

The Poly Crisis of Big Tech - Platform Capitalism as a Neoliberal Trojan Horse

Bryn Jones (hssbj@bath.ac.uk), Bettina Krings (Bettina-Johanna.krings@kit.edu,

Antonio B. Moniz (abm@fct.unl.pt)

Introduction

Controversy over Artificial Intelligence development has intensified European concerns over the powers and influence of US, Big Tech corporations. Understandably: platforms, their social media channels and applications control a gamut of public and civil society roles and functions. These include transportation, logistics, information sources, civic and community forums; even the conduct of politics and personal and emotional life. Political economist Yannis Varoufakis has even claimed that our relationship to these platforms constitutes a kind of online serfdom, which ties consumers and suppliers to the platforms while they extract monopolistic ‘rents’. ¹A handful of corporations, monopolise these channels. Yet governmental responses to these systemic powers have been limited and piecemeal: seeking safeguards for users and loosening M.A.M.A.A. firms’ monopolisation of services and applications. M.A.M.A.A. is Microsoft, Apple, Meta (Facebook/Whatsapp), Amazon, Alphabet (Google). Globally, these U.S. platforms, together with Tencent and Alibaba from China – constitute two-thirds of the total market value of the top 70 platforms.²

How effective are the controls being developed to control the sweeping powers over everyday lives that stem from this dominance? What have governments, international bodies and civil society organisations been doing to control the powers of Big Tech corporations and what more should they do? To answer these questions we begin by outlining the scale of the challenges and threats that platform capitalism poses: to the environment, employment, civil society, the ‘lifeworld’ and democracy. We then compare the scale of these threats to state initiatives by the EU, the USA and other national bodies; with a particular focus on Europe and the EU’s digital legislation. This ranges from a Digital Services Act (requiring transparency in algorithms and advertising, protection from online harassment, disinformation, exploitation of minors, user profiling, and software that manipulates choices), through to: the Digital Markets Act (DMA), aimed at countering Big Tech market dominance; the AI Act regulating artificial intelligence; the Data Governance Act (DGA) and for data protection and its use in public and private sectors. Related sectoral measures for finance and insurance and health as well as digital identity protocols are nearing approval.

Yet overall, present regulations do no more than clean up some of the worst excesses of digital exploitation and monopoly. They do not challenge the central purposes of Big Tech business strategy: to replace human skills and relationships with automated systems such as algorithms, suck many social relationships into the online sphere; penetrating and some would say, corrupting what

¹ Y. Varoufakis 2023, Technofeudalism: What Killed Capitalism?

² <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC7494744/>

Habermas called the ‘lifeworld’: that dimension of society composed of personal, friendship and informal social relations. Nor does the bulk of this regulation check platform corporations’ political influence over notionally democratic societies; such as misuse of voter data through Facebook and misinformation by tech oligarch Elon Musk on his X channel. Trying to counter at least some of these deficits are civil society actors, trade unions and social movement campaigns. In reviewing these attempts we identify the differences in trade union campaigns to change exploitative labour contracts in countries such as Germany, the UK and Portugal.

Our review suggests that while some gains have been made there has been limited success in worker and union influence over platform managers’ strategic decision-making. Union focuses have often been relatively narrow. Some civil society campaigns have been more ambitious in aiming for ‘digital democracy’ that would provide alternatives to the oligarchic executive power over the platforms and, instead, develop the foundations for more popular checks and controls on their strategies, policies and operations. However, we conclude that these campaigns may struggle to achieve both broad-based support and sufficient support from mainstream politics. Alternative approaches could blend these campaigns’ aims with a focus on corporate governance and control that combines with ‘bottom-up’, grass-roots alternatives such as user co-operatives. We argue that these localised ventures should be complemented by state initiatives to reform the funding of the Big Tech platforms. Despite their mega-wealth and extensive influence over national and international political economy, the oligarchs controlling platform corporations depend upon convoluted share structures and the willingness of global asset management businesses to continue to fund their aspirations and operations. In the final section of this paper we examine reforms to these financial structures that could make platform businesses less oligarchical and more accountable.

The Scale of the Problems

Despite the societal benefits brought by the technologies of platform capitalism their applications have wrought wide-ranging harms to democratic societies; as well as intensifying the authoritarian powers of governments in others. The most damaging of these effects can be summarised as: the deterioration of the terms and conditions of employment, of personal security and well-being, the empowerment of anti-democratic forces, and worsening of the natural environment – particularly their consumption of carbon-emitting energy and scarce water supplies. In 2020 data centres consumed nearly 20% of Ireland’s electricity; with world-wide forecasts of accelerating world-wide use through the inputs demanded by AI technology.³ Although these diverse impacts are manifold and occur to different degrees in so many societies, we confine their description to a selected range of countries

³ <https://www.bbc.co.uk/news/articles/cpe915ke5jvo>

principally in North America and the European Union.

1. *Terms and conditions of employment*

Digital labour platforms can be classified into two main types: ‘online web-based platforms, where workers undertake tasks online and remotely; and location-based platforms, where work takes place at a specified physical location by individuals such as taxi drivers and delivery workers (ILO, 2021, p. 31). Platforms such as Uber (taxi hire), Deliveroo (meal deliveries), Amazon (zero-hours agency workers) typify the use of on-demand, sub-contracted workers that lack most of the protections and security of directly employed labour. They are also, like Amazon, extremely resistant to unionisation. Substantial numbers of the employment growth in the ‘gig economy; which in the UK for example, has around 16% of total employment with half of those doing online computing work, courier or other driving jobs.⁴ For higher-level, permanent employees work in Big Tech has had a glamorous image of exciting innovating tasks for philanthropic businesses with almost-luxurious offices and generous fringe benefits. While these facets have continued for some M.A.M.A.A. employees the underlying realities of finance capitalism in which these firms are nested has recently exposed more brutal realities. MAMAA stocks represent around 30% of all corporate listings on US stock exchanges but this paper value rests on unorthodox financial foundations. They tend to depend on huge speculative investments from hedge funds and quick-return financiers (‘venture capitalists’) which are betting that the inexorable boom in demand for their technological products will continue indefinitely. Several sub-sectors have yet to make a profit. Meta paid \$9 billion for the Whatsapp messaging platform and is still searching for ways to monetise its mass membership. Yet it has never made an overall profit. Investors are beginning to add more stringent conditions to additional financing; requiring clearer profitability targets rather than exponential growth.

