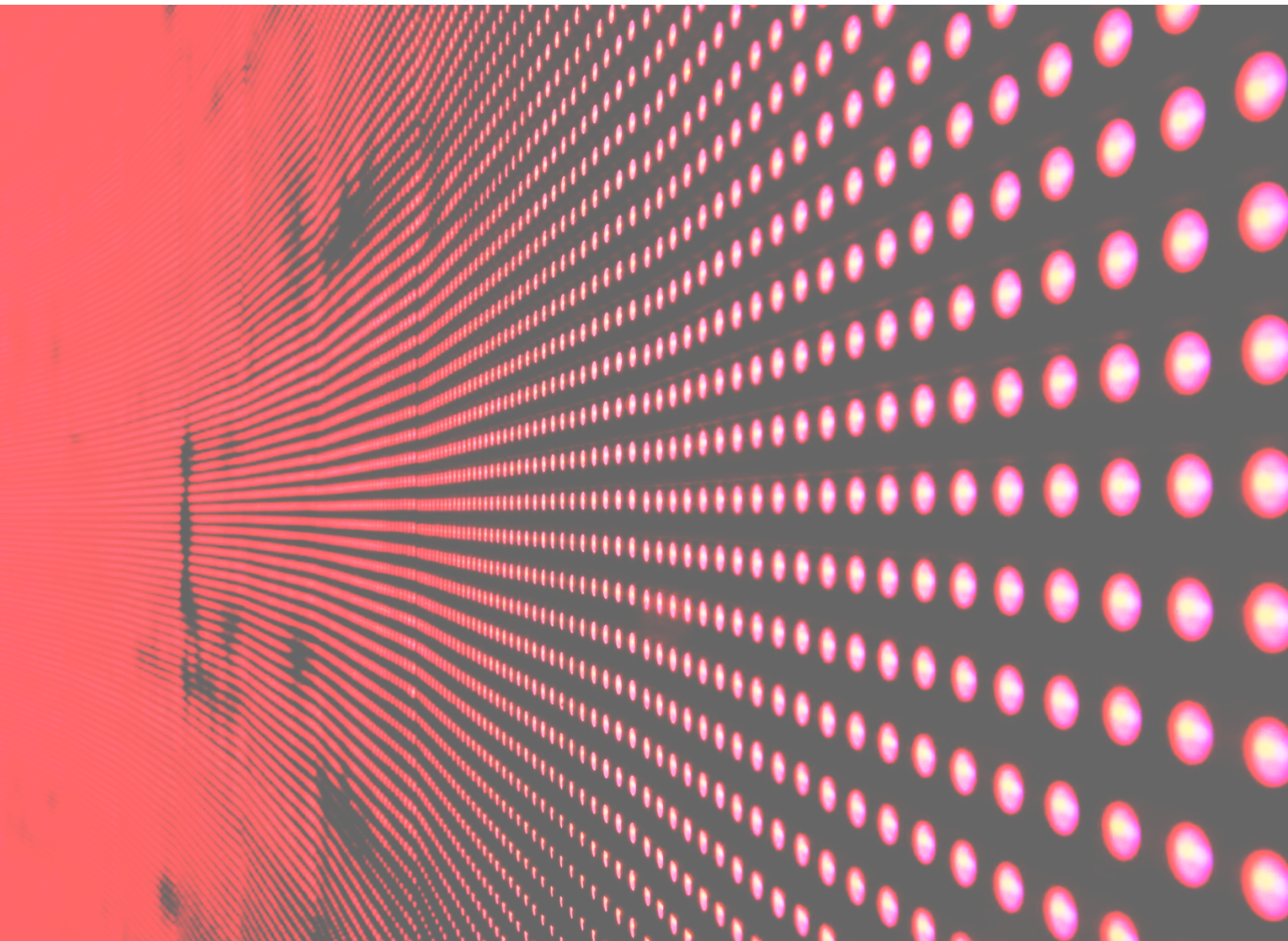


What does surveillance capitalism mean in our everyday use of social media & to what extent have its effects been subjected to regulatory intervention?

