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Politics in the age of data

Progressive politics is floundering in the waves generated by Big Data — when it could be shaping the tide

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It's impossible to change the world if you don't understand the forces shaping it. Yet the age of data is disrupting our economies and undermining the foundations of liberal democracy. To comprehend these challenges of our time is thus a central task for progressive parties and politicians.

To make change possible they need to think hard about — and come up with solutions to — three central problems.

Rage machine

The first problem is that public discourse is increasingly defined by rage.

Politics is downstream from culture, the right-wing propagandist Steve Bannon famously (and correctly) argued, taking his cue from Antonio Gramsci. To set the agenda is to have real power. Today, to take the argument one step further, politics is rather downstream from technology.

'Social media' optimise for strong emotions, promoting and amplifying content that is a perfect fit for conspiracy theories and hatred against minorities and generally whipping up fear and anger. The mechanisms of the rage machine 'social media' create have been extensively reported but the political implications have been underestimated.

Writing in the *Guardian*, the author Suketu Mehta convincingly describes the manufactured hate against immigrants which is driving and defining European politics. Missing is that fear-mongering at this scale and speed would have been much more difficult — if not impossible — to do without the rage-maximising algorithms of 'social media'. The underlying mechanisms are described in detail in the recent reportage by

the *New York Times* on the effects of YouTube on Brazilian politics.

The counter-argument is that such intolerance is not new to Europe and that there are other major forces shaping politics, such as inequality and a backlash against globalisation. 'Social media' do not create racism or the right-wing populism which has triumphed in elections, as in Brazil, out of thin air.

More important is Vestager's argument for a different way of thinking about the relationship between companies and consumers, and how digital markets should be organised.

Yet, as Cas Mudde and others have pointed out, the success of the extreme right stems not so much from increased *demand* for certain political ideas but rather from parties and other organisations *supplying* these to voters, in a context in which such ideas ('immigration', for instance) have become more salient as other issues (such as income distribution) have become less visibly contested. And a public discourse suffused by fear and hate will only make the politics of the radical right more dominant. Indeed, it will encourage other parties to copy their policies and frames, as some on the centre-right — and even on the centre-left — have already done.

The amplification effects from 'social media' into politics are real and much more severe than has been appreciated. For anyone — from left to right — who wants to mobilise people around anything other than fear and hatred, this should be a major concern.

Winner takes all

The second problem is that monopoly capture is threatening innovation and democracy.

Few politicians fully appreciate that not only do a few companies control the information space but these corporations also — by force of their sheer size — undermine competition and crowd out innovation in vital parts of the economy.

The digital economy doesn't work in the manner of conventional markets. Extreme returns to scale, strong network effects and the role of data create major advantages for incumbents. This, combined with weak regulation and enforcement in the United States where they are domesticated, has created the conditions for the largest and most powerful companies in the history of mankind to continue to grow.

There is a real and increasing risk of data monopolies depressing productivity and innovation, contributing to a winner-takes-all economy where shareholders of the tech giants are the only people prospering. And, as history has shown — including the earlier phase of US 'plutocracy' which spurred anti-trust legislation — monopolies and excessive corporate concentration will eventually become a threat to democracy.

One of the few contemporary European politicians to have grasped the political and economic implications of the rise of monopoly is the Danish competition commissioner, Margrethe Vestager. Her work on anti-trust has been ground-breaking — and not only because of the fines she has handed out to Google and Apple.

More important is Vestager's argument for a different way of thinking about the relationship between companies and consumers, and how digital markets should be organised. This follows a liberal (in the European sense) political tradition, where the rights of consumers to choose should be taken into account — not just the rights of companies.

It is vital that the argument Vestager has put forward is safeguarded in the years to come and, indeed, that progressive parties and politicians strengthen and develop policies around competition and anti-trust.

Survival of democracy

Thirdly, data ownership is key to redistribution and sovereignty.

An increasing share of the value in today's economy is built with and on data. A large part (although not all) of this data is extracted from human activity. Who controls this resource? Who owns it? How should the value be distributed? Today, the tech giants capture the wealth created as rents, having set the rules of the game. And even if Vestager is doing a good job, competition policy and anti-trust enforcement is not enough to tackle the challenge.

Politics needs to go back upstream, to shape these conditions democratically — rather than leaving them to the monopolists to define.

The question of data ownership should be a central discussion point for progressives. Some argue that data should be considered as embodied labour. In that case, the value created should at least partly be channelled back to its source.

Another way of looking at data is as public infrastructure. The city of

Barcelona has experimented with the notion of a 'data commons', treating the data produced by people, sensors and devices as a shared resource without property-rights restrictions, to be used for innovation by all.

The question of data ownership is central, not only to the survival of democracy but also to the prosperity and sovereignty of Europe. The first phase of digitisation has been led almost entirely by the US and China, and they now have a strong lead when it comes to Big Data and artificial intelligence.

As the former German foreign minister Joschka Fischer has pointed out, this is one of the most important issue facing the new European Commission. Europeans must decide who will own the data needed to achieve digital sovereignty and what conditions should govern its collection and use.

No simple answers

How digital markets are organised will shape our societies in the decades to come.

The questions raised here have no simple answers. How they should be solved depends, among other things, on values and ideology. Yet today there is a frightening lack of political debate around these central themes.

This is a shame, because the age of data could instead be an opportunity for progressives to create better conditions for redistribution and innovation, for equality and emancipation. Politics needs to go back upstream, to shape these conditions democratically — rather than leaving them to the monopolists to define.

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