

FREE
MARKETS &
CONSTRAINED
CITIZENS

An Analysis of Neoliberalism

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Neoliberalism is rooted in the paradox between its theoretical principles and its practical functioning in the world. This paradox arises from the departure of democracy as a result of neoliberal practices. This paper argues that neoliberalism and its policies result in a departure from democratic practices, leading ultimately to an erosion of democracy. The paper will focus on the function of surveillance in creating these departures and spaces for freer markets but constrained citizens.

The paper is divided into three sections with each section looking at a specific departure from liberal democracy. The first section will examine the need for surveillance in a neoliberal order, accompanied by an analysis of how this surveillance is increasingly being handled by the private sector. The second section will look at how these practices of surveillance have created conditions for less freedom and diminished agency for citizens. This section will explore the loss of citizens' agency as a direct result of the capitalization of their participation. For this, the paper looks at behavioral economics principles and examines the 2017 Cambridge Analytica scandal as an example. The third section explores the emergence of a global digital surveillance network, through an analysis of Facebook as well as 'The Circle', a 2017 movie directed by Jason Ponsoldt.

For the scope of this paper a simple definition of neoliberalism has been assumed, as given by David Harvey: "Neoliberalism is a theory of political economic practices proposing that human beings can best be advanced by the maximization of entrepreneurial freedoms within an institutional framework characterized by private property rights, individual liberty, unencumbered markets, and free trade."¹

¹ Harvey, David. "Neoliberalism as Creative Destruction." *The Annals of the American Academy of Political and Social Science*, 22.



"THE REASON FOR THE ANXIETY LIES IN THE INEQUALITIES THAT NEOLIBERALISM HAS CREATED SINCE ITS ADOPTION AS THE PRIMARY ECONOMIC APPROACH TO THE MARKET IN THE WESTERN WORLD..."

1. PRIVATIZATION OF SURVEILLANCE

The neoliberal state is anxious — it stands on a slippery slope. The reason for the anxiety lies in the inequalities that neoliberalism has created since its adoption as the primary economic approach to the market in the Western world, followed by other countries in different permutations. The claims that ushered in neoliberalism have actualized only for the privileged sections of society, while further marginalizing those already disempowered. As a result, the state has had to increasingly intervene in the market in order to sustain the neoliberal order, mitigate discontentment, and avoid popular protests and uprisings. A paradox has thus emerged: while the principles of neoliberalism are rooted in laissez-faire economics, non-interventionism,

the withdrawal of the state, and a free market run for profits and capital, the functioning of neoliberalism has been different. Neoliberalism's existence, survival, and sustenance has been ensured through state intervention.

Furthermore, the transition from Keynesianism under liberalism—an economic ideology that espouses high taxes for the rich, government intervention, and social welfare to create high rates of growth for all sections of society—to neoliberalism, which caters only to the rich, required extreme amounts of intervention itself.

One such form of state intervention was surveillance, which has been used to sustain the deregulation of the markets. It allows for the targeted identification of any signs of protests or threats to the economic order from the masses. It can also be used to profile criminals, in the name of national security, protecting the free market from both external and internal threats. Julie Cupples and Kevin Glynn write, "the neoliberal surveillance state's deep fearfulness and anxiety in the face of the threat posed by the power

of the imagination, dissent and the willingness to hold power accountable advance its desire to develop sophisticated statistical profiling techniques that might facilitate the pre-emptive identification of activists and others deemed to threaten the social order."²

An issue arises from the neoliberal state's engagement with surveillance: the state cannot be part of large-scale surveillance projects without contradicting the very principles of freedom and liberty it claims to uphold. The neoliberal state operating under the claim of a free and fair democratic society cannot collect massive amounts of data on its own without either being accused of authoritarianism or actually having to apply authoritarian measures, as consent for data sharing from citizens cannot be attained easily. The state may, further, not be as competent as companies which specialise in

² Julie Cupples and Kevin Glynn, "Neoliberalism, Surveillance and Media Convergence" in *The Handbook of Neoliberalism* (New York: Routledge, 2016), 179

the collection and analysis of big data. A perfect neoliberal solution to this problem has been found in outsourcing the surveillance to the private sector.

