

Wonks and War Rooms

S02 E02 - Surveillance Capitalism with Vass Bednar

Episode Transcript

Elizabeth: [00:00:03] Welcome to [Wonks and War Rooms](#), where political communication theory meets on-the-ground strategy. I'm your host [Elizabeth Dubois](#). I'm an associate professor at the [University of Ottawa](#), and my pronouns are she/her. Today, I'm recording from the [traditional and unceded territory of the Algonquin people](#).

[00:00:16] Today, we're talking about surveillance capitalism with Vass. Vass, can you introduce yourself, please?

Vass: [00:00:22] Absolutely. My name is [Vass Bednar](#). Right now, I spend most of my time working at McMaster University, where I'm the executive director of a new [Master of Public Policy program that focuses on digital society](#); it's just first the first round or kind of early days of that. And I also write the newsletter, where I kind of joke that I'm editor-in-chief of [Regs to Riches](#). And that's where I look at kind of startups, regulatory hacking and how policy environments can be empowering to the innovation economy and protect people from harms. And I try to do interesting and kind of weird case studies of companies so we can kind of back into big tech issues by looking at small tech.

Elizabeth: [00:01:06] That's awesome, thank you. Yeah, so I actually invited you to chat today because of that newsletter, which is super fun. The design is great. You embed all kinds of tweets and other, you know, like further reading. It's really a refreshing way to interact with intense ideas, but it's also light and not an academic journal.

Vass: [00:01:31] It's definitely not an academic journal. I mean, I think what's beautiful about the space is there's so many people in it thinking out loud and in the open, and that's what's really fun. And I think that holds true with a lot of the discourse around surveillance capitalism, too, in terms of how people come to it, how they understand it, how they make sense of it and how it manifests, or will manifest in their very own lives.

Elizabeth: [00:01:54] So, surveillance capitalism in kind of the academic understanding that I've encountered is an economic system at its base, right? It's the idea that we now have a new thing that has become a commodity that's being traded. That thing is our personal experiences, often represented as our data or more precisely the kind of

computations that have been applied to our data to infer and predict what we might do, what we might buy, what we might like, that kind of stuff.

[00:02:28] And so the idea is that, just like in industrial capitalism, where nature was pulled in and a value was added to it and it became land or real estate, you know, Shoshana Zuboff, who created [this idea of surveillance capitalism](#), she says that surveillance capitalism has done that exact thing with our human experiences through this personal data that big tech is able to collect on this massive scale. And then they use A.I. and machine learning to interpret that information and sell it through like advertising platforms, as an example. Does that fit with your understanding?

Vass: [00:03:09] Definitely fits with my understanding. I mean, I think in her book, which I think is so large and so difficult to carry around with you, if you want to read on the streetcar, she has like eight or nine little summaries. And the one that resonates the most with me is, you know, surveillance capitalism as a new economic order that claims human experience as free raw material for hidden commercial practices of extraction prediction and sales.

[00:03:40] And I love what you were pointing out around how big tech companies can leverage this information, and manipulate our behavior as well, right? Creating targeted incentives and changing the online experiences that we have. But it's also important to remember that in the kind of Wild West where all of this grew, this kind of novelty, this maybe moment around, whoa, big data like we can get some insights here and advertising is changing. OK, here's kind of how we'll flow with it. There's just so many companies that engage in this practice, be they again to generate their own quote-unquote insights, to sell and trade data, or perhaps to even be acquired, based on the valuable data that they have.

[00:04:31] So I don't want to take too much time on this answer, but there's also some really interesting implications for competition policy when we think about surveillance capitalism, and maybe we'll touch on that. I know it's not the core focus of your class, but something I've been reading and thinking about for sure.

Elizabeth: [00:04:49] Yeah, I definitely would like to get to the competition policy aspect a little bit later; let's kind of dig into what surveillance capitalism is. Let's get some examples going.

