

Data-Driven

Democracy

Timothy Erik Ström

A parallel to the Cambridge Analytica scandal

‘The development of powerful new means of communication has coincided, historically, with the extension of democracy and with the attempts, by many kinds of ruling groups, to control and manage democracy.’ These words, written by Raymond Williams back in 1962, referred to the rise of printing in the long sixteenth century, through to newspapers in the nineteenth century, and radio and television in the twentieth century. This point readily applies to the rise of the internet and the technological mediatisation of everyday life. A recent example of this dynamic was captured neatly in the 2018 Facebook–Cambridge Analytica scandal that showed how degraded ‘democracy’ has become in the early twenty-first century. Indeed, in this article when I refer to democracy I am specifically referring to representative democracy, a form at the shallow, bureaucratic end of the realm of democratic possibility—particularly when contradicted by being nested within the non-negotiable capitalist system. Nevertheless, an important reflection on this flawed and increasingly endangered system was very concisely captured in the title of a recent book: *Democracy May Not Exist, but We’ll Miss It When It’s Gone*.

Cambridge Analytica, a British political consulting and data firm, gained access to data extracted from eighty-seven million people, the vast majority from the United States, via Facebook. To do this, Cambridge Analytica used a false academic inquiry mixed with the practically-never-read terms and conditions of an app that gave access to a person’s data and that of their friends. Through this, the firm proceeded, in 2016, to subject the data to analytic processes in order to automatically generate psycho-geographic profiles of the people whose data had been breached, leading to the creation of customised political marketing campaigns. This data was then used to create fake news and targeted advertisements to promote Donald Trump’s presidential campaign in the United States, and the Leave.EU campaign in the United Kingdom. In addition to these most famous cases, Cambridge Analytica sold its services to political parties in India, Kenya, Malta and Mexico in an effort to help it better

manipulate voters. On top of this large-scale political manipulation tactic, Cambridge Analytica added layers of political scandal-making, including hiring prostitutes to defame politicians, using bribery sting operations and setting honey traps, as was gloated about by the CEO, Alexander Nix. After this experiment became public, the firm closed its operations (with many members shifting to another arm of the company, Emerdata), and Facebook was subjected to a congressional inquiry and an ongoing criminal investigation on both sides of the Atlantic. This resulted in Facebook’s breaking records by losing around \$120 billion worth of stock in a day, dropping from a market capitalisation of around \$630 billion to \$510 billion. This is the equivalent of subtracting the entire stock-market value of powerful companies such as General Electric or McDonald’s.

