

FEATURE

←←←

Life and Death in the Holy City of Varanasi and the State of the Ganges

Joshua McDonald

# Surveil and Commodify: Twenty Years of Google

Timothy Erik Ström

→→→

Surveil and Commodify: Twenty Years of Google

Timothy Erik Ström

Timothy Erik Ström is a PhD candidate at Western Sydney University's Institute for Culture and Society. He is based in Melbourne, where he teaches global political economy at RMIT University, and writes science fiction.

## The second of three articles in the twentieth-anniversary year of Google: advertising for monopoly power

*Google's system of surveillance-fuelled automated advertising is highly effective, as noted in part one of this series (Arena Magazine no. 153). In part two here, I shall look more closely at the intertwined processes of surveillance and commodification, for herein lies the secret to Google's tremendous success. Advertising provides the company with most of its enormous revenue, but as advertisers provide Google with most of the revenue that funds its operations, it is crucially important to understand how the process of profit extraction works. This sits at the centre of the reproduction and augmentation of Google's cybernetic power strategy. The patterns of this process can be seen in virtually everything the firm does.*

Each day Google's search engine handles around six billion queries—about 70,000 a second. In the vast majority of cases, the company's program AdWords launches an automated global auction. This auction enables advertisers to make bids on words with which they want their brand to be associated. Any word—'security', 'sensibility', 'salad' or 'Schumpeter'—entered into Google leads to a bid in this global market. (Or almost any word. The company prohibits a sprinkling of keywords in various countries to comply with those countries' laws. For example, one cannot use alcohol-related keywords in Thailand, or abortion-related ones in Ukraine. Most strikingly, Google placed a worldwide ban on 'adult-related services or products' in 2014. Hence, typing 'sex' into Google will not lead to an AdWords auction.) Google's executive officer Eric Schmidt said: 'We run many more auctions than anyone else on the planet because we run them in real time, we run one auction per ad per page, and that's multiplied by the numbers of ads per page. It's a phenomenal number'. The winners of each auction appear above or among the search results as 'sponsored links', which usually manifest with a discreet 'Ad' written somewhere in the result.

Many people do not quite realise that these are advertisements. As lines of text they are very short, consisting of a headline of a maximum of twenty-five characters, followed by two text lines of up to thirty-five characters each. Not all AdWords are created equal. If I put the words 'Don Quixote' into Google I get the novel's Wikipedia page, various summaries and a performance by the Imperial Russian Ballet Company—but no advertisements. However, if I type 'Don Quixote buy' into Google, the top of my results page is filled with links to buy a copy of the book from businesses as diverse as Amazon, Book Depository (owned by Amazon) and AbeBooks (owned by Amazon).

If I click on one of these sponsored links, Amazon automatically pays Google a fee. The auction system allows the

price to be determined by how competitive the keyword is and hence prices vary massively. Some uncompetitive words and phrases are very cheap. In US dollars, advertisers can pay \$0.07 to place an ad on searches for 'cut and paste', \$0.02 for 'coolest car in the world', or the lower-than-low price of \$0.01 to bid on 'the stuff'. At the other end of the spectrum, Google's auctions can extract a remarkably high fee for a single click. Advertisers will pay \$26.75 for an ad appearing for the query 'Does laser hair removal hurt?', \$112.07 for 'online business degree', \$130.31 for 'alcoholic', and a whopping \$389.25 for 'truck accident lawyer'. Virtually anything that can be represented within a computing machine can be subjected to this abstracting force. To recontextualise a famous quote from Marx, Google's search engine is 'the great social retort into which everything is thrown and out of which everything is recoverable as the money crystal. Not even the bones of the saints are able to withstand this alchemy.'

To flesh this out with an example, wanting to learn about 'climate change', I may type these words into Google. The company uses this search to extract data about me, which is compiled with other information about me that it has already amassed. In this way, the company appropriates my actions and transforms them into commodities to be sold to the highest bidder. The first

**While one can access many of Google's services without hitting a paywall, one cannot use them without paying hidden costs.**



four results that Google displayed from my ‘climate change’ search were advertisements. Hence my desire to learn about the toxification of the atmosphere is abstracted and recombined as a commodity in the circuits of cybernetic capitalism.

