

THE EMERGING PARADIGM: EXAMINING THE ROLE OF STATE AND BIG TECH FIRMS AS POLITICAL UNITS IN THE 'TECH-ERA'

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Introduction

Our ability to craft and innovate tools has been a defining factor in the evolution of the material world as we know it today. While we lack the highly entrenched instinctive behaviour that certain other species boast, our analytical reasoning skill has aided us in gleaning sundry 'techniques' from nature, giving us the title of 'technologists' from the beginning of the evolution process itself (Buchanan, 2023). This shows that technology has always been a part of human endeavour, irrespective of any particular epoch, thus throwing away the attempt to define a particular era as the 'Tech-Era' into the shadows of futility. However, the term 'Tech-Era', in all its appearances in this work, points to the era of, inter alia, information technology, artificial intelligence (AI), and data economy - the period post-mid-20th century. In this 'Great Tech Game', it is climacteric to understand the new position, role, and relevance of the state. The question of the relevance of the state as a political institution arises from the recent emergence of private entities, referred to here as Big Tech firms, whose dynamic influence in governance and in the interaction between people and the state has transmogrified at an exponential rate (Suri, 2022). This calls for a paradigm characterised by a system of sharing power between these two entities. For developing such a paradigm, analysing the challenges posed by the big tech players to the state at various levels would be helpful.

The Expanding Role and Authority of the Big Tech Players

A detailed historical analysis of the evolution of the world order shows that this conflict between private actors and the state is a continuous phenomenon, manifesting in different forms in different epochs (Suri, 2022). From the magnates of steel and telegraph lines in the previous era, today we have mighty companies bringing disruptive innovations with their influence and presence sprawling across the globe. However, the power grab we are witnessing now is occurring on a much larger scale than the previous ones. The reason for this can be inferred from the oft-repeated description of the Big Tech firms - the magnitude of influence, power, and wealth they possess, which, if rounded off to a value (if at all quantifiable), would give a number never seen before.

While each epoch is characterised by a conflict (of varying intensities) between the state and the private actors, the new disruptive force of innovation, materialised, and commercialised by private parties, is a product of the existing political sentiments of that period. To take the present case, the rise of capitalist

liberal democracies in the 20th century paved the way for technological development, which in turn sowed the seeds for the rise of the 'Big Tech Companies' with Apple, Amazon, and Google coming to the limelight in the late-20th century, and Facebook making its breakthrough in the early 21st century (Lindman *et al.*, 2023). However, progress in this direction has led to a social order where a few companies exercise monopolistic authority over other companies while exerting influence over large swathes of people; this stands in stark contrast to the ideals of liberal democracy. This contradiction would be dealt with in further detail in the second part of the work.

Over the years, the Big Tech firms have expanded their horizons. The fact that they have accumulated vast resources over a very short period of time is an astounding reality. In the midst of this ballyhoo, their actions have shaped their role, from mere profit-oriented corporations to important political entities at par with (or better than) the state in terms of information and influence. Let me provide an illustration from the book, *The Great Tech Game* by Anirudh Suri - consider the 'Forbes List - The World's Most Powerful People': after the first four positions held by political leaders, Jeff Bezos, the founder of Amazon, occupies the fifth place, while other 'tech pioneers' like Bill Gates and Larry Page hold the seventh and tenth positions, respectively. In short, three of the ten most powerful leaders globally are from Big Tech firms. How this power is deployed to influence the people and politics of the world is beyond one's imagination (Suri, 2022). Their influence is wide enough to effect sweeping political changes, from influencing the public mindset in the run-up to elections (Romero, 2018) to changing the way people see themselves and others (Tova *et al.*, 2023). To gain better clarity on the authority exercised by these companies, it would be helpful to highlight a few dimensions in which these companies impact the people and politics on both a domestic and global scale.

Replacing the 'Fourth Estate'

This is a period when the platforms created by these private actors are the most used and relied-on sources of information. They have almost replaced the 'fourth estate', that is, the press, and have created a 'fifth estate' for themselves (Greene, 2018). This new source of information is more robust, faster, and broader, but at the same time, it is unreliable and often pliable at the cost of the right to free speech. The curbing of free speech often happens at the cost of its own founding purpose (Kleinman, 2016).