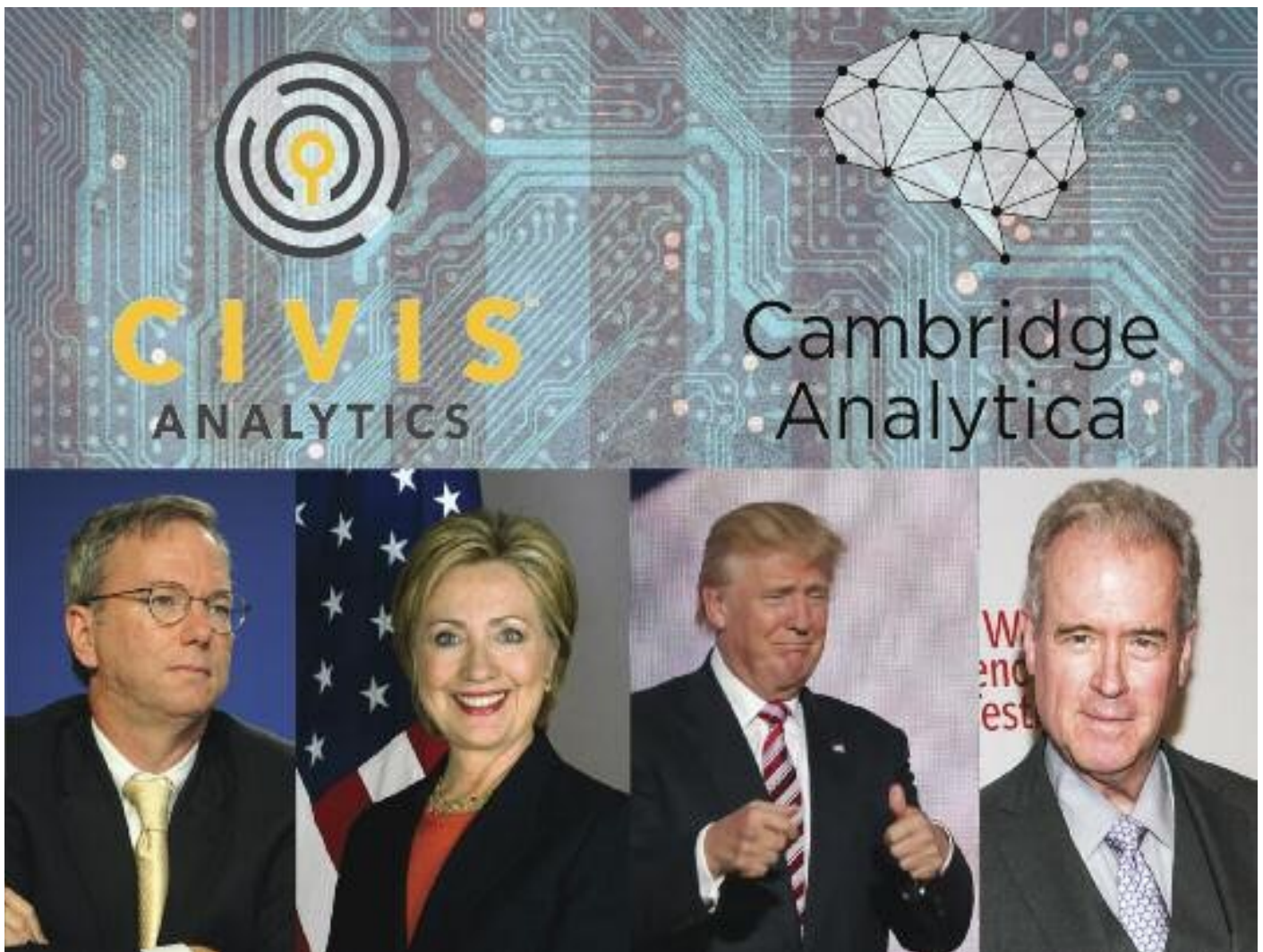
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There is a curious and seldom-told backstory and parallel story to the high-profile Cambridge Analytica scandal, one that makes the notorious firm seem like the tip of the democracy-sinking iceberg. Back in 2008, during the first election campaign for Barack Obama, his team employed a number of big data companies to make their campaign ‘data driven’, a euphemism for powered by surveillance engines. Thus began a pattern whereby for-profit companies began working as liberal election-engineers, a group strongly aligned with establishment Democrats and a pro-corporate agenda. An example of this can be seen with the firm Catalist, founded in 2006 with money from George Soros and co-founded by Harold Ickes, Bill Clinton’s assistant to the president, a deputy chief of staff and the architect

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of his 1996 reelection campaign. In their own words: ‘Catalist compiles, enhances, stores, and dynamically updates data on over 240 million unique voting-age individuals across all fifty states and the District of Columbia. Working with Catalist can help you build membership, target persuasive messaging, engage activists, drive an issue agenda, and mobilize voters’.

After the success of the 2008 election, this data-driven streak intensified dramatically in the lead-up to the 2012 campaign. Obama’s staff assembled a huge data-analytic team consisting of over fifty people—ten times as many as Mitch Romney’s—that included social scientists and psychologists. The first task the team was put to was to rationalise and centralise all the data collected in the 2008 campaign into a single system with organised individualised profiles running through it. This project was given the fanciful name ‘Narwhal’. When the new analytics team came to it, the existing data structures were a mess, with the go-and-vote list not integrated with the donors list, and so on. Over eighteen months, technicians worked on this process of data centralisation, creating a system that held data on millions of Americans, each person linked to a unique seven-digit identifier that would follow them across space and time. Hundreds of layers of commercial and private data were amassed on Americans, including data scraped from social media, people’s mobile contracts, poll responses, fundraising notes, voting records, consumer databases, magazine subscriptions, student loans, Twitter handles, marital status, demographic details—age, sex, race, neigh-

bourhood—and other surveillance data, all with special attention paid to states that could swing Democratic. This allowed the team to run a national campaign in a way that was automatically customised to individualised voters imagined as data aggregates.

Obama’s 2012 campaign specifically made use of Facebook data, much as Cambridge Analytica did for Trump in 2016. Obama’s team encouraged their supporters to download Obama’s official Facebook app, which, once activated—the almost-never-read terms and conditions tick in—granted the campaigners access to their data and their friends’ data. This was the essence of the trick Cambridge Analytica would perform four years later.