Financial paymasters now pressure platform companies to rein-in their previously indulgent work and employment policies. In late 2022, billionaire hedge fund owner, Christopher Hohn, pressured Alphabet to reduce its headcount in Google and cut losses in its Waymo autonomous vehicles subsidiary. Two months later Alphabet cut 12,000 jobs, 6% of its workforce. Hohn still pressed Alphabet’s CEO to make more job cuts of 20% and curb ‘excessive’ employee remuneration.⁵ At the time, Hohn’s TCI Fund Management owned a small but significant tranche of Alphabet shares worth \$6 billion. When Elon Musk bought the loss-making Twitter channel for \$43 billion he did so through a mix of bank loans, private equity sovereign wealth fund money and share

⁴ <https://moneyzine.com/uk/resources/gig-economy-statistics/><https://standout-cv.com/gig-economy-statistics-uk#work-type>

⁵ https://en.wikipedia.org/wiki/Chris_Hohn

sales from his electric vehicle company Tesla. Twitter had struggled to make a profit and extend its subscriber base. Musk was believed to have over-paid over to buy Twitter and faced pressure to prove its value. He quickly did so in brutal fashion: laying off half the firm's employees and demanding a 'hardcore' work ethic' of 'long hours at high intensity' from the remaining workforce.

Profitability in the whole hi-tech sector came under renewed pressure and scrutiny after the Covid pandemic as consumer confidence ebbed and interest rates rose. In the sector as a whole, over 260,000 tech jobs were cut by December 2023. By of 2024 a further 81,000 employees were dismissed. Losses in MAMAA firms were smaller but still reflected intensified profitability concerns and the uncertain impacts of AI on work roles and investment priorities. Some commentators believe these pressures are encouraging more 'off-shoring' of jobs to lower-paid workforces in countries like Mexico and India.⁶ If AI does not produce the bounty claimed by BigTech hype, platform businesses may enter the mature product phase that has characterised most industries in the history of industrial capitalism. In this phase, rationalisation and work intensification replace the earlier halcyon period of free-wheeling growth and easy revenues. Big Tech's Shangri-Las of indulgent work-life conditions for the upper echelons of its workers may be on their way out.

Such offshoring also compromises the capacity of the platforms to counter the enormous flood of online abuse and disinformation. It is cheaper to employ content moderators in the global South. But moderators in general are often employed on insecure contracts, with poor working conditions and low pay. As the volume of the checks that they have to carry out is huge, it is not surprising that they are largely ineffective in monitoring and policing offensive, illegal and disruptive content.

2. Subversion of the 'Lifeworld': personal security and well-being

In the sociological schema of Frankfurt School sociologist Jurgen Habermas, society's 'lifeworld' stands apart from the formally and instrumentally rational systems of business and the state. At the core of the lifeworld are humane values and discourse of relative equality, openness and personal liberties: ways of living in most families, friendship groups and informal co-operative activities. By contrast *systems* are characterised by hierarchies, formal rules, restrictions on speech and behaviour and direction of the individual's activity to the goals of the organisation or institution. The two spheres have correspondingly different forms of communication and discourse. In the institutions of the system, such as bureaucracies, language is formalised with abstract and codified lexicons. Think of business jargon and the legalistic vocabulary of government departments. In the lifeworld, by contrast, discourse is context specific, often playful and irreverent. It uses concrete vocabularies, often devoid of abstraction. In Habermas's terminology, internet activity and engagement through platforms

⁶ <https://www.verdict.co.uk/five-biggest-tech-industry-layoffs-of-2024-so-far/?cf-view>.

has been ‘colonising’ the lifeworld: corrupting its personal autonomy and discourse.

In order to communicate online, private individuals must learn and adopt the language of the internet which may ‘crowd out’ the particularistic and locally shared sentiments, syntax and lexicons of communities in the lifeworld. The algorithms within which private choices and orientations are channelled by online search engines and operating protocols may squeeze out spontaneous and personally authentic attitudes and norms. Worse still, social media import into personal lives all sorts of abusive, reactionary and harmful standards and values. Race hate, bullying, body shaming and pressures to conform have all become well known downsides. Individuals may become divorced or distanced from their off-line communities and relationships and induced into fictive and often antisocial identities and collectivities. These processes then have adverse and dangerous impacts in the ‘real’, offline world; for example: Covid misinformation, bullying (online ‘trolling’), violence, racist behaviour and political crimes and extremism.