[00:05:01] I think what you brought up there — about the idea of using that data to potentially manipulate people, to make them want to do things or buy things that they

might not have done before that data was leveraged — is a really interesting point, because some people talk about surveillance capitalism and they're like, "Oh, it's it's when personal data is for sale," like, point blank, and then tech companies are like, "Right, but we're not selling your data," they're like, "We're using it for our internal purposes. We're not selling it. Nobody has access to it. Don't worry your privacy, your security, everything's good, we're safe."

[00:05:35] But actually, what's being sold is, as a product, is that analyzed data. It's like once the companies have done their work on the data using the data, then they create these targeting systems for advertisements, as an example, to allow other companies to purchase access to that data that's been changed in order to then do the manipulation right? Like, there's an extra step in the process.

Vass: [00:06:06] Right, they're creating new advertising markets, you know, most often, I think that's the most, maybe the most dominant way we see that manifesting or that we've come to appreciate the implications of surveillance capitalism. But then there's also just quieter, you know, seemingly innocuous ways that information is collected.

[00:06:28] I mean, here in Canada, there's a company called [Pelmorex](#), and they basically own [The Weather Network](#) ... maybe I'm going to get that wrong .. a popular Canadian weather app. And these are millions of Canadians who check this app every day, and they have location services on quietly in the background. And you know, there's so much "benefit." (You can't see this. It's a podcast ... I'm doing square scare quotes.) You can micro-target your weather. You know, you need to know where in Toronto you are, where in Ottawa you are. Maybe the weather is a bit different.

[00:07:02] But actually they're also selling access to that geo-targeted information to serve you ads. If you often go to the gym (when gyms were open), you might get like a Gatorade ad. And it's fascinating because I'm pretty sure this company is also in charge of the [emergency alert system for Canada](#). So, there's this, like, public-private kind of reconciliation happening ... reconciliation is the wrong word ... tension, where, you know, does everyone know what they've consented to by using this app? But there's also this high utility to government who needs to be able to geo-target a message to people on cell phones. I find it fascinating.

Elizabeth: [00:07:49] Yeah, I agree, and there's all of these issues that come up when when we're thinking about these tools as simply tools that we could choose to use or not, versus like actually to exist in the world, like, you really need to use some of this,

some of the products these tech companies are creating, like you don't really have the opt-out option.

Vass: [00:08:13] Yeah, and I think in terms of achieving the kind of change and evolutions we want to see in our digital society and in these digital ecosystems, these markets, it is about more than consumers just turning away. I feel that too, right? Of course, it's like, well, are we part of the problem if we use that app? I'm sure I have a weather app on my phone. I have a Gmail account, you know, it's like ... I think it's OK for people to participate online in those dominant platforms while also agitating for change and looking for alternatives and educating themselves. I think one of the problems with our online experiences is there's just too much onus on the individual to navigate online life properly. And it's becoming, you know, for lack of a better word, just ridiculous.

[00:09:06] Like, it can't just be up to each of us. There's no other situation where, you know, I don't know ... I don't have a good analogy ... But like flying or infrastructure or the health care system, where people are like, yeah, just like, "don't be dumb and, like, figure it out and learn from your experiences." It's it's the weirdest guidance that we give people about how to have an enriching online life, shall we say.

Elizabeth: [00:9:34] Yeah, I agree we have all these conversations about, well, if we just fix the media and digital literacy problems we'll be good to go, which is like ... But how are people supposed to know all of the information about how these largely monopolistic companies are functioning? They're gigantic tech moguls like, there's a lot of very smart people, who have spent a lot of hours building that. The average person doesn't have the capacity to know that or the time to figure it out.

Vass: [00:10:02] Well, and sometimes it can be kind of nice, it can be pleasant for some people to receive a targeted ad based on something they were shopping for or something they like. So, I don't want to discount that utility, but I think there's, I mean of course, there's so much more empowerment of the individuals online in terms of what they're opting into, what they're opting out of.