Furthermore, using its surveillance engines, Google can target ads to specific kinds of people within specific geographic localities, on specific days of the week, at specific hours of the day or relative to the device used. For instance, an advertiser could determine to have its advertisement shown to someone conducting a search using a smartphone on a Friday at 7.30pm near the restaurant district of Lygon Street, Melbourne. Advertisers are even offered the possibility of increasing their bid according to the location of the person using Google; hence they could bid higher if the person was within a certain radius of their store. The utility of this is firmly encoded in the company’s self-declared philosophy: ‘We’ve found that text ads that are relevant to the person reading them draw much higher clickthrough rates than ads appearing randomly. Any advertiser, whether small or large, can take advantage of this highly targeted medium’.

The scope of Google’s surveillance powers is truly vast. The firm has the capacity to continuously monitor a very large quantity of people’s activity. This includes the search terms they use, their web-browsing history, and details about their web browser and operating system—which when put together amount to an almost unique machine-identification print—their internet protocol (IP) address, as well as the time of day at which they make their searches, their approximate or exact geographic location, and even the words they have spoken within range of a recording microphone, like the ones built into smartphones. In this way Google’s apparatus has the power to pull data traces from a person’s everyday life into its commercial circuits. Its ability to collect this personal data is heightened when people are logged into Google services, such as Gmail, YouTube and Google Maps, and this is intensified further if they are using the Android operating system.

The comprehensiveness of Google’s surveillance engines has led to posturing by some of the company’s management. Schmidt boasted to the *Washington Post* that, because of the information that Google collects, ‘we

know roughly who you are, roughly what you care about, roughly who your friends are’. Elsewhere, he encouraged people to:

give us more information about you, about your friends, and we can improve the quality of our searches. We don’t need you to type at all. We know where you are. We know where you’ve been. We can more or less know what you’re thinking about.

When questioned about the implications of this for privacy, Schmidt responded with a reactionary retort: ‘If you have something that you don’t want anyone to know, maybe you shouldn’t be doing it in the first place’. This kind of rhetoric, however, was strategically suppressed by Google after Edward Snowden’s 2013 leaks of National Security Agency (NSA) material showed how major cybernetic-capitalist firms, including Google, actively collaborated with the spy agency in its mass surveillance. The Snowden leaks showed how the military-intelligence agencies of the ‘Five Eyes’ nations (Australia, Canada, New Zealand, the United Kingdom and the United States) have access to the data extracted by Google and other major tech companies thanks to the NSA’s secret programs PRISM and MUSCULAR. Google’s co-founder Larry Page claimed some days after the Snowden leaks: ‘For me, it’s tremendously disappointing that the government secretly did all these things and didn’t tell us’. This was a typical response of the tech titans’ top executives: they all publicly expressed their outrage at the NSA’s supposed raiding of their data. However, given the fragments of information that journalists have worked hard to drag into the light, Page’s declaration about big, bad government seems like disingenuous PR.

**‘Brand affinity is clearly hard-wired... It is so fundamental to human existence that it’s not going away. It must have a genetic component.’**

Some of these details came out in a letter declassified by a *Freedom of Information Act* request by Jason Leopold of Al Jazeera America. General Keith Alexander, director of the NSA, wrote to Schmidt on 28 June 2012 inviting him to attend a top-secret meeting between the Defense Department, Homeland Security and the NSA. Eighteen other CEOs from US tech corporations were also invited to participate in the ‘Enduring Security Framework’ (ESF), a highly shadowy operation. Some months before, the NSA director had emailed Google co-founder Sergey Brin to thank him and his team for their participation in the ESF. The spy chief wrote: ‘Your insights, as a key member of the Defense Industrial Base, are valuable to ensure that ESF’s efforts have a measurable impact’. General Alexander also invited members of the tech titans—this time mostly Google, Apple and Microsoft—to help with establishing ‘a set of core security principles’. The spy master added: ‘Google’s participation in refinement, engineering and deployment of the solutions will be essential!’

←←←

Surveil and Commodify: Twenty Years of Google

Timothy Erik Ström



After the Snowden leaks, Google began ‘working hard to protect our privacy’, as its PR rhetoric went. But Google’s entire business model fundamentally depends on the surveillance and monetisation of people’s personal data; hence it is incompatible with meaningful notions of privacy. This incompatibility was acknowledged by Vint Cerf, one of the ‘founding fathers’ of the internet—to use that gross expression—and a current Google employee who sports the tech-fetish job title ‘Chief Internet Evangelist’. Cerf was also mentioned by name by General Alexander as a participant in the NSA’s talks. While taking part in a panel discussion on privacy held at the ‘Internet Governance Forum’, Cerf was pressed by privacy activist Christopher Soghoian into saying: ‘we couldn’t run our system if everything in it were encrypted because then we wouldn’t know which ads to show you. So this is a system that was designed around a particular business model’. Because the surveillance-commodification complex is at the root of Google’s circuits of accumulation, it offers no way of escaping from its gaze. (Chrome’s ‘private browsing mode’ is limited to preventing browsing history from being stored on a local device, but there is nothing to prevent the corporation from accumulating it. At best, Google allows people to log in and customise the kinds of ads they would like to see. This only has the effect of helping Google to construct a more accurate advertising profile.)

