

Opinion **Big tech**

How to take back control from the Big Tech barons

Today's Silicon Valley barons have a more powerful tool than money for exerting their will

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Rana Foroohar YESTERDAY

Is the power of today's wealthiest people different than in the past? It's a question that's been on my mind because of a recent conversation I had with a famous technology investor in Silicon Valley.

We were discussing how, as Big Tech has grown over the past 20 years, the number of [start-ups in the US has fallen](#), and inequality and political polarisation have both risen. He seemed even more distressed about this than I was, which prompted my own optimism: "Well, remember that we've curbed monopoly power before — just think of the 19th-century [railroad barons](#)." To this, the investor responded grimly, "Yes, but they couldn't swing elections."

That's not entirely true, of course. Railroad tycoon Thomas Scott allegedly helped tip the 1876 presidential race to Rutherford B Hayes by using his wealth and connections to secure Hayes

southern political support in exchange for his blessing Scott's efforts to create the second transcontinental railroad. The deal done, Hayes was inaugurated four days later, having ridden to Washington aboard Scott's private railway car.

Is the power of those in charge of Facebook, Google, or Amazon really any different? The answer is mostly no, but also — in one important way — yes. Their business models allow them to exert power from the bottom up in a way that is truly different from anything we've seen in the past.

Economic influence has traditionally been asserted top down. Rich people bought the media, and the political system (via overt campaign donations and more opaque methods). Sometimes they funded their own political campaigns, as billionaire [Michael Bloomberg](#) is doing now.

The more money they had, the more successful their efforts were. [A recent paper](#) by academics at the University of Massachusetts and University of Texas shows how linear the relationship between money and political power in the US is. The study tallied both official donations and various kinds of "dark money". It found that in three widely spaced election periods (1980, 1996 and 2012) the relationship between major party candidates' share of the two-party vote and their proportionate share of total campaign expenditures overlapped in a more or less straight line. The relationship was, the authors wrote, "strong for the Senate and almost absurdly tight for the House".

That may be one of the reasons that entrepreneurial zeal has decreased in the US. As the New York University economist Thomas Philippon recently examined in his book *The Great Reversal: How America Gave Up On Free Markets*, there's good reason to think declining levels of competition in the US can be explained by policy choices, in particular those that allow for huge amounts of formal and informal political lobbying and campaign finance contributions. Prof Philippon argues that [European markets are actually freer](#) than American ones and levels of corporate concentration lower because there is less money in politics.

Of course, today's Silicon Valley tech barons blanket both Washington and [Brussels](#) with cash. But they also have another, more powerful, way of exerting their will. That is through their very own innovation — [surveillance capitalism](#). They can track each of us online and, increasingly, offline via our handsets, smartphones, smart cars or sensors placed in a growing number of consumer products and throughout smart cities. That allows them to divide and conquer us in ways that the oligarchs of the past could only dream about.

Forget about influencing the public and elections via cable television or donations to specific politicians. Each of us can now, thanks to surveillance capitalism, be separated like individual grains of sand. This occurs both economically — we see different prices, offers and information online based on our past behaviour — and politically via messaging that can be customised to individuals. The more data we share, the more algorithms can predict what we will do and guide us to the outcomes that the attention merchants prefer.

Combine this with the fact that there is complete opacity about which messages are being delivered to whom, and you have a power that far exceeds that of titans past. The best the railroad barons could do in terms of microtargeting was to hand out free boarding passes to politicians they liked. Facebook founder Mark Zuckerberg has had [secret meetings with US president Donald Trump](#). But what really scares people is the fact that his platform can tweak its algorithms in ways [that can make us feel](#), and potentially even act, differently.

The jury is still out on whether or not online disinformation actually affected the 2016 US election, the 2016 Brexit vote, or any European elections. But it is true that some Big Tech leaders, including Google's Eric Schmidt, have bragged about their ability to determine and anticipate [individual behaviour](#). That is deeply worrisome.

Democratic presidential hopeful Elizabeth Warren seems to have the will to try to break up Big Tech. But splitting up Facebook will not be enough to solve the problem of surveillance capitalism. Only prohibiting the tracking and microtargeting of individuals will do that. I used to think such a prohibition was extreme. It may, at this stage, be impossible. But I'm also beginning to wonder whether it might be crucial, not only to restoring competition in the US, but to saving trust in liberal democracy throughout the world.

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