In one of the many scandals involving Meta’s Facebook channel, On 3 November 2021, Professor Meareg Amare Abrha was shot as he entered the family home in Ethiopia. This followed slanderous and false accusations against him on Facebook that also revealed his identifying information. (Despite repeated online complaints to Facebook the company ‘left these posts up until it was far too late’). Such online abuse has had similar fatal consequences for many others, such as suicides induced by online ‘chatting’. Platform businesses’ dependence on advertising for revenue also transmits further demands of commodity culture into the homes and lives of multitudes; creating aspirations that affluent subscribers cannot afford: fuelling debts and frustrations. Apart from the proliferation of online frauds made possible by platform channels there is the broader problem of the theft of identities and the platforms’ own legalised appropriation of information on individuals’ online activities and preferences: ‘harvested’ and sold on to other businesses for their exploitation of personal data. This is the hidden price that platform users pay for apparently free services. It is a major source of revenue for the platforms as the marketing company then puts targeted ads onto platforms such as Google and Facebook. In 2020 for example, 81% of Google’s \$257 billion profits came from advertisers; for Facebook the figures were 97% of \$18 billion. Users mean personal data which means advertisers which means mega incomes.⁷

3. Destabilisation of Democracy and Civil Society

In the early stages of online communications, Habermas along with many others believed that the digital sphere would expand and create new opportunities for public interest dialogue. The unregulated nature of platform channels, their fixation on maximising numbers of users, as well as the different libertarian ideologies of the owner-oligarchs has fostered the opposite situation. Political

⁷ <https://adguard.com/en/blog/personal-data-cost-money.html>

tendencies cluster together; creating the famous echo chamber effect which crowds out contrasting viewpoints. Misogynistic, racist and anti-democratic slanders can be posted and circulated with impunity. Organised groups have used channels like Facebook and Twitter to saturate users with, often misleading propaganda. In cases like Cambridge Analytica unauthorised use of personal data has influenced elections and referenda.⁸

Facebook and similar channels have facilitated more informal promotion of anti-democratic upsurges. The 2020 storming of the US Capitol building by Trump supporters protesting at a false allegation that that year's Presidential election had been rigged was organised mainly via Facebook following the serendipitous closure of the platform's 'civic integrity' watchdog team. More recently, racist rioting in the UK, resembling the 2018 violence in Chemnitz, Germany, is thought to have been sparked and stimulated by misinformation (through the X, formerly Twitter, platform and other channels) that a man who killed three small children in the town of Southport was an Islamic immigrant. He turned out to be a Christian born in Britain but by then the misinformation had turned into propaganda and far right mobilisation. Violence and attacks on mosques, immigration hostels and the police involved hundreds of rioters in at least ten towns and cities around the UK.

The freedoms that social media channels have accorded far right groups and celebrities to propagate their views have been linked to the platforms' reluctance to exercise censorship. Elon Musk's X channel recently re-instated the British far-right activist and agitator 'Tommy Robinson' (real name: Stephen Yaxley-Lennon); despite the latter being convicted in UK courts on various charges. The reluctance of even allegedly 'liberal' platform owners to prevent the spread of illegal or anti-democratic views and information may be partly financial. Social media channels' advertising revenues depend on the numbers of their users. Removal of controversial figures may divert their followers on to other platforms, with consequent losses of popularity and revenues. However, the 'free speech' and libertarian justifications made by platform owners could also shade into anti-democratic ideologies. X's owner Elon Musk, for example has openly expressed sympathies for racist causes and the far-right AfD in Germany. He has also poured millions of dollars into the election campaign of Donald Trump. While other Big Tech leaders are maintaining some distance from Trumpism a slew of less prominent techno-billionaires have voiced support.

There is clearly an ideological overlap between Silicon Valley libertarianism and the deregulatory, small-state, individualism that underpins Trumps politics.⁹ Whether or not there is overt political endorsement, the tacit support that the platforms' social media channels can and have succoured the threats to democratic institutions and minorities. A more direct threat comes from

⁸ Cf, inter alia, J.S. Hoffman. *Your_Data_Their_Billions* 2022

⁹ <https://www.cbsnews.com/news/trump-jd-vance-silicon-valley-support/>

PayPal founder and former Facebook investor and board director, Peter Thiel. His Palantir data management company was originally funded by: the CIA, profits from software sales to US military, security, intelligence and police agencies. Palantir was recently appointed personal information management contractor to the UK's National Health Service; despite Thiel stating in January 2023 the NHS should be completely privatised. Unsurprising, given his long-time advocacy for the ideas of neoliberal icon, Ayn Rand.¹⁰ According to Thiel: 'freedom and democracy' are 'no longer . . . compatible'.¹¹ On the plus side, Thiel's libertarianism extends to financial support for the international Human Rights Foundation, which organizes the Oslo Freedom Forum. Less favourably, Palantir appears to have partnered with Cambridge Analytica, the personal data analyser that is credited with helping the 'Leave' campaign in the UK's EU referendum on EU membership, by exploiting voters' Facebook subscriptions. Big Tech's massive financial and economic muscle means that they can also check attempts to regulate practices that government or civil society deems harmful. As in the United Kingdom, when Facebook reportedly responded to UK Parliamentarians with threats to divest from the UK if a minister persisted in criticisms of Big Tech.¹²

State Responses to Monopolisation and Communications Abuses

1. Governments and the EU

The European Union has been active against market abuses by individual platforms, such as Amazon and Google. It has enacted a Digital Services Act (DSA), aimed at enhancing platforms' transparency for the algorithms that guide and target users, stem user profiling, online harassment and disinformation, protecting minors, and checking 'dark patterns' in online engagement that manipulate users' choices. There is also a Digital Markets Act (DMA), to combat Big Tech dominance in online service; the Artificial Intelligence Act; the Data Governance Act (DGA) and the Data Act, which seek to protect personal data and how such data is used 'in the public and private sectors'. Still in the legislative pipeline are updates on cybersecurity, NIS2 (Network and Information Security); and a Digital Operational Resilience Act, covering finance and insurance. A law, eIDAS 2, provides for a standard digital identity 'wallet' controlled by users accessing online financial services and safeguarding their personal details.¹³ The Commission is also believed to be working on regulations

¹⁰ <https://www.opendemocracy.net/en/palantir-nhs-federated-data-platform-peter-thiel-data-privacy/>

¹¹ 'The Education of a Libertarian'. *Cato Unbound*. 13 April 2009.