This simply indicates the unrestrained power exercised by these companies; while the press used to be an essential check on the actions of both public and private actors. Today, we have a case where the dominant private actors themselves are the primary sources of information (Greene, 2018).

Another important aspect is the quality and nature of the news and information disseminated. As popularly believed, our style of preference is often influenced by the negativity bias. This inherent bias in the minds of human beings has been exploited by the Big Tech companies to shape the design and flavour of their products, that is, information. The way information is presented to us is hence structured accordingly, giving politically charged, negative, and shocking news a higher position in the scroll-down list. As Lucie Green pithily writes in her book, *Silicon States: The Power and Politics of Big*

Tech and What It Means for Our Future, the substitutes for the press we have today are dependent on “populism and shock value” (Greene, 2018).

Influencing the Political Atmosphere

The most ostensible way in which the Big Tech companies influence the complex ground of politics is by providing political leaders with a novel dimension of campaigning and advertising. The massive success of this kind of election campaign in the 2008 and the 2012 US presidential elections by Barack Obama is a testimony to the effectiveness of this method (Pilkington, 2012). While such a strategy might appear harmless or even welcome in the political sense, the sore part arises when this strategy metamorphoses into a system of close, business-style cooperation between the political parties and the private players. What this entails is a free flow of information covering minute behavioural data of the people, often transgressing the boundaries of the citizens’ privacy. Further, misinformation campaigns provoking communal violence and perpetuating skewed perspectives engender political ruckus (Romero, 2018).

Citizens as Victims of Surveillance Capitalism

The Big Tech firms’ hold over the dissemination of information and their ability to influence the political atmosphere of a country places people directly at the receiving end. In this era, data is the ‘new’ fuel, and these private actors are the repositories as well as the beneficiaries of this fuel. In such a system of ‘surveillance capitalism’, as propounded by the Harvard professor, Shoshana Zuboff (Zuboff, 2019), people are seen as mere sources of data. The data, thus extracted, is further employed by these companies to manipulate the collective behaviour of society to advance their own positions as profit reaping Big Tech firms. Ultimately, this leads us back to the question of right to privacy and the issue of tactical manipulation of people’s behaviour, including, but not limited to, the stark drop in people’s attention span as a result of purposeful addictive technologies crafted by these companies (Hari, 2022).

These dimensions of influence exerted by the Big Tech companies have placed them in an elevated niche in the political society - at a position on par with the state. However, some might argue that the profit-driven mentality of these companies makes them a misfit for comparison with the state, which is altruistic in nature. Over the years, they have accumulated huge profits and established themselves as the forerunners in their arena. But at the same time, they have also contributed significantly in the form of job creation, corporate social responsibility and so on. Take the case of the COVID-19 pandemic, which wrecked the global economy and engendered social havoc. These companies donated several million dollars to assist the state in calibrating relief efforts. They have also invested in upscaling scientific research and emergency responses. The creation of the COVID-19 Therapeutics Accelerator in the World Economic Forum’s COVID Action Platform by Mastercard, the Bill and Melinda Gates Foundation, and the Wellcome Trust is a suitable example in this regard (Chene et al, 2018).

Nevertheless, it is necessary to recognise that the increased popularity and influence of Big Tech firms in light of the pandemic is a double-edged sword for the common people. While acts of donation and

public aid by these companies have improved their image in the public domain, their rising power, and policy-influencing presence could strengthen their dangerous role as lobbying forces (Chene, et al, 2018). Therefore, analysing the interaction between the state and the Big Tech firms is climacteric.