[00:10:23] And also just back to learning, you know, education is a comfortable policy space, often when we're looking for solutions and it's important. But even just having the algorithmic accountability or transparency of why did you see this ad? And I think that is something kind of cool [that Facebook does](#), but that we could see more of.

[00:10:44] Now, it doesn't get us to those capitalistic connections. And I think what is also really challenging about surveillance capitalism is ... The conversation is sometimes boiled down to: your data is valuable and other companies use it. Well then the question is, well, how valuable is it? And everyone's like "Facebook would be \$30/year (USD)." And you know, that calculation is based on all their revenue divided by all their users, something like that.

[00:11:16] But that's not the relationship of value, right? It's not about the payment for that data, it's not an exchange. That's not how the market works. And I think that often makes it difficult to have the same conversation about surveillance capitalism, if we want to be talking about the data ecosystems and that marketing piece.

[00:11:42] That said, data brokers, data buyers, data sellers, there are plenty of actors in that space, insurance banking, you know, more and more, that are more playing and creating these straight-up markets for further information about people.

Elizabeth: [00:12:01] Yeah, I think that's really interesting to know that like, there are these markets for personal data, like that is an actual thing that people are attempting to put a number on and giving people agency within those systems. Like, part of, one of the solutions to the surveillance capitalism problem — if we're calling it a problem — is OK, like, let's give people ownership of their data. Let the data be theirs first, and they choose who to give it to and those kinds of things. But you mentioned that that's not actually the mechanism at play.

[00:12:34] Can you talk a little more about that? Like what is the mechanism if it's not the, like, "Give me my thirty dollars American a year, Facebook"?

Vass: [00:12:42] Well, I mean, one, there's the demystifying, there's the, you know, are you actually getting affirmative consent? Do people truly understand the bargains that they're entering in? Forget whether our policy structures, you know, forget whether consumer protection policy, competition policy conceived of receiving a product or service for free. I mean, I think Zuboff says, you know, that where surveillance capitalism puts us in this situation, where privacy is the price that someone is paying for the rewards of information of connection and other digital goods.

[00:13:18] So, I love how you pointed to that, people feeling there are not alternatives, that they have to participate in these ecosystems and fine this is just the economic platform or environment that they're going to be in.

[00:13:33] Why I wanted to point out that, you know, there are multiple uses and manipulations of data, is just because I think it's very important to appreciate how it's leveraged and why those massive strategic advantages are created when you have a particular volume of information. So people will also say — and they'll be quite dismissive — you'll hear this well, you know, "Your data in and of itself isn't valuable at all. It's like nothing. It's data in aggregate. It's data anonymized." Sure, for particular applications, absolutely. You know, more is better. It's better to have more data to train a model. It's better to have more data to sell access to your advertising platform.

[00:14:22] But I think we have to maybe keep on going that step beyond and look at the applications of digital information and how they help people, but how they hurt people and who those groups, individuals, people tend to be.

Elizabeth: [00:14:38] Super interesting, I agree, and maybe this is a good point for us to bring up the case of Loblaws, which is like, you've talked about as like, this is Canada's big tech, right? Like this is our homegrown example. Because often in surveillance capitalism, we talk about Google, we talk about Amazon, we talk about Facebook.

[00:14:57] Loblaws is doing a lot of interesting stuff. They've got they're like zero-waste data, which I think like, man, the communication strategist who wrote that press release like, I hope she got a bonus, because [it] really played into our kind of moral approach to like how we should be consuming now, you know us millennials.

[00:15:18] Anyway, that is a little bit of a tangent. Let's go back to surveillance capitalism. Can you talk a little bit about the Loblaws example?

Vass: [00:15:25] Sure. So, you know, I think when we think [of] big tech in Canada, if we even go that far, we center on [Shopify](#). And that's kind of it. And I find it's really important in that Canadian context to just remind other people — thinkers, students, policy people — we have the challenges and trends that kind of have come to characterize those big tech companies right here in our backyard. In fact, I think every Canadian is about 10 minutes away from a Loblaws, kind of, subsidiary or store.

