

Data Capitalism: The Marriage of Big Data and Intelligence Agencies

While researching for this paper, I was reminded of a term I jokingly came up with in a previous week's writing assignment, "Data-pitalism." To me, this referred to the monetization of data to drive profits beyond what conventional capitalism allows for, and described a shift in how businesses would operate as we move further into the technological era of human history. Little did I know this concept already existed in information economics under the term "Data Capitalism," and that it was far more terrifying than I ever could have conceived of.

Now, don't get me wrong, I'm a staunch capitalist and fervently believe in the benefits of an economy driven by meritocracy. However, this new shift in economics that's taken place is concerning. I'm not so sure what we understand to be capitalism applies in the digital age, or if it is something else entirely, and I worry that we've already lost control of the beast that we've so recklessly unleashed.

Addressing the questions for this week will likely be short and to the point, as I've discovered far more concerning revelations in my research for them. To begin, of course the NSA was collecting the content of US citizens' private data. When an intelligence agency splits off central data lines for a major internet service provider, runs them through a secret room, and snatches all those data packets flowing through it, as they did in San Francisco at AT&T, they could be doing nothing else.

The secret room that Mark Klein discovered was only one of many that could be found at AT&T data centers around the country, and what was happening within them was a flagrant disregard for our constitutional rights. When confronted by congress, Edward Whitacre, former AT&T Chairman and CEO, refused to admit to providing customer information, repeating the line “We follow the law” multiple times.

Mr. Whitacre’s testimony makes it obvious the telecom giants had no problem with their tradition of working with intelligence agencies, but what is more shocking was the cooperation of 9 big tech companies with the NSA program PRISM. These companies include Microsoft, Yahoo, Google, Facebook, PalTalk, AOL, Skype, YouTube, and Apple.

One would think, with the threat public distrust would have on these companies’ business model, they would have thought twice before cooperating with the NSA. However, they cooperated regardless and provided the NSA access not just to the public’s metadata, but to the content produced through its use of their services.

Now, the 9th Circuit courts ultimately ruled that collection of data from phone usage was illegal, but I’m not so sure that applied to the online services being used on those devices. I would argue that from an ethical perspective, these companies had no right to cooperate with the NSA knowing the data was being collected, but legally, the agreements we all clicked or tapped yes on gave our consent for this data to be used as those companies saw fit.

This is where the problems we face today ultimately stem from: our complacency, our indifference, and our negligence. The collection of the content from the data we produce may be lawful, and we may have given our consent for said collection to happen, but we have done

so out of ignorance to what would happen and how it would be used. Snowden makes it clear that “just because something is lawful doesn’t mean that it is rightful,” and that’s a statement I agree with fully. These 9 companies, and likely many, many more today, should hear these words and consider the ramifications of their actions. They should be asking themselves if their policies are crafted from ethical foundations. Yet, we know that not to be the case.

Should the NSA continue to collect our data and communications? Obviously not! But the intelligence agencies do not operate under the same ethical code the rest of us feel they should be held to. Some within these agencies are true believers in the mission to protect this nation from threats, and perhaps it may be the majority who hold that belief, but how do these agencies define threats to this nation? Are the things they consider threats the same things the public considers a threat?

Multiple NSA agents have made it clear they believe that data collection is essential to performing their duties, so it cannot be that their definition of “threats” aligns with that of the public. In researching this topic, I began to wonder if the term threat has become primarily an economic term. We live in a world with weapons of mass destruction, so should major conflict break out, it would surely lead to mutually assured destruction.

So, what does warfare look like in the modern age? What can be considered a threat? What if a threat to the United States is primarily economic? A hostile nation developing technologies more rapidly than the United States, causing the US to lose ground in the global economy? What would the consequences look like if the United States fell behind foreign nations in their flow of capital?

If we look at the war in the Middle East, what were the rewards for victory? Well, while we did not gain ownership of the oil fields in that region, we certainly maintained dominance of the petro-dollar. Oil was the driver of growth and change in the previous century, as The Economist makes clear. But what The Economist also says should shine a light on everything I've discussed so far. What oil was for the last century, data is for this one: "a driver of growth and change."