¹² M. Chapman, 2020. 'Revealed: Mark Zuckerberg Threatened to Pull UK Investment in Secret Meeting with Matt Hancock'. *Bureau of Investigative Journalism*, December 8. <https://www.thebureauinvestigates.com/stories/2020-12-08/revealed-mark-zuckerberg-threatened-to-pull-uk-investment-in-secret-meeting-with-matt-hancock>.

¹³ <https://www.bundesdruckerei.de/en/innovation-hub/eidas/eidas-2-0>

for health data spaces and online ‘chat’ to allow enforcement agencies and platforms to scan private messages, for child pornography.

However, effective implementation of all this legislation is problematic. It’s likely that it will not only be the Commission that applies the regulations. It would be in concert with member states’ authorities that would transpose the legislation into their national one. In which case, according to an industry expert, although national competition authorities could provide extra resources, there is a risk ‘of fragmentation and inconsistent decisions.’¹⁴ It takes, anyway, time and the decisions are lengthy. For the DSA, for example, member states are expected to undertake policing by appointing digital service ‘co-ordinators’. Several states have yet to do this. The DSA also provides a role for ‘trusted flaggers’ such as universities, associations, and fact-checkers, to identify cases of online hatred, internet harassment, illegal content, and scams and fake news. The capacity of these flaggers is, as yet, unknown and their selection is delegated to local authorities with most member states, still to appoint theirs. Perhaps as a safeguard to member states’ capabilities, the Commission is also establishing its own DSA surveillance system. Although it is likely that this system will react mainly to complaints and leaks from platform employees, rather than its own trawl through the oceans of data and postings that flood digital communications. The problem therefore remains that highlighted above: of inadequate staffing of moderators whose terms and conditions of employment are not conducive of forensic professional performance.

Elsewhere, in the UK, proposed legislation that became the Online Safety Act sought to require platforms to monitor and block ‘harmful’ sites and sources. Opposition from the companies and free speech campaigners, eventually led to these provisions being omitted from the legislation. On the grounds that user privacy and free speech rights would be curtailed. (A ‘sacred cow’ that is even more of a barrier to online content regulation in the USA.)¹⁵ The platforms were required only to provide systems enabling users to filter out notionally harmful content.¹⁶ Some idea of existing EU challenges to Big Tech platforms can be gauged from its competition enforcement actions against Amazon and Google.

Elsewhere

¹⁴ <https://www.techmonitor.ai/digital-economy/digital-markets-act-eu-agrees-antitrust-rules-digital-economy?cf-view>

¹⁵ Martin Moore and Damian Tambini (eds), 2020 *Regulating Big Tech Policy Responses to Digital Dominance* p345.

¹⁶ .BBC News Online Safety Bill: Plan to Make Big Tech . . ‘.28/11/2022;. USA Children’s Online Privacy Protection Act, 1998

U.S.A.

There is no single piece of federal legislation covering personal security, data, and online abuse in the USA. There are several laws passed by individual states and also stand-alone federal acts, such as The Children's Online Privacy Protection Act of 1998 (COPPA). An act that is widely regarded as being ineffective in its main aims. As with other instances of internet communications attempts at regulation are often by the USA's constitutional rights on freedom of speech, self-expression, and other First Amendment provisions.¹⁷ Legislators have proved unable to find a workable compromise between safeguards against online incitements to violence and hate speech and Section 230 of the Communications Decency Act, 1992, which, inter alia, holds that platforms are not liable for the content that users post on them. The 2021 storming of the US Congress's Capitol building by an insurrectionary crowd of Trump supporters led to several platforms removing Trump for their social media channels. However, so far there has been no attempt to legislate to make platforms pre-empt the incitement that led to the violence.

2. The EU Takes on MAMAA

Amazon's standard agreement with its marketplace sellers allows Amazon's retail business to analyse and use third party seller data. The E.U. Commission (EC) focuses on whether and how Amazon's use of accumulated marketplace seller data affects competition. Because Article 101 of the Treaty on the Functioning of the European Union (TFEU), prohibits anti-competitive agreements and business decisions that prevent, restrict or distort competition within the EU's Single Market; and by Article 102 of the same Treaty on the abuse of a dominant position. Amazon displays a 'Buy Box' option prominently that allows customers to add items from a specific retailer directly into their shopping carts. (See Figure 1)The EC agrees that winning the "Buy Box" seems key for marketplace sellers as a vast majority of transactions are done through it. The Commission is therefore investigating the role of data in the selection of the winners of the "Buy Box" and the potential use of competitively sensitive marketplace seller information in that selection.¹⁸

In parallel, in 2020, the EC opened a second investigation to assess whether Amazon's retail business or the sellers that use Amazon's logistics and delivery services involves preferential treatment in selection of the winner of the 'Buy Box' and the offer of products under its Prime Programme to sellers. The EC preliminarily concluded that Amazon abused its dominance on the French, German and Spanish markets for the provision of online marketplace services to third-party sellers. In response Amazon agreed to: improve the visibility of the second competing Buy Box offer -

¹⁷ Morris, J. November 23, 2010. 'Ask CDT: Answers on First Amendment Rights Online'. CDT Blog. Center for Democracy and Technology.