The outsourcing of mass scale surveillance creates the illusion that the sovereign state's interference in the private lives of people as well as in the market is limited, to the extent of being negligible. Under this illusion, obtaining people's trust in sharing private information from their lives is much easier. People consider agreeing to the policies of the companies and internet-based services, especially social media companies, as either harmless or necessary for their convenience and to derive the most out of the user experience. Christopher Wiley writes, "Soon we were sharing personal information without the slightest hesitation. This was encouraged, in part, by a new vocabulary. What were in effect privately owned surveillance networks became 'communities', the people these networks used for profit were 'users' and addictive design was promoted as 'user experience' or from their data exhaust or digital breadcrumbs."³

This is not to say that surveillance in the neoliberal order has been completely handed over and is now a private function. The state continues its surveillance and profiling practices in the name of national security. However, even these projects undeniably find their roots in the apparatus developed by the multinational corporations, making use of their massive reach and expertise.

The amount of data collected at the granular level ultimately becomes accessible to the government should the need arise. For example, criminal arrests have been made on the basis of location tracking conducted by Google. The functioning for such arrests is as follows, "The police told the suspect, Jorge Molina, they had data tracking his phone to the site where a man was shot nine months earlier. They had made the discovery after obtaining a search warrant that required Google to provide information on all devices it recorded near the killing, potentially capturing the whereabouts of anyone in the area. The warrants, which draw on an enormous Google database employees call Sensorvault, turn the business of tracking cell phone users' locations into a digital dragnet for law enforcement."⁴ Users only consent to handing over data to Google, not to the state, yet this technicality has little practical impact. The amount of data that users 'consent' to share with the applications they use allows the state to expand its scope of authority and permeate all regions and sections of society. Thus, creating spaces for the state to exist and exercise the power of surveillance over its citizens without its presence ever being felt.

Thus, an illusion of freedom is created within the neoliberal order. A freedom of the markets as well as of the citizens is 'sold' to the citizens. This is, however, only a deceptive practice. These digital and physical spaces control and regulate the everyday lives of citizens, resulting in a substantial shift away from liberal democracy. First, the state loses its agency in surveillance to the private sector. The private sector is not regulated under the principles of a neoliberal order, and thus there is no accountability in their use of these surveillance networks. Companies cannot be voted out of power; they cannot be held

³ Christopher Wiley, *Mind*Chk: Cambridge Analytica and the Plot to Break America* (New York: Random House, 2019), 39

⁴ Jennifer Valentino-Devries, "Tracking Phones, Google Is a Dragnet for the Police", *The New York Times*, April 13, 2019. <https://www.nytimes.com/interactive/2019/04/13/us/google-location-tracking-police.html>.



"THE PRINCIPLES OF NON-INTERVENTIONISM DO NOT ALLOW FOR ANY REGULATION OF HOW THESE NUDGES MAY BE USED BY PRIVATE COMPANIES."

accountable and answerable to the people in the same way that the state can be. Second, every move, decision, and action of the user is documented and stored by social media and other internet-based services. The users therefore come to inhabit a lifestyle where their behavior is under 24/7 surveillance.

2. COMMODIFICATION OF THE CITIZENS

Once the private sector emerges as the main operant in surveillance, capitalization of the information collected from the users results. This capitalization takes two forms: first, one of passive capitalization of the data itself; second, an active attempt at influencing the behaviors of users in order to gain profits. Both these forms are rooted in the principles of behavioral economics. This paper aims to extend the discipline of behavioral economics from its traditional scope of "studying the social and psychological influences, as well as a rational calculation of benefits and costs, for understandings of economic and financial behavior." It seeks to understand behavioral economics not just as a passive observer, but as an active force used to control and determine economic and financial behaviors in a world where big data is increasingly and easily available for use by corporations and governments. The idea of a 'nudge' was popularised by Richard Thaler and Cass Sunstein's book 'Nudge: Improving Decisions About Health, Wealth, and Happiness'. A nudge in simple terms is defined as, "any aspect of the choice architecture that alters people's behavior in a predictable way without forbidding any options or significantly changing their economic incentives. To count as a mere nudge, the intervention must be easy and cheap to avoid. Nudges are not mandates. Putting the fruit at eye level counts as a nudge. Banning junk food does not."⁵

While the idea of the 'nudge' sounds benign, being used to encourage 'good changes' in society and law-making, it becomes increasingly threatening in a neoliberal world embedded with surveillance technologies that are commanded by private corporations for profits.

