Surveillance and the Distribution of Resources and Opportunities

Recent works on information and related technologies have argued that a new economic and social form, “surveillance capitalism” now uses information about people to control and colonize many features of life. Minute data profiles gleaned from people’s everyday activities of working, consuming, traveling, and browsing the internet enable businesses to create new strategies in areas of marketing, finance, and employment. By feeding information into powerful but abstruse decision-making algorithms that few people have access to, a relative handful of private sector actors such as Facebook, Amazon, and Google exert a powerful influence on our daily lives.

This scholarship has done well in identifying how surveillance capitalism operates. However, it has given much less attention to the impact of these innovations on social distribution and equity. The same technologies that allow businesses to tailor products and services to consumers also affect access to employment, credit, insurance, housing, education and other crucial areas of life and work. Deep data can lower risks to business actors but may also shift risks onto consumers and workers. Much of the emphasis of current work on surveillance capitalism points to dangers to privacy, but privacy alone does not capture the negative externalities impacts of these surveillance systems on the opportunities, life chances, and income and wealth of different groups. Differential and unequal impacts of surveillance can be highly exclusionary, locking out some people from access to crucial social and economic resources.

By focusing on distribution and equity, we bring a new perspective to surveillance capitalism studies. What has been missing from this research – and what is needed to address issues of distribution and equity – is a coherent understanding of surveillance capitalism as a historical, legal, and technological phenomenon, looking beyond the latest Silicon Valley innovations. Contemporary surveillance capitalism, as this project aims to show, was built upon already existing technical, legal, and business infrastructures that provided models, norms, and routines for extracting and monetizing personal information.

To unpack the distributional and equity effects of surveillance, we take a long-term longitudinal approach, using history to ascertain how and why surveillance as become implicated in capitalism. The collection of information about people, populations, and business processes – via accounting, filing and communication systems, and statistical aggregation – has been a feature of capitalism for more than a century. Taking a historical approach will allow us to examine the unfolding of cases to see how surveillance operates in the economy and identify the ways it may produce unequal outcomes, while providing a basis for identifying the most important, enduring features of this system.

In this work we also bring in the state. Studies have already pointed to the connections between tools and techniques developed in the private sector but then deployed in the public sector or by state actors. Decision-making through data has been used to determine guilt or innocence in crimes, decide when prisoners are paroled, identify and track supposed suspects of both terror and crime, locate undocumented immigrants, and determine the level of social benefits to welfare recipients. Here too there is great potential for unequal or inequitable outcomes, as certain groups or populations are subject much more stringently to these decision algorithms and everyday acts that would go unremarked for some became part of a potentially devasting decision outcome for others.

We also expand comparative insight. Surveillance techniques and systems are found in economies that are not, at least by some measures, capitalist. This is notable in the case of perhaps the most surveilled society in the world, China. While we cannot in this project do a full scale study of China, we will use it as a counterpoint to the question of what is driven by distinctly capitalist and free market features of the world and what either transcends those institutions or can be deployed in multiple political economies.

Case Study: Credit Reporting

As a pilot we will focus on credit reporting, which has an extensive history and a well-developed scholarship. Credit bureaus are among the most prolific aggregators of personal and financial information in the United States, and indeed the world. Their data is used to generate credit reports and credit scores, both of which have profound implications in determining individuals' access to credit, insurance, housing, and employment. More recently the Department of Homeland Security has proposed using credit scores as a criterion in immigration applications. The origins of these systems, however, date to the 1840s. During the nineteenth century, credit reporting infrastructures emerged to help business owners judge the creditworthiness of strangers in growing national markets and unfamiliar customers in burgeoning cities and towns.

This case study will allow us to test four analytical frames that guide our larger project. 1) the historical development of data expropriation. 2) the role of the law in facilitating commercial information-gathering. 3) the intersecting information interests of business and the state. 4) the distinctive modes of inclusion and exclusion that emerge from such systems.

First, the history of credit reporting allows us to examine how information was *expropriated* from individuals and communities. Early credit reporting firms, like contemporary surveillance capitalists, colonized a non-commercial social domain--reputation. They profited by extracting private information and public resources (local opinion). This expropriated information was then converted it into a systematic, standardized commodity: the credit report.

Second, credit reporting depended on changes in law to operate. Early credit reporting firms were harried by libel and slander lawsuits. They successfully defended their operations under the banner of "privileged communication." After the 1970s, when federal regulations placed new limits on credit information collection, the credit industry continued to bend interpretation of the law to their own interests.

Third, the history of credit reporting allows us to examine how commercial information brokers benefited from public resources and cooperation of government agencies. Early consumer credit bureaus relied upon public records about property, taxes, bankruptcies, marriages, divorces, deaths, and arrests, government agencies, law enforcement and taxing authorities often turned to credit bureaus for information. State surveillance apparatus overlapped with commercial surveillance operations in these ways. More generally, in societies with powerful private-sector surveillance systems, centralized state surveillance systems are unnecessary and state surveillance that might run against legal or constitutional limits can thereby be "outsourced" to private actors.

Fourth, the history of credit reporting allows us to examine how commercial surveillance can lead to social inequities through both inclusion and exclusion. In the case of *inclusion,* inequity occurs through prejudiced, inaccurate, and malicious information and classificatory systems. In the past, for example, credit files have included information about their subject's mental health, alcoholic consumption, and sexual orientation. More recently, women and minorities have been harmed by credit models whose proxy variables, linked to structural inequalities and racism, reduce their scores and opportunities. In the case of *exclusion,* inequity occurs when commercial surveillance systems ignore specific types of people and information. For example, African Americans were long excluded from mainstream white credit reporting systems. This kind of exclusion impeded credit access because, without an established credit record, merchants could not assess an individual's credit risk. This issue continues today in debates over "credit invisibles" – individuals with little or no credit information on file. Today's exclusion may not be motivated by racial animus, but it disproportionately affects specific demographics, including the poor, non-whites, and itinerant.

Research

While we have already started to gather significant amount of data, in order to conduct this research we will secure access to archives in the Charles Babbage Institute; Harvard University's, Baker Library; U. S. National Archives; and, key state court cases on credit reporting. All those organization now have a COVID-19 protocol that would allow us (for a fee) to secure scanned copies of all necessary documents. In addition we will attendance of industry trade conference, conduct interviews with current and past management of the big three credit reporting firms, together with a survey of existing literature on credit reporting in other countries: France, U. K. Germany, Canada for comparative and international perspective.

Outcomes

We envision the outcomes of this small collaborative grant to be of three kinds:

i) Development of a full-scale research project, which would include more researchers from both the CIFAR community and beyond, those efforts would culminate in several grant proposals. We have identified this preliminary set of organizations as early targets: National Science Foundation STS Program, SSHRC, Sloan Foundation, Hewlett Foundation, Open Society Foundation, Privacy Commissioners Research Funds.
ii) At least one paper (to be submitted to a top peer-reviewed journal).
iii) White paper/policy brief.