Google attempts to spin the entire surveillance affair under the banner of ‘improving the user experience’. The corporation’s attitude was concisely summarised by Google’s Head Privacy Engineer Alma Whitten, who said: ‘What’s good for the consumer is good for the advertiser’. Again, that claim was from Google’s *head* ‘privacy engineer’. One has to admire how concisely Whitten managed to subsume the complex public interest of two billion or more people into the narrow, profit-maximising interests of advertisers, an ambitious cybernetic-capitalist corporation, and its Wall Street shareholders—not to mention the national-security spooks. Despite this, Google’s world-saving rhetoric constantly spins the perception of how its actions benefit ‘everyone’, as seen in the recurring claim that what is good for advertisers is good for the person subjected to the ad. The company’s co-founders proclaimed: ‘AdWords connects users and advertisers efficiently, helping both’; Larry Page elaborated: ‘Better ads are better for everyone—better information or offers for users, growth for businesses, and increased revenue for publishers to fund better content’. But this is much more problematic than the Google elite suggest. If advertising is understood as consumerist propaganda—a set of specifically crafted messages and images aimed at influencing people’s opinions and beliefs to encourage more commercial consumption—then some of the negative aspects of the rampant spread of consumerism become a little more apparent. The co-founders resort to a classic capitalist justification:

Our enduring love for Google comes from a strong desire to create technology products that enrich millions of people’s lives in deep and meaningful ways. To fulfil these dreams, we need to ensure that Google remains a successful, growing business that can generate significant returns for everyone involved.

But this dissolves the massively diverse interests of the two billion people who use Google’s services into those of advertisers and their quest for accumulation and control: the corporation subsumes a complex public interest into a narrow private-profit-maximising interest. By collapsing the interests of others into theirs, cybernetic capitalists impose their vision of a world organised and determined by technology onto a far more complex, multidimensional reality.

Curiously, both advertising and surveillance were completely absent from Google’s initial model, with the co-founders—who were originally motivated by the respectable challenge of creating

an elegant system—expressing outright hostility to advertising. Indeed, part of Google’s success had to do with its *not* indulging in the online arms race of irritating, flashing pop-up ads that push their consumerist messages. Prophetically, Brin and Page themselves wrote back in 1998: ‘we expect that advertising funded search-engines will be inherently biased towards the advertisers and away from the needs of the consumers’. After noting the insidious nature of search-engine bias, they concluded, twenty years ago: ‘we believe the issue of advertising causes enough mixed incentives that it is crucial to have a competitive search-engine that is transparent and in the academic realm’.

## ‘Law can’t be right if it’s 50 years old. Like, it’s before the Internet’

Under pressure from venture capitalists, these concerns were dropped once advertising began pumping large sums of money into the company. In short, the imperatives of capitalism put powerful structural pressure on the direction taken by the co-founders, with dizzying riches encouraging some ideological acrobatics. To justify this drastic change of tune, Google ran a few ‘experiments’ on the people using its website. It discovered that the control group—who received ads on their search results—conducted more searches than the group who were given ad-free results. Google considered the issue settled, pronouncing: ‘ads made people happy’. This preposterous conclusion is typical of the ideologically charged scientism that is common practice for the tech giant. A decade later, Schmidt and elite company member Jonathan Rosenberg attempted to rewrite the firm’s history:

The Google founders knew that they would make money from advertising. Initially they didn’t know exactly how, and they were biding their time while scaling their platform, but they were very clear about the general revenue model.

Despite this dismal revisionism, the concerns the co-founders expressed in 1998 ring truer today than ever.

