

# Shoshana Zuboff, Wiener Stadtgespräch, 14.11.2019

**Whole video:** <http://www.wienerstadtgespraech.at/video/zuboff/>

**Opening through Markus Marterbauer:** Scientific head, Austrian Chamber of Labour

- › [Project Nightingale Wall Street Journal](#) – newest example of Surveillance Capitalism
- › Chamber of Labour: taking care of the wellbeing of the many, not the few
- › Introduction of Shoshana Zuboff: Harvard University, author of The Age of Surveillance Capitalism

**Professor Shoshana Zuboff:** Charles Edward Wilson Professor Emerita, Harvard Business School

- › **Story in the New York Times:** reporter describes debate over privacy in a multi-stakeholder-meeting in the Federal Trade Commission (FTC) → industry executives say they are capable of regulating themselves - government regulation will be costly and unproductive → [Article is from 1997](#)
- › **Surveillance Capitalism:** unprecedented economic logic rooted in the digital sphere, celebrated by industry executives as the last ungoverned space → internet nowadays is owned and operated by surveillance capitalism
- › **2017 leaked Facebook document:** monitoring internet activity in order to find out when young people feel nervous, anxious etc. → with this depth of information Facebook can pinpoint the moment with highest success for an advertising measure never possible before
- › **2018 Cambridge Analytica (CA):** [Chris Wiley \(Whistleblower\)](#) → CA exploited Facebook data to harvest millions of people's profiles, the objective was behavioral micro targeting, influencing voters based on personalities instead of demographics → called this technique "information warfare" → built on asymmetry of knowledge
- › *"What we have failed to recognize is that surveillance capitalism's illegitimate knowledge to power is best understood as the normalization and institutionalization of information warfare for profit"* → this is the world we live in today
- › It's about economic logic, not evil people → economic imperatives invented at Google in 2000/2001 through the dotcom bust
- › **Logic of surveillance capitalism:** private human experience = last virgin wood for exploitation, commodification, production and sales → *"Surveillance capitalism begins with the secret theft of private human experience as a free source of raw material for translation into behavioral data"*
- › Behavioral data now flows into complex supply chains, conveyed to 21<sup>st</sup> century "factories" (AI, Machine Intelligence)
- › Behavioral data produces products, **products = predictions of human behavior** (what we will do sooner and later)

- › What happens to predictions, to prediction products? *"They are about us, but they are not for us, they came from us but they do not return to us, they are sold instead to business customers with a keen interest in what we will do"*
- › Business customers trade in new kind of marketplace = **predictive marketplace, trading in human futures**; first globally successful prediction product was the Click Through Rate, first globally successful human futures market was Online Targeted Advertising
- › **Logic has spread** from Google to Facebook to the tech sector, now to every economic sector (health, finance, entertainment, insurance...) → *"Every product with the word "smart", every service with the word "personalize" is participating in this new logic"* → surveillance capitalists sell certainty
- › **Imperatives:**
  1. **Economies of scale:** we need lots of data
  2. **Economies of scope:** not only volumes but variety of data is necessary
  3. **Economies of action:** best data comes from intervening in the state of play (user behavior); what data scientists call the shift from monitoring to actuation → going beyond monitoring to interference → not only knowing our behavior but modifying it through the digital surround; makes lucrative predictions possible
- › **Where we are:** *"The digital century, our century, was to have been democracy's golden age – instead we now enter the third decade of the 21<sup>st</sup> century marked by an extreme new form of social inequality, not democratization."*
- › **What is this new inequality?**
  1. **From below surveillance capitalism's systems evade our awareness** → surveillance capitalists influence human behavior and bypass our awareness → this robs us from the surplus on decision rights - *"This is how democracy is eroded from below. Autonomy, individual sovereignty, agency – without these elements democratic society is impossible to imagine."*
  2. **From above surveillance capitalism erodes democracy through a growing information asymmetry**, an abyss between what it is that we can know and what can be known about us → *"epistemic inequality" = "unequal access to learning imposed by private commercial mechanisms of information capture, production, analysis and sales"* → unequal knowledge about us produces unequal power over us
- › **How do we understand this power?** We did not always have an understanding of totalitarianism → while it was unfolding it was hard to grasp the nature of this power
  - » Historian Robert Conquest: *"The actual achievements of totalitarianism were so improbable that it was difficult even for specialists to grasp the truth"*
  - » Scholar Carl Friedrich: *"Totalitarianism burst upon mankind, unexpected and unannounced. None of the outstanding scholars of history, in law, in the social sciences, discerned what was ahead to this failure [...] a difficulty in comprehending"*
  - » Hannah Arendt: first insisted that comprehension is the necessary response to power

