence of platform capitalism lies in economic rent. The platform no longer relies solely on the sales revenue of films, but earns rent by monopolizing the right to use digital distribution infrastructures. In the context of streaming platforms, this rent-earning is manifested in the platform's global buyout of content. By paying a one-time fixed fee, the platform permanently deprives creators of the right to obtain subsequent future revenue streams and long-tail revenue. This also means that the capital accumulation model has shifted from profit sharing to monopolistic rent collection. Algorithmic distribution has alienated audiovisual works into a kind of contingent cultural commodity [7]. Its market value no longer depends on the quality of the script or the level of art, but is highly dependent on the weighting and recommendation of the platform's real-time algorithm. This opacity of value has exacerbated the production company's dependence on the platform [8]. As a result, due to the lack of alternative global distribution channels, creators are forced into a structurally disadvantaged position and have to accept unreasonable terms such as losing copyright and giving up profit sharing in exchange for exposure on the platform.

3. Literature review

3.1 The Financialization of the Audiovisual Industry: From Cultural Works to Financial Assets

The financialization of the audiovisual industry has led to and exacerbated the imbalance in the distribution model of streaming platforms. It can be said that the contemporary audiovisual industry is experiencing a "Wall Street swallowing of culture" [4]. Under this logic, movies and TV series are no longer regarded as cultural works with independent aesthetic value, but are transformed into a quantifiable and collateralizable financial asset. After private equity and institutional investors enter the industry, their core goal is no longer the artistic success of a single work, but to increase the overall valuation of the platform by expanding the scale of the audiovisual content catalogs. This assetization logic leads the platform to tend to attract the attention of the capital market by using a strategy of quantity over quality, thereby diluting the value of creative labor at the source.

This assetization logic is specifically reflected in the business model of streaming platforms. Building on Lotz [9], the subscription video-on-demand (SVOD) model has completely rewritten the value distribution rules. Unlike the traditional model that relies on box office revenue or advertising revenue sharing, the subscription model decouples the connection between the market performance of a single work and direct revenue. Under this mechanism, because the platform's revenue mainly comes from fixed monthly subscription fees, even if a series becomes a global hit, it cannot bring creators additional box office revenue or rerun revenue sharing. This model essentially turns audiovisual works into drivers of subscriber acquisition, so that creators still cannot share profits from excess traffic after the series becomes a great success.

This raises the question of how the logic of capital exerts its hegemony over the logic of art. Drawing on Yuan [2] on Netflix's marketing strategy, the core of the platform's strategy is to pursue the subscriber growth through social media interaction and rapid dissemination. In this context, most of the marketing budget is spent in the first week of a new show's release to enable the work to enter the public eye more quickly and gain popularity. Once the work is identified by the platform's algorithms to have reduced potential to attract new members, it will be quickly marginalized by the system, and the work will be defined as a disposable content. The platform will begin to pay more attention to short-term financial returns.

The imbalance in streaming platform distribution models is not simply a matter of poor management, but rather a systemic exclusion of creative labor by the logic of capital. When audiovisual works are thoroughly financialized, the platform's ownership profits legally devour the workers' share of the profits. This is why audiovisual workers worldwide face a predicament of structural poverty.

3.2 Algorithmic Governance and Creative Labor Discipline

Bonini & Gandini (2019) pointed out that the platform has established a hybrid mechanism of "FIRST WEEK IS EDITORIAL, SECOND WEEK IS ALGORITHMIC". Initially, the platform relies on human curation of works, and then switches to algorithms to determine the subsequent visibility and exposure of new works based on the data after they are launched [10]. The essence of this mechanism is the transfer of power. Whether the content of a work can be recognized by the audience no longer depends on its cultural and ideological depth, but on whether it conforms to the pre-set algorithm model. By using algorithm recommendations, the platform can screen and exclude works that do not meet the expectations of capital returns at a very low cost, thereby exercising structural control over the audiovisual market and making the creators' income becoming structurally dependent on platforms.

This marketing strategy centered on subscriber growth is essentially using social media to build a visibility system. By creating viral topics on platforms such as Twitter and Facebook, Netflix can strategically amplify potential hit titles and use algorithmic recommendation systems to convert visibility into subscriber growth. As Yuan [2] pointed out, this is the result of a deep coupling between marketing strategies and algorithmic distribution. This model digitizes audience preferences, transforming them into financialized assets priced in capital markets, thus confirming the financial logic of "culture being swallowed by Wall Street" as stated by deWaard [4].

Algorithms not only control the exposure of works from the outside, but also discipline creators' subjectivity and content production. Bucher [11] proposed the concept of algorithmic imagination in her article, that is, due to the black box of the algorithm's operating logic, creators, under the pressure of possibly being stopped from streaming, will spontaneously speculate and imagine the algorithm's preferences, and conduct self-censorship and modify their works accordingly. Seaver [5] defines it as an algorithmic trap. Through visibility-based reward and punishment mechanisms, platforms induce creators to cater to system indicators. In order to gain exposure and recommendations from the platform, creators have to actively strip away the uniqueness of their works and modify them to conform to the ideal model defined by the algorithm.