The principles of non-interventionism do not allow for any regulation of how these nudges may be used by private companies. Further, the amount of profits these nudges bring about might overpower moral or ethical restraints put on the company, leading to the erasure of these restraints. For the companies, each user becomes an entity the company can capitalise upon. The users become capital to be used as 'investments' to gain further profits. A harmless (in relative terms) example of this can be the capitalization based on the number of visitors a website gets or the number of registered users it has, a metric that determines how many advertisements the site may be able to procure from other companies. Christopher Wiley writes, "we have fallen for the idea that these services are 'free.' In reality, we pay with our data into a business model of extracting human attention". Social media platforms are increasingly designed and tweaked to capture the attention of the user, pay a temporary reward (likes, follows, shares) to ensure continued participation on the platforms. This attention is then capitalised, marketed, and sold to the 'highest bidder' for advertisements, without much care for the ethical implications of such actions. The user becomes what Wiley calls as "raw

⁵ Cass R. Sunstein and Richard Thaler, *Nudge: Improving Decisions Using the Architecture of Choice* (New Haven, CT: Yale University Press, 2008), 6



"USERS ARE GRADUALLY TRICKED, PUSHED, OR 'NUDGED' INTO MAKING DECISIONS, BUYING PRODUCTS, AND ACTING IN WAYS THAT WOULD BE BENEFICIAL TO THE COMPANIES."

data (to be commodified and exploited) for a new data industrial complex.”⁶

The commodification of people into profitable entities and the subsequent erasure of ethical restraints and concerns goes overboard when there is a shift from gaining capital on the basis of number of users or number of hours spent on the website into determining the kind of choices made by the users. Users are gradually tricked, pushed, or ‘nudged’ into making decisions, buying products, and acting in ways that would be beneficial to the companies. The principles of behavioral economics are applied to the data that is collected to understand how and why people are consuming and into influencing those decisions as a final step, ‘nudging’ them into behaving in a particular way.

The role of social media platforms in perpetuating this is the most alarming. The user’s ‘timeline’ or ‘feed’ becomes a precisely tailored echo chamber for the user. The user is fed with the content the user wishes to see. This is done first by the user themselves, through following or being friends with accounts that hold similar views or preferences. Second, this is expanded through the ads that are run on these platforms, that are often in perfect alignment with the user’s interests, likes, and dislikes. Creating what Wiley calls a “cognitive segregation”⁷ or a parallel reality curated to fit into and amplify the user’s beliefs, biases and stereotypes run by algorithms.

The 2017 Facebook-Cambridge Analytica scandal is indicative of how far these ‘nudges’ can go and the extent to which people can be manipulated. Christopher Wiley, the whistleblower who exposed the scandal, calls it, “the history-changing project that would fuel Brexit, the election of Donald Trump, and the death of personal privacy”.⁸ To summarize Wiley’s claims, Cambridge Analytica was able to obtain the data of 87 million Facebook users through the involvement of Russian hackers. This data was then exploited and used to influence voting patterns in voters. Wiley writes, “It [Cambridge Analytica] conducted operations to suppress African American voters, defrauded Facebook users and menaced them with disgusting content. It exposed hundreds of millions of private records of American citizens to hostile foreign states.”⁹ “We showed that there were relationships between personality traits and political outcomes, and that we could not only predict certain behaviors but also shift attitudes by framing the language of messages to correspond to psychometric profile.”¹⁰ He further writes, “No matter what issue you care about most—gun violence, immigration, free speech, religious freedom—you can’t escape Silicon Valley, the new epicenter of America’s crisis of perception. My work with Cambridge Analytica exposed the dark side of tech innovation. We innovated. The alt-right innovated. Russia innovated. And Facebook, that same site where you share your party invites and baby pictures, allowed those innovations to be unleashed.”¹¹

Wiley’s claim portrays how Facebook data can be used to alter opinions. He goes on to show how algorithms and companies may be used to ascertain

⁶ Wiley, *Mindf*ck*, 39.

⁷ Wiley, *Mindf*ck*, 543.

⁸ Wiley, *Mindf*ck*, 209

⁹ Wiley, *Mindf*ck*, 576

¹⁰ Wiley, *Mindf*ck*, 189

¹¹ Wiley, *Mindf*ck*, 22

the user's interests and opinions while also changing them gradually, making the user feel they have agency over their opinions while at the same time expanding those opinions to contain other opinions both political and non-political in nature.

While Wiley's claims have been contested, they allow for discussion and introspection in gauging how far we are from losing agency in our electoral process, if it has not happened already. This has been echoed by Jason Hickel: "neoliberalism tends to undermine democracy and political freedom. More than 40 years of experimentation with neoliberalism shows that it erodes the power of voters to decide the rules that govern the economic systems they inhabit. It allows for the colonization of existing political forums by elite interests."¹² Surveillance enables the creation of a database of information that may be analyzed and manipulated in order to influence the behaviors of the users. Thus, users exhibit a direct loss of agency to the highest bidder who can buy and manipulate the information for their profit. Agency and the free will of citizens are one of the central tenets of a healthy democratic society. People need to have the freedom to make their own decisions, express their own opinions, and most importantly, vote for whoever they deem the most fit. Neoliberalism meddles with agency, and it pushes the boundaries of what constitutes a democracy, perhaps even transgressing and decimating those boundaries more than we realize.