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Introduction

The digital age has brought upon us a multitude of life-altering changes, characterized by the alleviation of work that would otherwise require time and energy. Through exponential digitalization in recent decades, machine learning and automation have allowed the medical sector to reach life-saving milestones, governance has seen significant improvements in its efficiency, and perhaps one of the most notable impacts has been globalization. Never before has the world been so interconnected, through the establishment of global markets & supply chains, social media, and knowledge sharing. While these all greatly contribute to the development of society, the revolutionary development of technology is starting to reveal itself as a two-sided coin. More misinformation is circulating the internet than ever, social media has been proven to cause mental health problems, and the fragility of data privacy represents only a fraction of the adverse effects caused by technology. Such externalities must be subjected to scrutiny and regulated by governments to mitigate the harm that they pose to society. This paper will examine one such threat, namely surveillance capitalism.

In the following, this research paper will first deconstruct the concept of surveillance capitalism and how it evolved to gain prominence in contemporary discourse. Moreover, this paper will shed light on how surveillance capitalism materializes in social media through so-called echo chambers and filter bubbles. The final section of this paper delves into the regulatory aspects related to surveillance capitalism and tries to answer whether the current measures enforced by governments around the world suffice in safeguarding users and deterring further ramifications.

Background section

To understand the concept of surveillance capitalism, it is vital to understand that the modern era is shaped by capitalism. For instance, the success of Silicon Valley was heavily influenced by how capitalism facilitated the competitive, market-driven economy of the United States. Big tech was almost predestined to thrive in an economy that rewards private ownership and the pursuit of profit (Liu, W. 2020). The latter is imperative in understanding surveillance capitalism. The pursuit of profit has been the fundamental driving force in the private sector, and big tech is no exception. The term surveillance capitalism was coined in 2019 by Harvard professor Shoshana Zuboff in her highly influential book "The Age of Surveillance Capitalism: The Fight for a Human Future at the New Frontier of Power". In her book, Zuboff explains how tech companies have transcended conventional sales of products such as software and hardware, to the commodification of user data (Zuboff, 2019). Many of the products that we use online, take Google for example, are not products that we pay out of our pocket; advertisers are the ones that finance the largest profit for the companies. This becomes evident in the earnings report of Google's parent company Alphabet, revealing that in Q3 of 2023, 59.65 billion USD in ad revenue accounted for 77.8% of the company's overall revenue for the quarter (Alphabet Inc., 2023). With this in mind, it becomes apparent that companies like Google have an incentive to keep the user engaged on their platform for as long as possible, to consume a higher volume of content which subsequently generates more ad revenue. For tech companies to successfully keep the attention of their users, they need to gather data about the consumer. Data has become the most important currency for tech companies, as it

guarantees the maximization of user engagement (Zuboff, 2019). People tend to stay more engaged online when the things they are consuming align with their interests. Zuboff describes this as a new marketplace, one that trades exclusively in human futures. How this data is collected happens surreptitiously in as far as any action that a user takes online is being monitored and recorded to construct a profile of the user.

Consent for obtaining this data is meticulously masked behind so-called “cookies” that websites require you to accept or deny when entering a website. A survey conducted in the United States questioning 1000 adults on cookies revealed that only 46% know what cookies are and 40% blindly accept them (Koebert, 2023). The more an individual engages on social media through likes, shares, and screen time, the more accurate the model profile of said user is. A common misconception is that this data alone is adequate for tech companies to maximize profit, however, it goes one step further. Zuboff argues that social media tries to shape the behavior of the user to become more predictive and fit commercial interests (Zuboff, 2019). The models built through activity data can predict what content will trigger certain emotions to keep users engaged and grow their user base. All this is powered by algorithms that seek to take advantage of this attention to squeeze in as many ads as possible (Zuboff, 2019). Several growth tactics have been employed by social media companies to exploit humans' psychological vulnerabilities, proving that it is possible to trigger certain behaviors (Drummond et al., 2020).

If we are aware of the fact that our psychology is being used against us, it opens up the question of how surveillance capitalism has even come to be. Zuboff's answer to this question is that surveillance capitalism is simply unprecedented. The unprecedented nature of surveillance capitalism is what has made it evade prolonged public outrage, as the

concept cannot be grasped with existing concepts. Because such a phenomenon has never before existed outside the digital milieu, it lacks a comparable approach. The public outrage can never gain any traction because surveillance capitalism blurs the line between technological necessity and commercial imperatives. The debate over surveillance capitalism is also very much a question of ethics, should big tech companies be able to manipulate our actions and choices? A question that has garnered the attention of various philosophers.