¹⁸ https://ec.europa.eu/commission/presscorner/detail/en/IP_19_4291).

adding a review mechanism. If this does not attract adequate consumer attention it would increase the transparency and information flows to sellers and carriers. This should enable equivalent delivery services to Amazon's through the switching by sellers to independent carriers by easing direct contact between independent carriers and their Amazon customers.

Other commitments included improving information about users' commitments and newly acquired rights; greater carrier data protection from use by Amazon's competing logistics services. Plus increased powers of the monitoring trustee; a centralised complaint mechanism, open to all sellers and carriers where non-compliance with the commitments is suspected. The judgement means Amazon cannot use marketplace seller data for its own retail operations and must grant non-discriminatory access to Buy Box and Prime, for up to seven years. An independent trustee will monitor implementation and compliance. If necessary, it will fine Amazon up to 10% of its annual turnover, or '5% per day of Amazon's daily turnover for every day of non-compliance'.¹⁹ Despite the apparent rigour of these regulations, industry sources have commented that Amazon can easily accept some of these changes because the platform's competitiveness will not be affected. 'It appears Amazon's strategy all along was to make it seem like it was giving things up that it was perfectly comfortable to give up.'²⁰

FIGURE 1



¹⁹ . https://ec.europa.eu/commission/presscorner/detail/en/ip_22_7777

²⁰ <https://www.vox.com/recode/2022/12/22/23522734/amazon-eu-settlement-buy-box-sellers-antitrust>

In 2023 the Commission notified Google that it had breached EU antitrust rules by distorting competition in the advertising technology industry ('adtech'): 'the Commission takes issue with Google favouring its own online display advertising technology services to the detriment of competing providers of advertising technology services, advertisers and online publishers' (idem). Google provides several adtech services that intermediate between advertisers and publishers to display ads on web sites or mobile apps. Two ad buying tools, "Google Ads" and "DV 360", as well as a publisher ad server, "DoubleClick For Publishers" (DFP). Finally, they also operate with an ad exchange, "AdX". The Commission preliminarily found that, since at least 2014, Google abused its dominant positions by favouring its own ad *exchange* AdX in the ad selection auction of its dominant publisher *ad server* DFP by making Google Ads and DV360 through AdX the most attractive ad exchange.²¹ The EC proceedings have published a scheme on this process, as in Figure 2.

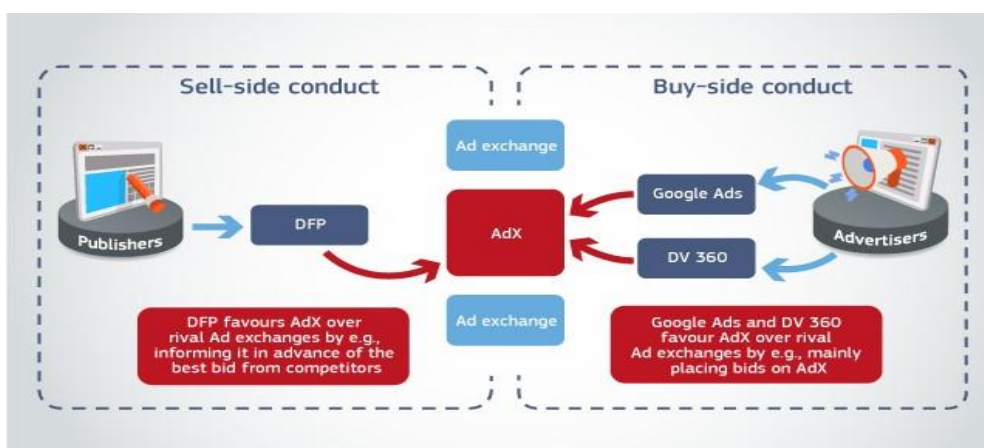


Figure 2

The EC believes AdX gives Google a competitive advantage which may foreclosed rival ad exchanges, reinforcing Google's AdX central role in the adtech supply chain and its ability to charge high fees for its service. If confirmed, those conducts would infringe Article 102 of the Treaty on the Functioning of the European Union ('TFEU') that prohibits the abuse of a dominant market position. As Google is active on both sides of the market with its publisher *ad server* and with its ad buying tools it holds a dominant position on both ends and operates the largest ad exchange: a situation of inherent conflicts of interest for Google. The Commission's preliminary view is therefore that to meet competition concerns Google must divest part of its services. Finally, if upheld the EC holds that it can adopt a prohibition of the conduct and impose a fine of up to 10% of the company's annual worldwide turnover. On another front, the E.U.'s Digital Services Act attempts to: increase transparency in areas like algorithms and advertising; fight online harassment and disinformation; protect minors, stop user profiling, and prevent the 'dark patterns' designs intended to manipulate our

²¹ <https://competition-cases.ec.europa.eu/cases/AT.40670>

choices on the web.

State Anti-Trust Policies and Supervisory Roles

Despite these rulings and changes these Big Tech companies continue to act in the European market collecting non-public data and using it to improve their profit using big data analytics. However, the EC claims that there will be ‘no legal deadline for bringing an antitrust investigation’ [of Amazon and Google] An antitrust investigation would depend ‘on a number of factors, including the complexity of the case, the extent to which the undertakings concerned cooperate with the Commission and the exercise of the rights of defence’.²² Anti-trust legislation has not been used directly to reshape platform corporations’ powerful autonomy. More typically, as described in the case of Google above, it has been used to stop firms pre-empting competitors’ services on their platforms. As a recent successful US government court case against that company shows. Even revived and strengthened anti-monopoly (US ‘anti-trust’) legislation may simply disaggregate the pursuit of harms into separate businesses; as has been considered after the Google case.²³ The US anti-trust legislation broke up the giant monolith Standard Oil a century ago, but its derivative businesses continue to inflict environmental and economic injustices.