Understanding the Interaction Between the State and the Big Tech Companies

As discussed in the initial part of the previous chapter, a conflict between the two important political units - state and non-state actors, existing at that time, is a recurring phenomenon in several phases of history. Today, while unravelling the friction between these two entities, that is the state and the big private companies, we should not assume that the latter is a successor of the dominant private actor of the previous epoch. The reason lies in the simple fact that the disruptive private forces of an era are a product of the global political sentiments of that era, and are not the 'progenies' of their counterparts in the preceding period. Nor are the previous dominant actors entirely supplanted by the new private actors. Instead, the new player is just an additional layer to the already existing set of various private actors who were the defining forces in the previous epochs (Suri, 2022). Hence, a fair framework for operation of both the entities cannot be gleaned from a regulatory mechanisms of the previous generation.

However, certain generalisations and patterns akin to the interaction between them would be an interesting matter to deal with. Professor Theda Skocpol, in her article, *'Bringing the State Back in: A Report on Current Comparative Research on the Relationship between States and Social Structures'*, describes the relational approach and how it was employed by Stephen Krasner, Alfred Stepan, and Peter Katzenstein in their respective works (Skocpol, 1985). In this approach, the state is considered in relation to the then socioeconomic and political atmosphere, pictured along with non-state actors with particular interests (Skocpol, 1985).

The Current Political and Socioeconomic Environment

The current socioeconomic and political atmosphere is heavily centred around technological progress, especially in terms of AI and semiconductors. In the global scenario, new alliances, partnerships, and projects between countries to advance their own technological status are not uncommon. The huge expectations and cheers post the signing of deals between India and the US in the areas of AI, 5G or 6G technology, Open RAN (Radio Access Network), and so on are a testimony to the growing significance of technological growth and digital literacy (Manohar, 2023).

With the emergence of these companies backed by new trends and ideas, we are witnessing a massive metamorphosis of the industrial economy into the 'digital economy', with a different structure, new market leaders, and novel challenges (Suri, 2022). As a result, tech-driven markets and e-commerce are the new destinations of economic activities, with things happening at a busier and more rapid pace than in ordinary physical markets. Further, data, an intangible object, whose significance is greater than that of any other commodity, is the new fuel of the economy. Such changes in the economy extend to the

socioeconomic front as a provocative force, driving existing forms of inequality to a more deplorable stage while at the same time paving the way for new forms of unemployment (Lohr, 2022).

Apart from these, the unprecedented rise in technology and the allied sectors has transformed the labour market too. While technology was supposed to be a labour-enhancing force, it has, over time, paved the way for replacing several jobs. But to look on the positive side, it is equally valid that this development has facilitated the sprouting of new employment opportunities. Along with new opportunities in the labour market, technology, as a force of change, has gone further to even influence the manner of working of professionals. Alas! This includes the transgression of work time into the realm of family time with the advent of the digitalisation of workplaces (Hari, 2022). In short, the Big Tech companies are finding themselves as a strong, independent political unit with their tentacles of influence, and control reaching over to the economy, social order, governance, and ultimately to the minds of the people. In this political and socioeconomic environment, throwing light on how the Big Tech firms see themselves as a political unit would help push the analysis of the issue to a higher pedestal.

The Political Status of the Big Tech Companies

To put this in a single sentence, “With great power comes great responsibility.” As Brad Smith and Carl Ann Brown argue in their book, *Tools & Weapons: The promise and the peril of the digital age*, the Big Tech companies, having created a new world order founded on technology, bear the responsibility to address the issues that sprout from this new order (Smith & Browne, 2019). Many scholars have attempted to deliberate on a pragmatic system based on a win-win framework between the state and these companies. For instance, going by the classical liberal theory, the government could function in a limited manner for fostering public good, while the Big Tech companies would be economic actors (Lindman *et al.*, 2023). There would be a bright line of division in their roles, and their operation would be characterised by exclusivity towards each other.

However, an inevitable question that arises from the assumption about the Big Tech firms’ political responsibility is whether these companies have any characteristic features that make them an effective political institution. After all, these companies are run by a group of highly educated men, which does not constitute a representative group. It violates the basic principle of the modern state, that is, the nation-state – the ‘principle of representation’ (Suresha, 2015). The answer is that it cannot act as a state but as a distinct and parallel political institution.