If data is for today what oil was for yesterday, and the US has maintained global dominance via the petro-dollar, then is it ethical for financial institutions and state agencies to sell my data? Was it ethical for the US to play world police through the petro-dollar? It's a difficult question to answer, because we Americans *highly* value our way of life, a way of life made possible exclusively through our global dominance as an economic powerhouse, which we became due to the global mandate that oil could only be purchased in US dollars.

If data is the new oil, would it not stand to reason that for the US to maintain global dominance, it must become the global data-broker powerhouse? As The Economist explains, "IDC, a market-research firm predicts that the 'digital universe' (the data created and copied every year) will reach 180 zettabytes (180 followed by 21 zeros) in 2025." They go on to say it would take 450 million years to push all that data through a broadband internet connection.

This number is incomprehensibly immense. But what's more interesting is that this data is no longer simply being sold for advertising purposes. That was the methodology of the 2000's and 2010's, but today, data is being used to build, to create. Much of this data is being used to develop artificial intelligence, which generates revenue for these companies. Our data is no

longer being used to manipulate us into buying things, or at least not as the primary focus.

Instead, it is being used to develop new technologies, new weaponry, entirely new ways of generating revenue, which becomes a cycle, as this all attracts more users.

To touch on the title I've given this paper, Data Capitalism seems to be the use of data to generate user engagement, to generate more data, to develop better services, to generate more user engagement, to generate more data, and on and on and on. Where is the product being produced? And what labor is being performed? If one follows logic to its entailment here, our society is quickly becoming trapped in a loop of data generation that will ultimately end up being maintained by automation and AI.

Now of course traditional capitalism still plays a role, but advancements are relying less and less on the innovation of brilliant minds and shifting more towards being reliant on the amount of user data being collected. To be successful in a data capitalism economy, data is an absolute necessity to improve workflows, increase efficiency, discover new methodologies, and develop new products.

I won't go too deep into this topic, as I have a feeling we will approach the subject again as this semester goes on, but given everything I've just detailed, is it ethical for banks and state agencies to sell my personal data, when my personal data is the new fuel for economic growth? Well, the counter I suppose would be, is it ethical of me to want my data kept private at the expense of my home nation's status in the global economy?

As I've mentioned, we in America are quite happy with the quality of life we've enjoyed for many, many decades. We've become as addicted to it as we have our digital distractions.

Would we lose access to that way of life if we held our data privately? Is this the future our intelligence agencies understood? I have never been more conflicted than I am now, after gaining this new understanding of the evolution of the global economy. I always viewed Snowden as a hero to individual liberty, and never fully understood how our government could see him as a threat.

But I do believe I'm beginning to understand now. Data IS the new oil, it IS the new gold, it IS the driving force of innovation and commerce. So, in the depressed and defeated state I find myself in as I write this, I must ask: Is it time we re-examine the meaning of privacy? Is it time to redefine privacy? Data Capitalism does not appear to be a momentary economic phase, it appears to be the status quo moving forward.

If this is the case, would it be selfish to demand my fellow Americans accept a reduced quality of life simply to preserve the concept of privacy? I'm not so sure. I do know, however, that there is no turning back now. Data is an arms race, just like any weapon before it, and if we do not participate, we as a nation will get left behind.

Sources:

- Frontline: The United States of Secrets – Part 2 - <https://www.youtube.com/watch?v=rs2iN0oVdt4>
- Edward Snowden on German TV: US Media Blackout - <https://vimeo.com/85736856>
- The Economist: Data Is Giving Rise to a New Economy - <https://www.economist.com/briefing/2017/05/06/data-is-giving-rise-to-a-new-economy>
- Wikipedia: Data Capitalism - https://en.wikipedia.org/wiki/Data_capitalism
- Social Europe: Digital Technologies and the Future of Data Capitalism - <https://www.socialeurope.eu/digital-technologies-and-the-future-of-data-capitalism>
- Data and Goliath: The Hidden Battles to Collect Your Data and Control Your World – Bruce Schneier

Note: The first three sources listed are directly referenced throughout the paper and form the foundation of my analysis. The latter three sources, while not directly cited, have strongly influenced the tone, ethical considerations, and perspective I've taken. I'm not sure how necessary it is to state this here, but it feels like intellectual honesty to do so, and so it feels like an obligation to me.