As Moore and Tambini argue, without correcting the flaws in the general business system, break up of a dominant platform could lead ‘one or more of the constituent parts of each company to grow into similar size and power of the original’ (Moore and Tambini p 342). A more restrained approach which does not challenge the MAMAA firms’ autonomy is illustrated by the EU’s Digital Markets Act; which demands that Big Tech operators open up their platforms to other, presumed smaller providers. Under the EU legislation fines can be imposed for inadequate responses to such injunctions. However, in the past, platforms like Apple and Microsoft have been willing to shoulder fines as simply, another business cost. With their current gigantic cash reserves (almost \$1 trillion on one estimate and investor confidence they are well placed to continue to do this.²⁴

Perhaps, predictably, the equivalent legislation passed by the UK’s neoliberal Conservative governments was weaker in the powers it created for a new Digital Markets Unit. The candidates for regulation are ill-defined and the legislation allows considerable scope for negotiation between this

²² See the above mentioned Press Release of 17 July 2019 at https://ec.europa.eu/commission/presscorner/detail/en/IP_19_4291 and the Press Release of 14 June 2023 at https://ec.europa.eu/commission/presscorner/detail/en/ip_23_3207

²³ <https://www.nytimes.com/2024/08/13/technology/google-monopoly-antitrust-justice-department.htm>

²⁴ <https://www.investors.com/etfs-and-funds/sectors/sp500-companies-stockpile-1-trillion-cash-investors-want-it/finances>

regulator and individual Big Tech firms in defining and correcting unacceptable market behaviour.²⁵ Overall, the various European schemes can be criticised for their risk of: ‘locking in’ the currently powerful firms ‘and by raising barriers to entry’; ‘opaque’, ‘illegitimate’ and ‘complex’ controls over free speech. It has been argued that the existing model of surveillance capitalism will only be tempered if regulation is rigorously reformed and existing flaws in regulatory independence are subject to even sharper scrutiny (Moore and Tambini p341).

As Vicente Bagnoli has put it, because of the scope and scale of platforms, covering services, products, ideas and democracy, access to them has become essential for ‘communities, consumers and sellers’. Their scope includes products and services ‘not often available elsewhere’ therefore each ‘super platform’ ‘should be measured similarly to public utilities . . . (as) an infrastructure of a public-good nature which users rely on.’²⁶ However, concerns over state control of platform utilities could easily derail such proposals. Would governments be pressured to incorporate statutory controls over speech and privacy online? With present low levels of trust in government, such reactions could deter politicians from pursuing public ownership. A further risk, or at least one that business lobbies and neoliberals could allege, is of Chinese and Russian models of state control where only national governments would monitor, regulate and identify unacceptable content. Arrangements that could throw out the baby of transnational flows of data and services with the bath water of corporate dereliction (Moore and Tambini p 343). However, having a mix of state and non-state critical actors monitor and offer alternative services would preclude such charges and scenarios.

Civil Society and Social Movement Campaigns

There are multiple campaign groups and networks raising awareness of platform misdeeds and dangers, which increasingly co-ordinate at international levels. See for example: Many of these formed the Global Coalition for Tech Justice, with over 200 organisations and experts across 55 countries, ‘to challenge absent corporate accountability and ensure the future of online platform governance is global, equitable and inclusive.’²⁷ However, trade unions have probably had most impact, albeit in the relatively limited sphere of workers’ interests and the management of the online-offline interface.

Trade Union Challenges

In Europe alone there is considerable diversity in worker relations with Big Tech businesses and with

²⁵ <https://www.sidley.com/en/insights/newsupdates/2023/04/new-uk-digital-markets-regime-key-differences->

²⁶ Bagnoli, V. ‘Digital Platforms as Public Utilities’ IIC Int Rev Ind Prop Copyr Law. 2020; 51(8): 903–905.

²⁷ [https://digitalaction.co/digital-actions-impact-in-2023-building-a-movement-to-tackle-big-techs-global-impacts/ampaign groups and NGOs 2023\]](https://digitalaction.co/digital-actions-impact-in-2023-building-a-movement-to-tackle-big-techs-global-impacts/ampaign%20groups%20and%20NGOs%202023)

traditional unions' representation of workers' interests within such employment. Moniz et al found that 'This diversity, polarity and fragmentation complicate the definition of singular worker profiles and collective organisation, which has contributed to a lack of labour market policies for platform work in most countries'.²⁸ However, 'the networked and global character of platform work means that there are similar threads connecting workers across countries and platforms'. This study recommends a 'coherent European framework for working conditions and policies' that would 'manage the complex interactions between common threads, diversity and polarity.'" (Moniz et al., 2021: 232). The commonalities are that most digital labour platforms in the EU classify platform workers as self-employed.²⁹ Consequently, such allegedly 'independent' workers do not receive the same labour protections and legislation as contracted employees. So these are formally self-employed, yet they are dependent platform workers; unable to access supportive social security measures. Mostly they are migrant workers with greater vulnerability.

Trade unions in several EU member states have recruited and organised self-employed workers in recent decades.³⁰ However, the evidence from the European study *Digital Labour Platforms* demonstrates that the 'self-employment status in platform work limits workers' access to many important collective labour rights in almost every legal system'; especially access to collective bargaining, information and consultation. In many countries, they lack formal labour contracts and 'work is mainly regulated through algorithms' (Moniz et al., 2021: 233). Some trade unions have begun to analyse platform work; setting up different modes of social dialogue and developing codes of conduct and certificates.³¹ Moniz et al also found that despite pessimism about trade union engagement with platform workers 'some trade unions are developing various effective actions through online-offline forms of mobilisation. Coalitions are also being formed with new actors and grassroots movements, 'strengthening workers' collective voice and improving working conditions' (Moniz et al. 2021: 223-224).