By creating an opaque competitive environment and taking advantage of creators' focus on exposure and market feedback, the algorithm restricts and disciplines them. In order to gain the visibility needed for survival in the algorithm's black box, creators are compelled to adjust their creative practices. For example, musicians move the chorus forward to reduce the probability of being skipped by recommendation systems [10]. From the perspective of the political economy of communication, algorithmic governance not only deprives creators of their aesthetic autonomy, but also uses technical means to cover up the essence of unfair distribution, making creators mistakenly believe that the loss of traffic is due to the defects of their own works and failure to grasp the current hot topics, thereby dissolving the workers' resistance to the platform's distribution mechanism.

3.3 The Unfair Distribution Mechanism: Buyout Contracts and the Loss of Creators' Rights

Due to the widespread signing of buyout contracts, the exploitation of creators' interests by platforms has become a common and even institutionalized phenomenon. From a legal perspective, streaming buyout contracts are fundamentally in conflict with the right to fair remuneration under EU law [12]. Under the traditional traditional audiovisual model, creators have the right to receive long-term income, but under the streaming logic, platforms forcibly cut off the possibility of creators obtaining rebroadcast fees and secondary copyright income by paying a fixed fee in one lump sum, appropriating residual value. This legal means ensures that platforms can monopolize the long-tail value generated by the works, resulting in a significant drop in the income share of global creative labor during the industry boom. However, since most platforms adopt this buyout contract, creators have to accept unreasonable value exploitation in order to obtain the opportunity for their works to be listed on the platform.

3.4 Geopolitical Exploitation: The Global Division of Creative Labor

In fact, the value extraction of streaming platforms not only occurs between capital and labor, but also between countries, namely geopolitical plunder. Taking *Squid Game* as an example, Netflix took advantage of South Korea's mature and efficient production system and, through a low-price buyout strategy, paid approximately $21 million in production costs, yet generated more than $900 million in surplus value [13]. With its monopolistic position as a global infrastructure and its powerful agenda-setting ability, Netflix determines whether cultural products from non-Western countries can reach global audiences. According to Jin [13], this power asymmetry puts local producers such as those from South Korea in a structurally disadvantaged position in negotiations. In order to obtain global visibility provided by the platform, creators have to accept extreme buyout terms. Therefore, creators are forced to compromise on narrative rhythm in exchange for the visibility within recommendation systems [13]. It can be seen that creative talents from non-Western countries need to pay the price of losing bargaining power and becoming primary labor providers in order to be included in the infrastructure of global platforms.

4. Discussion

Based on the literature review above, it can be seen that in the streaming era, the distribution of profits in the audiovisual industry does not depend on the quality of the works, but on whether one can obtain market access from the platform, i.e., whether one can enter the territorialized streaming platform. As a global audiovisual infrastructure, streaming platforms do not merely neutrally push content to users, but forcibly transform the surplus value that originally belonged to creative laborers into economic rent through monopolistic distribution interfaces. This means that within the framework of platform capitalism, ownership of infrastructure determines profit distribution, while creators are excluded from the dividends of asset appreciation. Furthermore, algorithms implicitly deprive creators of their aesthetic autonomy. This deprivation

is not only economic; creators are forced to adjust the content of their works to adapt to the platform's algorithmic preferences, resulting in a high degree of cultural homogenization.

So how can creators respond to platform and algorithmic exploitation and protect their rights? Despite large-scale collective actions such as the WGA strike, creators and platforms are in an unequal position. Streaming platforms such as Netflix and Amazon have evolved into highly financialized entities. Their profitability relies on global subscription growth rather than simply box office revenue. This financialized platform structure gives platforms a strong ability to hedge against worker strikes. Furthermore, the information asymmetry created by platforms through algorithmic data opacity undermines creators' perception of market value, making it difficult for them to establish effective bargaining benchmarks in negotiations.

5. Conclusion

In summary, the global streaming war is not merely a change in media technology, but a profound transformation into the infrastructure of the audiovisual industry. Platform giants like Netflix, Disney+, and Amazon, through their monopoly on digital territory, have restructured the industry logic from content production to rent governance. Research shows that the so-called distribution crisis is essentially the institutionalized exploitation of creative labor by platforms using algorithmic-editorial power. Through global buyouts and algorithmic data opacity, platforms have successfully transformed the long-tail value of film and television works into financial value in capital markets, leading to precarity and aesthetic homogenization of global creative labor.

To address this systemic crisis, governments and industry organizations can intervene in three dimensions. First, strengthen domestic investment and content quotas by following the EU, Australia, and Canada. This means that multinational streaming platforms must reinvest a certain percentage of their local market revenue into making original domestic content and make sure that local producers own the copyright to their work. Second, pass laws to protect the right to fair pay. This would mean getting rid of or limiting global buyout contracts, giving creators the legal right to a share of future streaming revenue, and making sure that platforms can't use contracts to take away creators' secondary copyright revenue. Finally, establish third-party data auditing mechanisms, requiring platforms to regularly disclose real viewership data and algorithm weighting indicators. Transparency not only restores the true market value of creative labor but also provides necessary bargaining benchmarks for film and television unions, alleviating the distribution imbalance caused by information asymmetry.

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