[00:16:02] So, what are they doing? I mean, it's not necessarily pure surveillance capitalism, but if we talk, if we could talk about the loyalty program, their rewards program, [PC Optimum](#), it's absolutely fascinating. It's very sophisticated. So, about 16 million Canadians — which is like just under around half of Canada, maybe? Eugh. — who are using this app where, you know it's incentivizing you to shop more often and to purchase more. And it's creating tailored offers for you, which is A) fascinating because,

you know, coupons used to be, for lack of a better phrase, dumb. You and I could both get twenty five cents off our orange juice, 50 percent off eggs, whatever. But now the offers that we're getting are personalized.

[00:16:50] But I think there's a big question of whether personalized rewards are discriminatory, and whether we're OK with that and how, you know, how do you price match if you don't know what the other prices are that people are receiving? Again, these are modest discounts, but worth more investigation and scholarship and debate.

[00:17:11] So, let's put that on the shelf because again, that's not, you know, pure surveillance. What's really interesting about the PC Optimum program is the growth across, you know, there's the grocery; the program merged with Shoppers Drug Mart. So, you had the merging of pharmacy with grocery data — these are everyday essentials; people shop for them pretty frequently — and also integration with PC Financial, with banking data. So, you know, again, in theory, increasingly sophisticated profiles of people.

Elizabeth: [00:17:48] In there, like most essential parts of their lives, right? Like you tell the world so much by how you spend your money on the things that you always need.

Vass: [00:17:58] Oh, yeah. It's like all I'm doing now is like buying food, buying shampoo and maybe doing some online banking. Let's be real.

[00:18:07] Extra fascinating, because they recently launched a separate app called [PC Health](#). And that rewards you with PC Optimum points for participating in healthy habits. Which again benefits and also drawbacks and question marks. Great to get a modest discount and be incentivized and promote healthy habits. That's wonderful. Let's save our healthcare system some money. But also, isn't that such a trite exchange? Because at the same time, it's very transparent, right? And Loblaws, I don't think, is tricking anyone. They're doing this out in the open.

[00:18:42] But here's what's extra interesting. They also have a media company. Loblaws sells access to that information to other food advertisers. So, this is a company that can also control prices of food; charge people for shelf space, stocking fees; affect the price of food up and down the supply chain in Canada. They're one of, you know, Canada's major purchasers.

Elizabeth: [00:19:10] You have some, some [bread memories from 2017](#).

Vass: [00:19:13] Bread memories. Also, they're experimenting, sidenote, with digital pricing, which is fascinating and freaky, because changing the stickers at a store [is] so human intensive. Well. How often can a price change, you know? And anyway, that's separate, I don't want to go down that route.

[00:19:33] Let me just get on the advertising platform. So actually, I think we're starting to see Loblaws is coming to control the advertising marketplace for food and everyday essentials. Now, why should we care about that? On the one hand, I have so much admiration for what the company has done because in this environment... You pointed to media at the start of this conversation—declining media: people are doing less ads on newspapers, less frequently on podcasts, [and it's] hard to get that audience.

[00:20:02] You could view Loblaws building this advertising platform, and it's not separate, it is the PC Optimum app. You could view it as being a form of resistance against big tech. Because now Loblaws doesn't have to place that ad on Facebook, they don't have to do that Google app. (Maybe they're still doing those things.) They don't have to promote a tweet. They are building their own ecosystem where most of the customers are, and they're incentivized to again get a little reward, [to] find out about a new type of cookie.

[00:20:35] But when you think about all those things going together, I'll stop rambling in a second, I promise. You know, if Loblaws knows that I am — this is just an example — diabetic, because they also know my health information and they can serve me ads that promote healthy food for my blood sugar, and I can get points for purchasing those foods, and bonus points on buying my insulin at Shoppers [Drugmart] ... How do you communicate the implications of those ecosystems and how do you make sure that people feel safe and secure, you know, with that intimate information?

