

"Let's disrupt all basic social niceties and monetize them!"

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Max A. Höfer

IASS, Berliner Str. 130, 14467 Potsdam, GERMANY
max.hoefer@iass-potsdam.de

This sentence "Let's disrupt all basic social niceties and monetize them!" comes from a connoisseur of the California Silicon Valley and describes an important feature of these business models: to make money out of everything, especially social relations.

The special occasion was "Reservation Hop", an app service, that organizes reservations especially for in-restaurants. For a fee, the desired space reservation will be carried out.¹ There is also the service for "stand in line" to get tickets for art exhibitions or parking lots.

The social aspect is even clearer here: those who have money get even more possibilities.

The world should be attractive and easy for the rich in particular. A selection system that works according to the principle of "first come, first served" prefers social equality - no matter whether poor or rich: everyone has to stand in line.

The reservation of a table or the finding of a free parking in the public space were as a rule free of charge. The new digital services commercialize these everyday practices and make them affordable only for paying customers. But this does not benefit the general public.

Isn't internet technology particularly suitable to set up a lottery for such cases. If resellers of ticket (i.g. of Olympics or concerts) are forced in a lottery service, they can't raise prices, because the lot decides you gets returned tickets. Trading for online second markets of tickets would be impossible. Now, a few top marketers like Eventim make high returns.

In digital capitalism everything is to be monetarized. You need a donor heart? The maximum bid is awarded, not the waiting list or lottery. You want to kill a fancy

animal - why not, everything is a matter of price. And those who doubt the meaning of monetarizing everything are agents of inefficiency.

In Germany, the metro Group has already implemented the Reservation Hop system, it is called "openTable". The goal is especially to increase the capacity per restaurant and reduce the length of stay of the guests - by automatically ordering the food in advance and pay paperless.

Allegedly, this makes everything more efficient and easier. There are already some good studies on the efficiency losses caused by social media.

It is also no secret that especially a few billionaires and globally operating companies such as Google, Amazon, Facebook, Uber, Airbnb Upwork etc. benefit from the platform economy. The profit will remain with them.

Our issue, however, is that digital capitalism is exacerbating the tendency to weaken the social embeddedness of the economy. Digitization is intended to change our social behavior massively - in the direction to the homo oeconomicus. Non-monetary activities are now to be monetarized.

When Karl Polanyi described the transition from a market economy where goods were exchanged and labor, land and capital were "socially embedded", into a system of unbounded markets, he thought that this transformation culminated in the 19th century.²

Since then, however, the market has continued to colonialize society. In Western societies, the money system expanded into more and more sectors. The aim is to monetize all areas of life in order to increase GDP. Activities in the subsistence economy, in family work (such as agriculture) or home care should be marketed. Nothing should be independent of the market, because then the individual could emancipate himself from this instrument of discipline and maintain or build up intermediate social areas where the logic of utility maximization, acceleration and success does not dominate.

My thesis is that digital capitalism wants to radicalize the colonialisation of life and the main entrepreneurs openly admit that. Many of the CEOs of these silicon valley companies tend to follow an extreme philosophy of „economic libertarianism“, in which they want to „liberate“ workers to become precarious freelancers and to „liberate“ customers to become highly manipulated individuals, and in which they resist regulation and try to evade paying taxes.³

All business sectors are to be modified by means of a disruption in such a way that the goods and money traffic is handled via platforms. These platforms, such as Google, Facebook, Uber, Airbnb, want to be monopolists at the end. The logic of the net economy also points towards monopoly.

In this way the social embeddedness of the economy is to be further reduced, in order to expand profit-making instead.

Thus it is the declared goal of Reservation Hop and openTable to shorten the duration of restaurant visits at noon. An eating culture that goes beyond pure feeding harms today's maximum value of productivity. Already in the last decades, time has declined for lunch breaks, for example in the Latin countries such as France or Spain. This tendency is further reinforced.