The fact that advertisers provide most of Google’s vast revenue is crucial to understanding this firm. It’s what enables Google to roll out the majority of its services for ‘free’. This apparent freeness is key to how the corporation simultaneously extends itself into everyday life and legitimises its practices. While one can access many of Google’s services without hitting a paywall, one cannot use them without paying hidden costs. Part of this move can be understood by using Dallas Smythe’s theory of the audience-as-commodity that he formulated a generation ago. A succinct expression



of this runs: in capitalism, if you're not paying for a commercial product, then you're not the customer—you're the product being sold. Built into the logic of commercial broadcasting, as cuttingly analysed by Smythe, the audience-commodity concept has been elevated to unimagined heights by Google. Siva Vaidhyanathan puts it well:

We are not Google's customers: we are its product. We—our fancies, fetishes, predilections and preferences—are what Google sells to advertisers. When we use Google to find out things on the Web, Google uses our Web searches to find out things about us. Therefore, we need to understand Google and how it influences what we know and believe.

A senior vice-president at Google put the matter very frankly: 'We don't monetize the thing we create. We monetize the people that use it. The more people that use our products, the more opportunity we have to advertise to them'. When Android was released for 'free', Schmidt gloated: 'You get a billion people doing something, there's lots of ways to make money. Absolutely, trust me. We'll get lots of money for it'. The imperatives of a market-driven society, according to Zygmunt Bauman, mean that '*Members of the society of consumers are themselves consumer commodities*, and it is the quality of being a consumer commodity that makes them bona fide members of that society'. It is also the case that Google's systematic prioritisation of advertising, consumerism and commercial interests comes at the direct expense of economic and political democracy.

As the first article in this series argued, Google is a paradigmatic example of an online monopoly. At the same time, the company is constantly extolling the splendour of the 'free market' in a way that sits uneasily with its monopoly status. The causes of this contradiction lie much deeper than Google in the formation of capitalism as a world system. As David Harvey notes, in capitalism competition and monopoly exist within a 'contradictory unity'.

Google is consistent in its opposition to government regulations that may impinge on its profit maximisation, with Schmidt and Rosenberg demanding that governments not interfere with the sacred 'freedom to innovate'. Page bemoans regulations that he says are preventing technological progress, arguing that government institutions are too old and too slow to deal with

## 'We don't monetize the thing we create. We monetize the people that use it.'

what is unfolding. Demonstrating the full force of his historical awareness, Page has said: 'Law can't be right if it's 50 years old. Like, it's before the Internet'. According to Page, society needs 'mechanisms to allow [for] experimentation. There's many, many exciting and important things you could do that you just can't do 'cause they're illegal or they're not allowed by regulation'. He proposes the creation of a *Jurassic Park*-style enclave: a lawless techno-utopian colony surrendered to the utterly unregulated dominion of cyber-capitalists—a kind of Congo Free State for the twenty-first century.

Google's monopoly status has been the target of a number of anti-trust moves by US and EU governments that have sought to break up its monopoly. One way Google goes about fighting off these attacks is through hiring thinktanks to defend it. In 2012 Google commissioned the conservative American Enterprise Institute (AEI) to write a paper to help Google evade anti-trust action. The paper was authored by Robert Bork and Gregory Sidak, who both have outstanding neoliberal credentials. Bork was an American legal scholar and former conservative judge once nominated by Ronald Reagan for the US Supreme Court; he then became a successful anti-trust scholar selling his services to monopoly capital. Sidak is an economist-lawyer who runs Criterion Economics, a firm that boasts of representing some of the world's most powerful corporations in resolving 'novel legal questions—such as how to dodge a ten-figure corporate fine'. Bork and Sidak's Google-commissioned paper goes by the telling title: 'What Does the Chicago School Teach about Internet Search and the Antitrust Treatment of Google?' Explicitly using neoliberal theory, the paper—which had a 'wide influence', according to *The Economist*—argues against anti-trust litigation levelled at Google and was a factor in the US Federal Trade Commission's 2013 decision to drop the case against the tech giant, a decision heralded by the AEI as a 'victory for the free market'.

Bork and Sidak repeatedly rile up over regulations. They say that regulations 'promote product homogenization—which, in a dynamic market, will retard competition' and that regulating Google would 'retard' improvements in search technology. Much of the justification for this line of argument is based on the 'free market' dictum that it is best to remove governments' ability to act in the public interest through intervention in commerce or innovation. But Robert McChesney observes that:

Deregulation did not remove the government or the importance of policy making by one iota. In every area of importance, the government [has] still played a central role. What deregulation did was remove or severely lessen the idea of government action in the public interest. The point of government regulation, pure and simple, became to help firms maximize their profits, and that was the new public interest.