- › *"We are confronted by a growing and unprecedented new species of power that works its will remotely through the medium of digital instrumentation now repurposed as the means of behavior modification" → Today's challenges have caught us equally wordless and disoriented, **again the past offers no adequate compass**, its aims are as ambitious as totalitarianism, its means are different (no violence)*
- › **"instrumentarian power"** → operates through the means of digital instrumentation, totalitarianism operated through the means of violence (terror, murder); Instrumentarian power aims for a condition of certainty without terror → paradox: we are prone to undervalue its effects and lower our guard as it operates outside of our awareness
- › **Greta Thunberg says that "our house is on fire"**, for her the planet is our house → *"Global warming is to the planet what surveillance capitalism and its growing unprecedented instrumentarian power are to society. If the planet is our house, society is our home, our house is on fire but our home is also on fire."*
- › It is a different kind of fire in our home that arises in a **human-made logic**, not physics
- › Back to the Berlin Wall, what does it teach us?
- › *"Something that is made by humans can be unmade by humans no matter how bleak that prospect may appear at any given moment – anything made by humans can be unmade by humans, surveillance capitalists are rich and powerful but they are not invulnerable, they have an Achilles Heel, they fear law and lawmakers who do not fear them, they fear citizens of democratic societies who insist on a new road forward"*

#### Highlights from the discussion with Armin Thurnher:

- › **Surveillance capitalism and its connection to 9/11**: 1997 FTC discussion, until 2001 commissioners finally persuaded themselves that the tech sector would not be able to self-regulate, federal regulation would be required, 10.09.2001: legislative proposals were circulating in congress (discussion on internet and privacy) → 24 hours later after 9/11 → discussion changed 180 degrees, from privacy to total information awareness
- › **2000/2001 period of discovery**: early investors threatened to pull out of Google, Google had rejected advertising before this, now they came back to it, discovering that they had leftover data/traces everywhere and that this data contained rich predictive signals → pull the data together, double down on analysis and prediction, match users with ads → became micro targeting that became so successful
- › **Between 2000 (emergency set in) and 2004 (Google went public)** = first time we get a look how Google was faring with this new logic, in those years their revenue line increased more than 3.000% = "surveillance dividend" → reset the bar for investment, first in Silicon Valley, now moving through our economies
- › **Nowadays, e.g. Ford Motor**: CEO faces a global slump in auto sales; what would Henry Ford do? Probably invent a car people want to buy (like one burning no carbon...) → CEO nowadays is saying: "We have 100 Mio. people driving in Ford vehicles, let's stream data from those people, combine it with data from the Ford credit system → with these data flows we will be equal to Facebook and Google →

*"Ford motor chasing the surveillance dividend"; Ford motor CEO calls it not cars anymore but "transportation operating system"*