[00:21:16] Last thing I'll say is a wild card and this hasn't been anywhere yet. I've not tweeted it, and I've not put it on Regs to Riches, but I think Loblaws is like Canada's number one contender to build a really cool data trust. Because of it. That's for later, but that's like the cool Easter egg if people are still listening.

Elizabeth: [00:21:38] Excellent ...

Vass: [00:21:39] Yeah, free ideas!

Elizabeth: [00:21:40] Heard it here first, I love it. We're going to have to do a whole other episode on [what exactly a data trust is](#). I love it.

Vass: [00:21:47] You'll have to.

Elizabeth: [00:21:49] Yes, I will have to.

Vass: [00:21:52] Yeah. OK, so you know, back to surveillance capitalism, Google, absolutely a pioneer of surveillance capitalism. But let's expand our focus and consider how and where these hallmarks of surveillance capitalism are affecting us and kind of creeping into other areas of our life. I think that's, you know, worth thinking about and part of discovering and appreciating what this means.

Elizabeth: [00:22:21] Right, right, I agree. And, you know, it's interesting we've spent most of our conversations so far kind of talking about the capitalism side of this and the tech side of this. We haven't talked as much specifically about the surveillance part of it, right? Like the surveillance part of it comes in, [we] use the word surveillance because a lot of the time this data is being collected without your knowledge, right? Or without, really, your understanding of it.

[00:22:44] And we've sort of kind of tiptoed around that idea. But I wanted to make it explicit, specifically because when the idea of surveillance capitalism first came out, you're like, surveillance done without your knowledge. OK, solution: Give people knowledge, right? Explain to people what's happening. Make them equipped to make choices and make them assured that their privacy is actually being taken seriously. And so from the company perspective, they write privacy statements and they explain to differing degrees how exactly they deal with your personal data. And then from a regulation perspective, we see things like [GDPR in Europe](#) and other privacy legislation being changed.

[00:23:29] But to go back to something you brought up really early, the conversation is now shifting to be a bit more about anti-trust, a bit more about competition policy, a bit more about like, is Facebook now just a monopoly since they aggressively just took over Instagram and then put their back ends together? And now all of a sudden, really, they're the same thing and people don't actually have those options. Like, I'm wondering, I guess part one of the question is, is privacy enough to kind of counteract the potential threats of surveillance capitalism? And then like kind of assuming no, where does this anti-trust conversation come in?

Vass: [00:24:08] Yeah. I mean, I think, no, I think sometimes the privacy conversations are a [red herring](#). I think people might want to share some kind of digital information in

exchange for what they think is a valuable enough reward for that. So, who knows, maybe with that, you know, better education, better consent, it's more above board. As well, you know, in that privacy and consumer protection legislation proposed in Canada, Bill C-11, I mean, in theory, more data portability and ownership could, you know, reduce the monopolies around data, if it's easier to kind of share and then it's less, if you can challenge the kind of proprietary-ness that companies sort of feel they have.

[00:24:53] So is it enough? Look, I'm a big fan of policymakers using the as much of the traditional tools that they already have before trying to create new regulatory, totally new regulatory environments, new jobs, new titles, you know ... those can be comforting, I think, from an organizational perspective, be like, oh, this is the person who's like responsible for technology stuff now or or privacy or social media. But you know, what does it really mean?

[00:25:24] Let me get to your question. Monopolistic. I mean, our competition policy in Canada is based on many premises, but one of those is price-based competition. So we've not done a good job over the past 20 years, and I say 20 years — OK, it's 2021, twenty-one years — because I think it's kind of really 2000, the last time the act was rigorously renewed, and so much has happened from a big data tech and surveillance point. So again, we just haven't properly conceived of the role and value of digital data in mergers, in acquisitions, and we have a lot of work to do. We have a lot of work to do to learn from that and also to be really brave and look back at mergers and acquisitions that maybe we should be reviewing, that we never did before.