3. DIGITAL CITIZENS IN A GLOBAL PANOPTICON

In 2017, Mark Zuckerberg released a manifesto for Facebook titled 'Building Global Community'. The manifesto puts the goal of Facebook beyond "capturing videos and sharing them" and into "building a community that helps keep us safe -- that prevents harm, helps during crises, and rebuilds afterwards".¹³ Zuckerberg presents Facebook as a solution to issues that the world currently faces, including climate change, terrorism, pandemics and poverty. The document puts Facebook as a medium to enable democratic processes, equating itself to a modern 'global state' as opposed to the current nation state model.

This manifesto can be used to understand why people choose to participate in this system even after they know they may be monitored. The reason lies much beyond just the perceived harmlessness and convenience that the paper has mentioned. Harmlessness and convenience do indeed play a role in the initial stages of gaining the trust and content of the users, but there exist deeper and more significant reasons for continued participation.

One such reason is the belief that technology can save the world from its problems, thus necessitating participation in it. What Mark Zuckerberg's claims of building a community for the purpose of problem-solving does is create a moral obligation for the people to participate in it. A citizen's contribution to stability and peace is measured through the simple process of creating a Facebook account. It portrays the use of Facebook as just as essential for problem-solving, community building, and humanitarianism on a global scale as the process of voting. It sets a low bar for humanity, perhaps the lowest ever.

¹² Hickel, Jason. "Neoliberalism and the End of Democracy." In *The Handbook of Neoliberalism*, (New York: Routledge, 2016) 142.

¹³ Mark Zuckerberg, "Building Global Community", Building Global Community. Facebook, February 18, 2017.



"BOTH ZUCKERBERG AND EAMON ADVOCATE, IN RESPECTIVELY SUBTLE AND UNSUBTLE WAYS, FOR THE CREATION OF A GLOBAL COMMUNITY THAT STANDS AS POWERFUL AS THE SOVEREIGN STATE, IF NOT STRONGER."

In the 2017 movie *The Circle*, we see the call for and move towards 'transparency' and 'openness' through the process of people sharing everything on a social media platform called "TrueYou". The name derives from the belief that a person is their truest self on the Internet as they are under the scrutiny of others. The company takes this concept further through the introduction of "SeeChange" cameras which are portable and wearable, high definition,

and enable a person to stream live. The ultimate goal is to create a community wherein every individual uses and wears a SeeChange camera. Mae Holland, the protagonist played by Emma Watson, in an interview with the CEO (Eamon, portrayed by Tom Hanks) says "Secrets are lies. Secrets are what make crimes possible. We behave worse when we're not accountable...When you deprive others of experiences like the ones I had, you're essentially stealing from them. Knowledge is a basic human right. Access to all possible human experience is a basic human right."¹⁴

There are stark parallels between what Zuckerberg's manifesto says and what *The Circle* is attempting to do in a world that is fictional, set in the future, and hypothetical. Eamon declares without any inhibitions what

Zuckerberg has tried to imply with the use of 'diplomatic', 'democratic' and 'censored' vocabulary: "There isn't a problem that we cannot solve. We can cure any disease and we can end hunger, and... Without secrets, without the hoarding of knowledge and information, we can finally realise our potential."¹⁵

Both Zuckerberg and Eamon advocate, in respectively subtle and unsubtle ways, for the creation of a global community that stands as powerful as the sovereign state, if not stronger. The problem-solving central to these claims is rooted in three pillars: citizen participation, technology, and the collection and sharing of data.

Surveillance (both at the level of data collection as well as user participation) is thus portrayed as necessary by both Eamon and Zuckerberg. It is projected, propagated, and sold as the backbone of the global community that is needed to solve the world's problems. A global panopticon has started to emerge in the world based on these principles. It is still nascent, in the sense that it does not require active user participation in the profiling and identification process of surveillance currently. For Julie Cupples and Kevin Glynn "What is striking today is the magnitude of the extension of (racially asymmetrical) digital monitoring across the entire terrain of neoliberal society, such that it is virtually impossible for anybody to avoid pervasive surveillance regimes as governments, corporations, multilateral organizations and even universities

¹⁴ *The Circle*, directed by James Ponsoldt. Burbank: STX Films, 2017.