←←←

Surveil and  
Commodify: Twenty  
Years of Google

Timothy Erik Ström

**a** ←

06 2018–07 2018

Nº 154

Building on McChesney's point, deregulation is another example of the privatisation of public good that seems to be an inherent tendency in capitalism. Schmidt justifies the situation by claiming that 'regulation is unnecessary because Google faces such strong incentives to treat its users right, since they will walk away the minute Google does anything with their personal information they find creepy'. Furthering this dubious argument, Bork and Sidak claim that 'consumers can switch to substitute search engines instantaneously and at zero cost [and this] constrains Google's ability and incentive to act anti-competitively'. Page argues that his corporation is kept trustworthy by the self-regulating market because 'it's easy for users to go elsewhere because our competition is only a click away'.

This mantra—competition is only a click away—is chanted ad nauseam by cybernetic capitalists. However convenient it is for Google, the idea that competition will fix the situation ignores a number of crucial points. First, Google does not exist in the ether; it might appear so to its end users and 'customers', but its abstracted infrastructure is material through and through—indeed it is a significant underpinning of its monopoly. Google has invested untold billions in infrastructure, thus creating a materiality that is not readily replicable. This reveals the absurdity of the competition-is-only-a-click-away mantra, as if Google were terrified by the prospect of someone in a garage somewhere coming up with a 'better algorithm' that could somehow displace the global institution. In the event that someone did come up with a fragment that improved a part of Google's sprawling empire, there is every chance it would be snapped up by the deep-pocketed company and incorporated into its ever-expanding apparatus. Google is not immune to the shifting dynamics of the tech sector, and while it may be possible for it to lose its hegemonic position, the click-away rhetoric is grossly exaggerated and self-serving.

What's more, this click-away logic does not consider the 'network effect', whereby the more people use a service, the more valuable it becomes. The billions of people who use Google provide the company with an immense quantity of private data that is run through Google's surveillance-commodification circuits to augment its power. Google's sheer market domination means its search engine—and other services, such as its maps—has huge advantages over the offerings of competitors. As well, people establish online routines and habits, so once a person begins using Google's services it isn't necessarily easy to leave. Escaping from Gmail, for instance, can require significant and prolonged effort. And then, if you do decide to 'click away' from Google, where do you turn—Microsoft's Bing? The only option for people is leaving one massive corporation for another.

With that in mind, it is rather deceptive to argue that Google should be broken up as a monopoly in order to increase 'competition'. This common charge laid against Google is expressed by organisations like Fairsearch.org, an advocacy group funded by Microsoft, Oracle and others with notable vested interests. This organisation describes itself as being 'united to promote economic growth, innovation and choice... by fostering and defending competition online'. The fact that *Microsoft* is defending 'competition' should sound alarm bells. Part of the problem here is the extent to which profit-driven markets are naturalised in our world today.

It is possible to detect aspects of this naturalisation process in the discourse of the Google elite. For example, references to the 'Darwinian market' crop up regularly in cybernetic capitalism. Rosenberg says: 'the best technology starts with consumers, where a Darwinian market drives innovation'. Similar quasi-biological metaphors with a Darwinian twist are often used. Long-term Google spokesperson turned Yahoo CEO Marissa Mayer came out

## The Snowden leaks showed how the military-intelligence agencies of the 'Five Eyes' nations (Australia, Canada, New Zealand, the United Kingdom and the United States) have access to the data extracted by Google...

with the following jumbled reflection on the dot-com crash back in 2006:

And I think—you know, when I think about the bubble bursting, I've often compared it to a forest fire, which is, you know, forest fires are, in fact, healthy, right? They clean out a lot of the brush and the overgrowth and all that, and the trees that ultimately survive the forest fire and repopulate are, in fact, healthier because there was something that that was healthier about them, and I think that that's ultimately what you see at Google.

The 'Darwinian market' metaphor naturalises capitalism as a social formation by rhetorically linking it to evolution and hence to a biological reality that exists prior to politics and culture. Another example was Schmidt's reference to the internet as a 'cesspool', and his proposal that increased corporate ownership would clean up the filth. Corporate branding, according to Schmidt, is an essential element that helps people navigate their way of being-in-the-world: 'Brand affinity is clearly hard-wired... It is so fundamental to human existence that it's not going away. It must have a genetic component'. With this vague and utterly unsubstantiated reference to genetics, one of the world's most powerful people claims that we are biologically wired to techno-capitalism—that it makes us what we are. Seen like this, the status quo is entirely natural, legitimate and inevitable. Naturalised in this way, capitalism is also profoundly depoliticised, and all the while Google's profits soar and the abstracting mechanism of cybernetic capitalism further works its way into and through everyday life. **■**

In the next issue of *Arena Magazine*: 'Abstract and Control: Twenty Years of Google'.