[00:26:21] For instance, Shopify has acquired a ton of companies. That's great. Some of those acquisitions didn't meet the monetary threshold for the Competition Bureau to even give them a second look. Well, is that monetary threshold useful anymore? What is it based on? When [Shopify broke up with MailChimp](#) - I can't remember when this was, maybe 2011? I should have never said a year because I don't know; I can't remember. When Shopify broke up with MailChimp because MailChimp wouldn't share the amount of information that Shopify decided they wanted on consumers, I guess — not the merchants; on the other side, people who buy stuff — if Shopify had purchased MailChimp in order to get that information, we would have viewed that very differently.

[00:27:12] But what happened is that Shopify built their own ecosystem to do that. But we don't ... you know what I mean ... it's kind of like, maybe we should just think about that for a second and make sure that we're comfortable with it. I mean, I will also say — and I hope I don't get myself in trouble, I'm always trying not to get myself in trouble — but I think it's fascinating for Canada that Shopify is on a dominant, monopolistic

trajectory to owning the digital infrastructure to bring a business online. That would be great for Canada's economy; Shopify is already amazing for Canada's economy. But are we cool with that? I would rather think about that now or yesterday, before we're on a panel looking back and being like, we missed, you know, we missed all the red flags. What were we doing?

Elizabeth: [00:28:07] There were so many signs.

Vass: [00:28:08] Yeah. Like, I mean, I'd love to write a paper on it or something later, but I really hope I don't have to; [that] is kind of the mood that I'm in. Yeah.

Elizabeth: [00:28:16] Totally. And the whole kind of structure around how technology companies get funded and what investors are looking for, like this plays into that larger idea of surveillance capitalism, where the incentives for companies that are trying to gain investors and build out their, the size of their company, like it is exponential growth they're after. It is everything that you possibly can be to as many possible people, so that you have as many eyeballs as possible, right? So ...

Vass: [00:28:50] Well, and I hope I haven't taken us to many different directions in the conversation, but I think, again, getting that appreciation of surveillance capitalism is all about digging into, what are the incentives that drive commerce and the value of the internet? How can economic value be generated if from my end, you know, everything is free? Kind of, where do ... again where does that value come from?

Elizabeth: [00:29:21] I think that this conversation has really highlighted that, when we're talking about an economic system, we can't really think about things in only their narrow little trajectories. Like they're all in — the word you've used a bunch is ecosystem. They're in this ecosystem that is complex, and there's a bunch of different kinds of players and they're interacting, and we need to understand those interactions if we're going to understand what good policy looks like, if we're going to understand what the public needs to know to make good decisions, if we're going to understand what we want business to look like.

Vass: [00:29:57] Also, it's not just about any one company. So these companies become our punching bags. They are the most, kind of, predatory, abusive when it comes to their greediness around information and the advantages they've already created for themselves that might be impossible to unwind or compete with. But it doesn't mean that these — again, trends, experiences, ecosystems — aren't in other

places, that they aren't in other apps on your phone or in the App Store. So, just kind of doubling down on what you already saying?

Elizabeth: [00:30:33] I love it, that's perfect. We are coming up on time. This has been a fascinating conversation. Thank you. I do like to end every episode with a little recap quiz.

Vass: [00:30:45] Ok. Oh-oh.

Elizabeth: [00:30:47] So, my question for you is, can you briefly, succinctly, concisely define for me what surveillance capitalism is?

Vass: [00:30:58] OK. Surveillance capitalism is a kind of logic or ecosystem that capitalizes on the information of many people's experiences, both on and offline in a digital context. Did I pass?

Elizabeth: [00:31:28] Yeah, that's awesome. I think ... you passed, you definitely passed. Yeah, it's so tricky, because as this conversation has shown, there [are] a lot of complex aspects to it and a lot of pieces to the puzzle. But I think your description hits the main points really well. So well done.

[00:31:61] All right. That was our episode on surveillance capitalism. If you'd like to learn more about the theory or any of the other theories or concepts we talked about today, head on over to PolCommTech.ca or [check the show notes](#).