¹⁵ *The Circle*, directed by James Ponsoldt.

jump on 'big data' and 'smart cities' bandwagons despite their limitations and serious implications for human rights".¹⁶ Citizens, however, have emerged as enforcers of rules and the laws of the land, resulting in Digital Vigilantism as described by Daniel Trottier as "a process where citizens are collectively offended by other citizen activity, and respond through coordinated retaliation on digital media, including mobile devices and social media platforms. The offending acts range from mild breaches of social protocol (bad parking; not removing dog faeces) to terrorist acts and participation in riots."¹⁷ The increasingly global access to technology creates space for the development of a parallel justice system based in the virtual world. The virtual world serves as the platform for the public dissemination of the committed crime, identification of the individual(s) behind the crime, and the social denunciation of these people. However, it will be incorrect to assume that the consequences of such practices are limited to the virtual world. The online hate generated for a particular individual or community may transcend the boundaries of a virtual reaction into a physical one translating into severe physical harm. An example of this would be the multiple deaths that have occurred in India as a result



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of mob lynchings in which Whatsapp was at the centre of dissemination of doctored videos and information.¹⁸

The Circle gives an example of how widespread and 'efficient' this network of a global community involved in vigilantism may be. The Circle introduces a product named Soul Search. The principle of this product is to facilitate a real-time worldwide search to find fugitives conducted by the people themselves through the digital devices they own. The film explains the program when a character says "We've had some good weeks thinking about Completion, envisioning a day when everyone is in the Circle, when all of humanity is connected and united. And it will happen. I want to introduce Soul Search. In seconds, the computer will select, at random, a fugitive from justice, a proven menace to our global community. Our assertion is that whoever he or she is, Soul Search will locate them in under 20 minutes. Over a billion people are watching. Let's see how many are in the UK. Do you all think 14 million Brits and a billion global participants worldwide can find

¹⁶ Cupples and Glynn, *Neoliberalism*, 179

¹⁷ Trottier, D. Digital Vigilantism as Weaponisation of Visibility. *Philos. Technol.* 56.

¹⁸ *How WhatsApp Helped Turn an Indian Village into a Lynch Mob*. 18 July 2018, www.bbc.com/news/world-asia-india-44856910.

Fiona Highbridge (the fugitive) in under 20 minutes?"¹⁹ The movie shows that the fugitive is found in 10 minutes, as compared to the original promise of 20. Essentially, the movie proposes Soul Search as a surveillance network which does not adhere to international borders, diplomatic ties, or conventions. The only rule that exists is the identification and tracking of the fugitive. This raises compelling questions, including the question of what this cross-border program implies for the concept of the state. What does it mean for preventive detention? Further, what does it imply for the communities who have a history of targeted persecution? What does a global surveillance network imply for crowds that may turn into mobs while locating a criminal, deciding to deliver the sentence for the crime then and there in the moment? Fundamentally, a potential high-powered surveillance system and increased digital vigilantism could have shocking implications for the concept of 'justice' as it currently stands. As flawed as the current systems for justice and incarceration may be, there still exists a degree of accountability to and fear of the public. Yet if the public themselves become the primary mechanism of dealing with crime, there exist no processes for prosecuting them.

The third departure from democracy comes with the full integration of the citizens into this "culture of surveillance. Surveillance becomes a self-sustaining act. It pits citizens against each other in aiming to eliminate threats to the social fabric and root out dissidents, while giving full power to the information holder to decide who the dissident is. Foucault defines the panopticon as "ensuring a surveillance which would be both global and individualizing whilst at the same time keeping the individuals under observation."²⁰ Participation in this global network becomes the bare minimum, a necessity, that every good citizen needs to do. It is participating in a culture of surveillance, under which the slightest deviation will be met with social justice before any legal procedures come in. Hence, it is a form of direct control over the citizens, who will be under watch at all times.

CONCLUSION

The paper identified departures from democracy as a result of the privatization of surveillance in the neoliberal order. This takes the form of a loss of agency for the citizens as well as the state. The lack of regulations and laws on the market has allowed for the market to operate on its whims and fancies, maximizing profits and capital in every way possible. These attempts at profit maximization erode and corrupt democratic values and practices. The lack of intervention into the markets allows for the intrusion of the market into the everyday life of people and of the state. Surveillance emerges at the center of departure from liberal democracy. It allows for the collection and commodification of data leading to the manipulation of the will and consent of the people. A democratic order was historically portrayed as a necessary precondition for neoliberalism to thrive. However, neoliberalism thrives not in a democratic society but in the death of it.

¹⁹ *The Circle*, directed by James Ponsoldt.

²⁰ Michel Foucault, in Colin Gordon, ed., *Power/Knowledge: Selected Interviews and Other Writings* (New York: Pantheon Books, 1980), 159.

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