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More than one million Obama supporters downloaded the app, giving access to their friends list. This had a much larger reach than Cambridge Analytica’s ‘This Is Your Digital Life’ app, which had 270,000 people grant access to their private data. The digital director of Obama’s campaign said, ‘People don’t trust campaigns. They don’t even trust media organizations. Who do they trust? Their friends’. This cynical move gave the team the ability to automatically customise their campaigning and to cloak advertisements as messages from friends. A key difference between Cambridge Analytica and Obama’s app was that the former claimed that the information would only be used for academic purposes, whereas the latter explicitly said that it would be used by the campaign for political purposes, making the former undoubtedly more deceitful. Yet, once the terms and conditions were clicked, they were functionally very similar. In both cases, the majority of people whose data was accumulated and analysed had no idea that this was happening. Nevertheless, after the success of the 2012 campaign, Obama’s data-analytic team was much lauded, with, for instance, MIT’s *Technology Review* devoting an entire issue to analytics under the title ‘Big Data Will Save Politics’, with Bono’s black-and-white face gracing the cover. The same issue ran another article claiming that such surveillance-based advertising had ‘restored the soul of politics’. A celebratory 2012 article published in *Time* concluded with the line: ‘By 2016, this sort of campaign-driven sharing over social networks is almost certain to be the norm. Tell your friends’. After it was discovered that Cambridge Analytica had used the same suite of tactics to help Trump to get elected, the reactions in the mainstream US media were somewhat less enthusiastic.

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Jump to the 2016 US election and some eerie parallels can be seen between Cambridge Analytica and another surveillance firm, called Civis Analytics. Cambridge Analytica was partly owned and heavily influenced by Robert Mercer, a billionaire sitting at the intersection of finance, cybernetics and hard-right politics. Civis Analytics was entirely owned and heavily influenced by Eric Schmidt, another billionaire sitting at the intersection of finance, cybernetics and Clinton’s brand of hawkish, imperial market politics. Both are at the forefront of devising new ways that the super-rich can shape the political sphere according to their preferred vision. Looking into these two figures and their companies is also revealing of aspects of the current historical moment more generally.

Mercer studied physics and mathematics before turning to computer science, doing a stint at the US Air Force Weapons Laboratory before joining IMB Research to work on pattern-recognition technologies for two decades. In 1993 he accepted a request to join the hedge fund Renaissance Technologies, a company that specialises in using quantitative mathematical models to predict and capitalise on market behaviour. The corporation ran an employees-only fund that received an average return rate of 71.8 per cent for twenty years, beginning in 1994. This tremendous growth rate made Mercer—and the hedge fund’s other core employees—outrageously rich.

Since 2010, when the Citizen United decision allowed corporations to pour even more money into politics, Mercer and his family have lavished at least \$36 million on Republican candidates and the political action committees (Super PACs) that support them, including \$25 million on the 2016 election. This must be understood in the wake of a 2010 Supreme Court ruling that forbade the government to restrict spending by corporations and other legal entities on political communications issues, thus granting even more power to capital to shape political processes in favour of their interests. Mercer’s key political adviser was the ghoulish Steve Bannon, an important figure of the ‘alt-Right’—a euphemism for the twenty-first-century remix of fascism—in the United States and more globally. Bannon managed the Mercer-funded news-media empire of Breitbart, a commentary website steeped in a ferment of misogyny and racism and peppered with outright misinformation and climate-change denialism. Bannon was also the vice-president of the board of Cambridge Analytica, helping the organisation work to have Trump elected. After the success of this effort, Bannon was rewarded with the position of Trump’s first national-security adviser, with this ‘Hand of the King’ position embodying Mercer’s behind-the-scenes power. When not using his fortune to undermine democracy, the notoriously secretive billionaire moves between his \$75-million high-tech luxury superyacht, *Sea Owl*, and his Long Island mansion, *Owl’s Nest*, where he can play with the \$2.7-million model-train set he keeps in his basement.

Like Mercer, Schmidt came from computer science, before passing through a series of key institutions in the history of computers, including Bell Labs and Xerox’s Palo Alto Research Center, before climbing the ranks of Sun Microsystems and becoming the CEO of Novell. Additionally, he taught a course at Stanford Business School called ‘Entrepreneurship and Venture Capital’. He was brought in as the ‘adult supervision’ of Google, and was CEO from 2001 to 2015 and executive chairman until late 2017. After his appointment as Google’s CEO, Schmidt became a member of Obama’s Office of Science and Technology Policy, and he led the Defense Innovation Advisory Board, which provides the Pentagon with advice from a Silicon Valley perspective. He is an active

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participant in numerous über-elite organisations, such as the Bilderberg Group, the Trilateral Commission and the World Economic Forum. Worth more than \$13.5 billion, Schmidt has his own venture-capitalist firm, TomorrowVentures and Innovative Endeavors. He co-founded Google's geopolitical arm, Jigsaw, is a large player in development-industry philanthropy, and is involved in numerous think-tanks and advocacy groups. When not using his fortune to undermine democracy, Schmidt can play on his collection of superyachts, moving between the \$72-million *Oasis*, the custom-built \$38-million luxury sailing boat *Elfje* and the speedy \$25-million *Gladiator*.