While the arguments and observations posited above might ostensibly portend a new reality where these companies stand as alternate, equally strong candidates as the state, the fact is that the companies cannot simply take up the role of state. Political science scholars might have had the tendency to shout this out at the beginning of the article itself. This is because the state is a body that exercises legitimate coercive authority (Peter, 2010), and the power it exercises has a source, say the constitution adopted by citizens in modern liberal democracies. Further, it must have a defined geographical purview such that it has power over the people residing within that area. On the other hand, these companies’ powers are

incidental to their unprecedented popularity and economic prowess; these powers are not innate in them, as opposed to the case of the state. Ergo, the question is not about replacing the state; rather, it is about coexistence with the institution of the state.

Take the case of Facebook, a company, or a “community” — Mark Zuckerberg’s propensity to call it a community indicates his wish to elevate Facebook from the status of a company to a larger (political) unit (Abrams, 2017). As everyone knows, Facebook functions on the basis of certain rules and regulations that it has set for itself, in addition to certain other rules based on the country in question. Further, it ensures its users certain rights, including protection of one’s privacy (Meta, 2023). However, it is evident that these rights and protection measures are characteristically different from those assured by the state. While in a democratic system, citizens are both the beneficiaries and the authors of these rights, in the case of Facebook and other such platforms, users are excluded from the rule-making procedure. (Shadmy, 2019)

The Big Tech Companies as Superstate Structures

Having said that, what is the nature of this other distinct and parallel political institution, mentioned earlier? The Big Tech firms as a super-state structure could be an answer. To see these companies as super-state institutions like the European Union (EU), the World Bank (WB), and so on might appear far-fetched at the outset. However, it is very evident from the nature and extent of power exercised by the Big Tech firms that these companies almost have a similar impact on a state’s sovereignty and its subjects as that of institutions like the EU and WB. However, the rub is here - the discipline of political science is yet to expand from its age-old central theme of ‘state’ so as to understand the super-state structures, including the Big Tech companies, which mostly came into the scene after the advent of neo-liberal capitalism, post 1970s (Suresha, 2015). The congruence of such a conception might also lie in the similarity of questions arising from the concepts of the superstate and the political nature of Big Tech firms. Both concepts raise questions regarding legitimacy, the state derives its legitimacy from representation, but that is not the case with the superstates and the companies (Suresha, 2015). The same is the case with the intrusion of these bodies into the sovereignty of the state.

However, this comparison can be problematic. A teleological analysis of superstates shows that these institutions are for the mutual benefit of the countries that come under their purview (Suresha, 2015). However, in the case of Big Tech firms, it is about increasing their profit and popularity (Clarke, 2021). Hence, it is technically impossible to fit Big Tech companies into the definition of superstates.

Navigating the political status of Big Tech firms can be tumultuous if it is done by attempting to compare it with existing institutions within the political structure. A way of solving this quandary can be to perceive these companies as a novel entity on its own in the political system with the capability to influence the people to a large extent, while possessing the powers similar in quantum, but different in nature and source to those of the state.

Conclusion

Today, the institution of governance, that is, the state, is facing an apparent existential crisis with the advent of mighty, transnational companies, collectively termed the Big Tech companies. With their purview and control expanding over millions of people and their philanthropic contributions (Maschewski & Nosthoff, 2022), and seeing an increase in recent times, many have been auguring a novel political system with these companies enjoying the force of a state. With their rise, they have acquired new social responsibilities and a different political status. On examining the political status of these new players, it is evident that they are indeed novel, not only in terms of the nature of power exercised by them, but also in the way they compete and interact with the state. Moreover, it is too early to establish a permanent regulatory framework to curb the powers of these new political entrants, as it is not possible to extrapolate how their political powers will unfold in the future. The only feasible solution is to accommodate the new players within the political arena, and any such solution can only be of a stopgap nature because of the impossibility of accounting for future transmogrification or, perhaps, even the degeneration of their political standpoint. Ergo, time and effort must be invested in studying the true nature of the political niche occupied by the Big Tech companies and then, subsequently, carefully charting out a formal or informal separation of powers between these companies and the state.

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