The conclusion from this study is that 'effective collective representation strategies' were linked to three main drivers. The first is representation mechanisms, including platform workers' access to legal employment status, trade unions, and alternative associations and movements. The

²⁸ A. B. Moniz et al., 2021: *Digital labour platforms: Representing workers in Europe*, p 231

²⁹ De Groen et al, 2021, Digital labour platforms in the EU: <https://www.ceps.eu/ceps-publications/digital-labour-platforms-in-the-eu/>

³⁰ Pulignano V., Doerflinger N. and De Franceschi F. (2016) Flexibility and security within European labor markets: the role of local bargaining and the different 'trade-offs' within multinationals' subsidiaries in Belgium, Britain and Germany, *Industrial and Labor Relations Review*, 69 (3), 605-630

³¹ Johnston et al ILO, 2020 <https://www.ilo.org/publications/labour-geographies-platform-economy-understanding-collective-organizing>

second is platform workers' self-recognition and collective consciousness. The third is the nature and levels of the industrial relations environment. In comparative terms, here was a difference between platform workers who can rely on more effective industrial relations systems to support their representation – for example, through social dialogue in Spain and works councils in Germany – and platform workers in other countries (Moniz et al., 2021: 239). In Anglophone countries, such as the UK and USA, general worker protection through trade union representation is weaker.

Of potential greater significance is evidence suggesting unions have a potentially key role; not only in improving the terms and conditions of employment platform work but also with some other aspects of platform companies' rights and accountability deficiencies. In Europe Germany seems most advanced in that first respect. Germany has a vivid network of stakeholders, initiatives, and actions which is engaged in shaping and governing labour relations in crowd work in Germany. Discussions, political proposals and actions for crowd workers are not only anchored in union strategies but are also addressed by the main political actors in this field, such as the Federal Ministry of Labour and Social affairs, or the Hans Böckler Foundation.

The three biggest unions active amongst platform workers are IG Metall, the Gewerkschaft Nahrung-Genuss-Gaststätten (NGG) and Ver.IG. Metall has been a leader in recruiting and represent the hard-to-organise 'crowd-workers': individuals who are recruited temporarily, for specific tasks and projects in the so-called 'gig economy'. In concert with some platform firms, it established some bargaining arrangements (like the OmbudsOffice). It is also seeking to represent new kinds of crowd-workers such as Fairtube. IG Metall's main focus is on "micro crowd work" (which partly also includes "macro crowd work") and, recently, creative digital workers, e.g. YouTubers. It has also begun to cooperate across borders with other unions. Germany's Food, Beverages and Catering Union (NGG) is championing the growing numbers of food delivery workers; leading to highly publicised protests of riders and also the establishment of works councils. The financial and public services union, Ver.di provides online consultation for the self-employed, e.g. creative workers, and also supports protest actions. Non-union campaigns include the 2022 Delivery at the Limit initiative, which has since merged into NGG. In other fields, local protests by rank-and-file workers or unions branches, as in transport services have grown.

There are also platforms with legal support established by unions and institutional frameworks. These may provide models for Europe-wide development. Their importance can be gauged from the fact that qualified personnel in health care highly appreciate health care platform work in order to escape from public health care service with its badly paid and depressing working conditions. Because platform workers in these sectors are at least able to organize their working times autonomously and are better paid. But, as a result, platform work becomes a strong competitor to public services.

UK and USA

Despite several high profile cases and considerable grass-roots campaigning to establish unions in businesses such as Google's and Amazon, restrictive labour relations laws and employers' intimidatory tactics has made union organising and recognition almost impossible. In the USA unions have won local recognition or bargaining rights in a few workplaces; usually in Big Tech subsidiaries or peripheral tech firms. But the general trend has been one of legal failure.³² Unions in the UK have had even less success. Workers at an Amazon warehouse in Coventry recently lost a worker ballot, despite well-publicised and lengthy complaints and workplace incidents.³³

A Multi-Stakeholder, Multi-Policy Strategy?

From a pluralist and public interest point of view the ideal alternative would be not outright state control but elements of public-ownership which involve wider accountability than just the present obligations to shareholders and other investors. Arrangements that would amount to the 're-embedding' of businesses in civil as society as long ago advocated by Karl Polanyi. Models for achieving the latter could be similar to those advocated for other share-financed corporations (Jones 2016.³⁴ In businesses with multi-stakeholder governance labour and union rights can elevate co-determination, mostly restricted to terms and conditions of work to higher levels of management and control.

'Self-regulation or co-regulation could be a path towards greater platform workers' representation 'as seen in Upwork, the German Crowdsourcing Code of Conduct and responses to litigation in Spain'). States or the EU can assist this path by providing common set of standards and guidelines' (Moniz et al 2023).

Workers' representatives, together with governments and civil society interests, consumer and environmental champions, could hold key shareholdings to give them influence over business strategies relating to user privacy, abusive content and political involvements. The range of allies that could co-operate at the corporate level is indicated by the open letter to the then UK government on Big Tech's monopolisation of AI development. These included campaigns such as Amnesty International and women's rights groups as well as UK and US unions and the European Trade Union Confederation [<https://ai-summit-open-letter.info/#background>]. But, in a climate of restricted public

³² <https://www.axios.com/2022/12/12/tech-labor-movement-unions-2022>

³³ Amazon Beats Back Bid for Union Recognition, *Financial Times*, 17/7/2024. <https://www.ft.com/content/ba7ebfe4-0af7-49a7-9b14-d9cf13a0d6bc>

³⁴ K. Polanyi, *The Great Transformation*, 1944/2001; B. Jones, *Corporate Power and Responsible Capitalism? Towards Social Accountability*, 2016. B. Jones and M. O'Donnell, *Alternatives to Neoliberalism Towards Equality and Democracy*, 2018

spending and a lingering neoliberal culture of free markets, how would such reforms be engineered?