While favouring different candidates, both Mercer and Schmidt poured tremendous amounts of their money into the US presidential campaign and the broader political sphere. Also, both were, at least in part, backed up by their respective deep-pocketed companies, Renaissance Technologies and Google. Both actively arranged to use surveillance, data analytics and micro-targeted control in an attempt to manage democracy in favour of their own elite interests. The below looks less at Mercer and Cambridge Analytica, as they have received sustained attention over 2018, and focuses on lesser-known developments on the other side of the narrow US political spectrum.

The surveillance-based polling methods developed by Clinton's analytics team drastically misread the electorate across multiple states and on multiple issues.

Civis Analytics is big-data startup spun out of the revolving door between Google and corporate Democrat electioneering. Dan Wagner worked on both of Obama's election campaigns, going from being the 'targeting lead' for the Great Lakes region to the targeting and analytics director of the Democratic National Committee, before becoming the chief analytics officer for Obama for America. A child mathematics prodigy who entered college aged thirteen, Wagner ran 'the Cave', the big-data war room of the 2012 Obama campaign. The Cave would produce daily reports with detailed rundowns of the presidential race and insights extracted from the thousands of nightly computer simulations of potential ways the election could unfold. After the election, Wagner founded Civis Analytics, a startup composed of Democrat campaigners and initially entirely funded by Google's Schmidt. After correctly predicting the outcome of a 2012 Massachusetts election, Wagner was approached by Schmidt, who after a conversation offered a personal loan, followed by an undisclosed amount of seed funding—rumoured by associates to be an eight-figure sum—in 2013. Schmidt apparently immediately saw the commercial potential of what the analytics team had developed, foreseeing ways that this kind of surveillance could be used to benefit the private sector beyond political campaigning. For corporate Democrats, there were no contradictions here: in their limited imaginations, profit-

maximising firms, opinion engineering and democratic politics are part of a virtuous circle. Civis now sells its services to Fortune 500 companies such as Verizon, tech titans such as Airbnb and prominent development-industry nonprofits such as the Bill & Melinda Gates Foundation. Schmidt's seed funding took it through to 2018, when it received \$22 million in Series A funding from a combination of venture capitalists, including Drive Capital, Verizon Ventures, WPP (a British advertising company and PR firm) and, of course, Schmidt. Civis' mission statement is: 'to democratize data science so organizations can stop guessing and make decisions based on numbers and scientific fact'. Yet, despite this claim, data science is not being *democratized* in any meaningful way; it would be more accurate to call it *commercialised*. The insights that may come from these tactics of surveillance and targeted advertising are made available to those who can afford to pay for them. This crucial distinction is lost on corporate Democrats.

During the 2016 US election cycle, Civis Analytics sold its services to the Clinton campaign, with the company receiving \$5.1 million—a comparable fee to the \$5.9 million that the Trump campaign spent on Cambridge Analytica's services. Furthermore, Civis Analytics was far from the only surveillance corporation working to manipulate voters. Also in the mix were Timsehl and the Groupwork (both also funded by Schmidt), Bluelabs, Precision Strategies, Precision Network, Analytics Media Group and the Targeted Platform Media, to name but a few. Suffice to say, surveillance, data analytics and customised manipulation through advertising is a far larger problem than Cambridge Analytica. Indeed, managing democracy according to elite interests has become a booming industry.

Of course, all this surveillance and technological modelling that Clinton marshalled in her election campaign ultimately failed: she was defeated by the second least popular candidate in the history of US electoral politics. The surveillance-based polling methods developed by her analytics team drastically misread the electorate across multiple states and on multiple issues. Sophisticated targeted marketing could not make up for her campaign's lack of vision, her perceived sense of entitlement, her fawning to high finance, her neglect of serious structural problems and the sheer meaninglessness of her rhetoric. This was perhaps unsurprising, as her public campaign began with a speech that featured many lines drawn straight from the void: 'And you know what? America can't succeed unless you succeed. That is why I am running for president of the United States of America'. Of course, none of the above should be read as celebrating the rise of Trump. Rather, if we are to proceed into the climatically unstable future with our common humanity intact then there is an urgent need to defend and extend democracy. A fundamental part of this struggle involves an increasingly urgent need to actively resist the corrupting power of big money in politics, as well as the high-tech ways of managing society according to elite interests. The existential crisis that democracy finds itself in demands more searching critiques and, most importantly, concrete political action. **a**