- › Surveillance capitalists are not acting illegally → **unprecedented power** → *"When something is unprecedented it has never happened before and we do not have laws to protect us from things that have never happened"*; e.g. speech existed before law to protect speech (only when society became complex, we invented freedom of speech) → nowadays e.g. facial recognition – there is no law telling companies not to read our faces as it was not necessary before
- › **Lawmakers are intimidated:** "tech is fast and innovative, democracy is slow and gets in the way of innovation" = complete falsehood, utterly untrue → slow is good, thinking, learning, interacting – all of this takes time, that is what makes it a democracy, we have to be proud of the slowness of democracy because it gives us power
- › Politics depends on micro targeting in social media, that has to stop, at least in the way it currently exists → *"I am not making an argument against data or against a digital future but an argument that says that it must be a human future first, it must be a digital future under democratic governance"* → People have to have the possibility to decide if their experience becomes data, how it is shared, etc.
- › **How does a business use data about its customers in a way that is not surveillance capitalism?** Businesses want data to improve products and services, that's it – in Politics the same principles exist, people can opt in with political parties → health: let's say I have cancer, I can choose to contribute my health data to a group that is working on treatment, all transparent
- › **Current development:** We are in the beginning of a new wave, Washington two initiatives
  - » (House) federal privacy regulation (as proposed in 2001, now even more dramatic): includes the right to autonomy, big step forward in US law
  - » (Senate) regulation: making filter bubbles illegal; Facebook would have to show same newsfeed in strictly chronological logic, **filter bubbles** have enough insights to send you content to engage your hot buttons, self-reinforcing cycle of greater intensity, you stop seeing any information challenging your biases → filter bubbles increase engagement → more engagement = more data for supply chains = better predictions = more revenue
- › Right now monolithic system (surveillance capitalism owns the internet) → no choice, "dictatorship of no alternatives" → **massive opportunity for public systems under democratic governance and for commercial systems**; social media: structure can shift
- › *"This is now a matter for law, for democratic governance. It is an intolerable situation that we have companies that have taken so much, that have created this unprecedented asymmetries of knowledge and power, unimpeded by law and are beholdling to nothing but themselves, there is no democratic oversight or governance, we have no say"* → Facebook creating its own courts and financial system, Google owning body/car/home/city without impediment → "The more data you give, the more you

are included in their services, anonymous means you are excluded (further information in the [Global Mail](#))

- › **Best practice Barcelona** regarding smart cities → they have created an alternative, a smart city with data to improve the city, under democratic authority; Montreal also working in this direction → *"Have a smart city but let it be your city first"*

#### Questions from the audience:

- › **Problem with algorithms used by the state:** algorithmic decision making takes a lot of data from the past, applies decision rules to present and future, what is the obvious flaw? All you do is creating a self-fulfilling prophecy; algorithms = institutions → past behavior with mathematical logic and a computer leads to institutionalism for forever → what helps people to get employed = networks of other people → people help people to be employed; single most important variable for making our children successful = teacher, biggest success in education is most correlated with one variable, the teacher, that's what makes our kids successful → where we really need to go is to data supporting the human beings
- › **Role of the EU:** work that has come out of Brussels = heroic and courageous, has set the line of the frontier in this space; however, GDPR, anti-trust law etc. is of course not enough; EU leaders are not shy to talk about democracy and humanity as the guiding principles
- › **Political targeting** is a parasite on the host, the host is surveillance capitalism; democratic governance can regulate political advertising – we can shut down the platform if they refuse to abide by the law, the platforms operate in a way that is consistent in our aspirations in a democratic society; we have to go a little bit until anybody is that bold, but maybe we do not have to go this far; Facebook rules and law serve them, not us, we have to intervene and impose democratic governance
- › **Difference between utopia and dystopia:** We deserve the convenience and all the services that enhance our lives/homes/health/cities. – we deserve all of this, but we deserve it under our control, not under the control of private surveillance capital that does not have our interest at heart; what does Google do for us? Google advertisement, helping you... (find a four letter word for assist, leave on time, name the 21<sup>st</sup> president, cancel that meeting, take better pictures at night...) – "it's all trivial" → back in the early 2000s, hope that companies will find out how to deal with Big Data in order to treat cancer, fix climate change, etc. – instead now best minds of our age work on clickstream, on human futures markets, on behavioral predictions; right now surveillance capitalism is a market failure → *"We have to take the incentives out of the surveillance surplus through law"*
- › **Artificial intelligence:** *"If we are going to use AI intelligently to enhance our lives and world, it's not going to be out of our stone age selves (not simply out of our will to power) but of that part of our humanity that has created human rights and the elaborations of democracy, that's where this complexity belongs, in that higher part of our humanity."*