The Effects of Surveillance Capitalism

Surveillance capitalism's behavioral manipulation has caused concern over how it could be used for self-serving interests. As previously mentioned, algorithms filter the content that is shown on social media platforms to conform to the ideals and interests of individual users. What this does is create a personalized sphere of search results that aims to satisfy the users' predicted expectations, this is what researchers call a filter bubble. To put this into perspective, imagine two people with completely different political ideologies, say for example one with more liberal-leaning ideals and another with more conservative ideals, searching the internet about migration. According to the filter bubble effect, these two people with opposing political ideologies would be presented with different search results even though the search request is identical (Bryant, L. V., 2020).

The effect of filter bubbles can be more subtle, for instance, social media news feeds that recommend content users are more likely to interact with will algorithmically filter out

information one might not want to see, this effect is called an echo chamber. When people are only presented with information that they are likely to agree with, they become more susceptible to misinformation as they lack any sort of information that challenges their pre-existing beliefs. Studies show that echo chambers contribute to societal polarization and are a threat to modern-day democracy (Kuehn, 2020). While it is important to note that the validity of these studies is still disputed, models such as the Friedkin-Johnsen model have been successfully utilized in understanding polarization in social networks (Chitra & Musco, 2020). Studies suggest that the risk echo chambers pose on societal polarization and political outcomes are often inflated by the public, however still very much present. This could be drawn back to the fact that most research in this particular field is very much centered in the United States and would require a more widespread study to draw more conclusive results (Chitra & Musco, 2020).

Policy & Regulatory Capacity - The GDPR

The aforementioned concerns of surveillance capitalism have prompted governments around the world to take action to regulate the use of data by private companies to safeguard the data privacy of citizens. Examples of such regulatory frameworks include the California Consumer Privacy Act (CCPA) in California, Lei Geral de Proteção de Dados (LGPD) in Brazil, and the General Data Protection Regulation (GDPR) in the EU. This paper will focus on the latter and examine the extent to which the GDPR manages to mitigate the effects of surveillance capitalism.

The GDPR is claimed to be the most stringent privacy and security law in the world (Wolford, 2023). Enforced on May 25th, 2018 the GDPR affects all companies that collect data on people residing in the EU, thus including the big tech firms of Silicon Valley (Wolford, 2023). The document outlines a variety of laws that companies need to abide by regarding the collection of data, should these laws be violated companies are faced with fines. An example of such a fine levied by the GDPR, and the largest fine to date, was imposed on US tech giant Meta. Meta, the parent company of popular social media platforms like WhatsApp, Facebook, and Instagram is being forced to pay 1.2 billion euros for transferring the personal data of EU citizens back to the US which breached Chapter V of the GDPR, entailing the unlawful processing and storage of data (*European Data Protection Board, 2023*).

The GDPR provides individual users the right to request the deletion of data from the database of businesses and the right to know how their data is being processed. A study, that aimed to find out whether the GDPR or CCPA was better equipped to address Zuboff's concerns, found that the GDPR was the favorable framework between the two, outlining that the GDPR was more proactive in protecting the data of consumers while the CCPA employs more reactive measures. The critique surrounding the GDPR is the complexity of compliance, especially for small to medium-sized businesses (Wolford, 2023). Studies surveying Croatian micro, small, and medium-sized enterprises reveal that the level of understanding of GDPR obligations is low and calls for a more clear-cut compliance requirement (Mladinić et al., 2023).

Conclusion

This research paper defines the concept of surveillance capitalism as a new economic order that commodifies personal data as a way to maximize profit. In an attempt to exploit human psychology, big tech companies strive to keep users engaged on social media and other online platforms for as long as possible, which as a result increases ad revenue. Social media companies present their users with content that their interests and ideals align with, causing filter bubbles and echo chambers. By inducing ideological isolation, users are more prone to misinformation and lack a diversity of beliefs that would challenge their own. Studies show that the socio-political implications of this are seen in societal polarization, however, the extent of this is still heavily disputed within academia and would require more widespread research in countries outside the United States. When reexamining the research question, “To what extent have its effects been subjected to regulatory intervention?” governments across the world have employed legal frameworks that aim to mitigate the effects of surveillance capitalism and promote user data privacy. This research paper took one such framework, the GDPR, to evaluate if it addresses the threats Zuboff warns about. The practice of surveillance capitalism shows no signs of ending in the near future, however, frameworks such as the GDPR are adapting to the potential harm it causes society by holding tech companies accountable for the handling of personal data and giving individual users the right to transparency about how their data is being used. These frameworks are not without flaws and require policymakers to fine-tune compliance measures to be more inclusive and universal. While this approach does not terminate surveillance capitalism, it is certainly a step in the right direction.

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