Co-operativism offers a different path to democratisation of platforms. In both Europe and North America a rash of small independent platforms in areas such as taxi services and have been organised to bring together workers, customers/users and other stakeholders in democratic structures with less exploitative and monopolistic features. As of 2022 the CoopCycle Federation has expanded to 85 member cooperatives involving 500 workers in cities of France, Germany, Spain, Belgium, United Kingdom, Sweden, Denmark, United States, Australia and Mexico. The Federation supports fledgling co-ops with suitable software.³⁵

However, these experiments have yet to expand sufficiently to constitute serious alternatives to the Big Tech platforms. The EU and member states need to develop favourable legal, financial, and regulatory conditions for this to happen. In 2016, the UK the Labour Party announced plans for a national financial scheme before its leadership changed to a hard-line pro-business paradigm. So far only local initiatives, such as that of Barcelona's city council have attempted to provide favourable institutional frameworks. Although Brazil's national government is reportedly examining policy initiatives.³⁶

Most stock investments in Big Tech are made and held by a handful of giant investment funds, such as Blackrock, State Street and Vanguard. Yet strategic share ownership arrangements allow the firms' original owners, such as Page, Brin, Musk, Zuckerberg and Bezos et al to retain effective control and prioritise socially-indifferent profit maximisation. The route to a social re-embedding of Big Tech could lie in the public retrieval of the private investment that underpins these oligarchies of control. The investments made by Black Rock and the others are made on behalf of their clients. These include public organisations such as pension and insurance funds. In the USA more than half of the assets it manages are from pension funds. These asset managers have generally been willing to allow free reign to the Big Tech oligarchs. However, if these employee and public sector funds invested directly or via state-facilitated vehicles more socially responsible policies could be asserted. In some cases they could find allies amongst insurance company investors and shareholder activists, such as the UK's Share Action campaign.³⁷

This campaign is part of the wider European Investment Network which has over 30 member organisations across Europe and has lobbied in EU-wide elections. In the USA labour unions have lobbied workers' pension schemes to pressure individual companies in which the schemes invest for

³⁵ <https://www.ideassonline.org/public/pdf/Coop-CycleFederation2022-ENG.pdf>

³⁶ Rafael Grohmann 'Not just platform, nor cooperatives: worker-owned technologies from below' *Communication, Culture and Critique*, 2023, 16, 274–282

³⁷ <https://shareaction.org/investor-networks/european-responsible-investment-network>

more favourable employment and labour relations practices. The Californian public workers' pension scheme, *Calpers*, has already begun to consider setting up its own organisation to invest its funds.³⁸ If more schemes actually did this the most egregious of the platform oligarchs' policies could be reformed.³⁹ Alternatively, pension could band together to set up their own investment vehicles; with support from sympathetic governments if necessary.

Conclusions

All of the above analysis leads to three conclusions about the scale and nature of the platforms problem. Firstly, their scope and functions are manifold: they dominate or help shape human activities in the economic, social, personal, and political spheres of society. Platforms' 'collection and use of personal data . . . is, simultaneously, a competitive issue, a civil liberties issue, a privacy issue, an electoral issue, a security issue, and a democratic issue' (Moore and Tambini p340). Secondly, their power and invincibility derives from the fact that the biggest platforms are monopolies or near-monopolies. Thirdly, allied to their monopoly status is their integration within the dominant neoliberal economic order; which includes disadvantaging workers' rights in relation to those of employers. Platform firms are supported by and allied to major financial businesses with a shared opposition to regulation and state controls. These factors suggest that while there is no one direct solution to 'platform capitalism's powers and injustices, reforms to deal with single aspects of these will not tackle the roots of the problem.

As we have shown with respect to the present policy preference for regulation. Regulation usually leaves loopholes for legalistic evasion. It also requires cumbersome and slow moving bureaucracies whose controls are also porous and susceptible to ideological capture or powerful lobbying from the businesses being regulated. Resistance occurs because the platforms are constituted as profit-maximising, or at least traffic maximising businesses. As long as they have this dynamic they will want to increase their capture of users. Like tabloid newspapers splashing dubious salacious stories, they will seek other avenues to attract or maintain custom; including illicit or harmful communications.

The EU has considerable, if latent, economic power. It could co-ordinate with member states, public sector bodies and unions to establish an alternative asset-management vehicle for the kinds of public funds that are currently managed by Black Rock, Vanguard and State Street. Moreover, one or more of these dedicated public-private asset managers would benefit their component funds by not

³⁸ D. Webber 2018, *The Rise of the Working Class Shareholder- Labor's Last Bes Weapon*, p 161

³⁹ S. R. Listokin 2011, 'Global Pension Fund Activism: A Review of the Largest Government Pension Systems' *The IUP Journal of Governance and Public Policy*, Vol. 6, No. 3, September 2011, pp. 35-49; https://papers.ssrn.com/sol3/papers.cfm?abstract_id =2101554

having to pay the hefty fees charged by the likes of Black Rock. They would also be able to pressure the MAMAA firms to be more responsible in their employment practices, use of private data and tolerance of hate speech and political incitement. Thus the poly crisis created by Big Tech requires poly solutions: supportive rules and legislation from the EU and/or national governments and social movements that bring together unions, community campaigns and enlightened financial bodies. Colonise the platform sphere to decolonise their oligarchs!

* * * * *