The disappointment over the great promises of the Internet economy is now great. Instead of the promised diversity of retailers, there are only a few online wholesalers, such as Amazon and Zalando, who are rapidly expanding their monopolies.

The big media groups have not been replaced by a diverse blogosphere. Instead, we are experiencing a media concentration and new media giants like Facebook and Google.

And the so-called share economy is a fake. The idea behind it was: Why buy a drilling machine when you can borrow it from the neighbor? Five years ago that was the inspiring argument for the share economy, everyone propagated it - from Wired over the Guardian to Airbnb boss Chesky.

Nothing remained of it. From eight portals for drill machines and other things what can be shared among neighbors, there is only NeighborGoods left, which currently has only 10,000 active users. Lyft, which originally started as a neighborly version of Uber, now operates with an aggressive price marketing.

Anyone who refers to Groupon, Netflix, Uber, Airbnb or Kickstarter as companies of the Sharing Economy is joking.⁴ There is nothing shared. They are better called an "access economy" that makes money by offering access to goods and services.

The concept of neighborhood sharing, which was the basis of the share economy, continues to be attractive. It would be great to try out working models here.

But selfish capitalism has so far won and it does not look as if this would change in the foreseeable future

We must therefore ask ourselves the question: does digitalization open a new dimension to more dependency, more monitoring and manipulation of the workforce and consumers?

Will the privatization of money (bitcoins, etc.) and the abolition of cash lead to new unimagined forms of social exclusion? Do revolutionary technologies such as blockchain increase the overall dependency on private market forces because they eliminate former government obligations, such as land registry, credit supervision, etc.?

Max Weber and Karl Polanyi have in common that both attach great importance to cultural superstructure. Weber said that industrialization in Calvinist countries could have a disciplining effect on the population, because Calvinism had already laid the foundations for strict work ethic, utility maximization, and a merciless success ethic. Under the technical conditions of industrialization, Anglo-Saxon capitalism was able to develop particularly rapidly in this direction. Subsequently the economic activity

was separated from the social context insofar as it became an purpose in itself. Precisely the Calvinists believe that wealth is a sign of the electiveness and poverty is a sign of damnation.⁵ India and China could not develop a rational capitalism because they were too much bounded in religious traditions. John Tropicman explains the differences between Catholic and Protestant countries in his book "Does America Hate the Poor?"⁶

Thatcher's statement, "There is no such thing as a society," which the neoliberal former Methodist laity preacher made famous, is based on this Calvinist understanding of society. Monetizing and the market are two tools that meet it. Money liquefies all social relationships. We exchange goods because we desire them. By desiring what others have, business is created. This was no different from ancient Rome to the Middle Ages until today among the Papuans in New Guinea. Where things are exchanged, the value of the different is determined as equal. Money is the purest expression of this kind of value-objectification, because it allows to compare the subjective estimates of value.⁷

Money also allows maximum independence from others. The person who owns money does not depend on objects, he does not depend on certain people, and he does not even depend on his own wishes because he can change them at any time. The more important money is playing in an economy, the less people can break out of the concreteness of their purposes. And the more they depend on concrete social relations. The more extensive the money economy, the more abstract and unlimited the human relations. Anyone who owns a bakery, or works in a gallery or in a company, is no longer completely free in his being because his economic existence depends on these relationships. Money makes everything independent. In money, freedom and alienation are objectified.

Economists, who are committed to the dogma of maximizing needs, are advocating an increasingly important role for money. A lot of articles show that money gifts are much more rational and efficient than real gifts. Many real gifts, such as a boring book or a grill for a vegetarian, are inefficient. But the social function of gift, as a symbol of appreciation, which is usually associated with it, is simply overlooked.

In his description of non western cultures, Polanyi showed convincingly that there is no overtime figure of the ever-maximizing homo oeconomicus. And he also showed clearly that economic exchange does not force a uniform ethics, for example, of independence and reliability. Polanyi has also been right in his view that all cultures behave rationally and economically in some way, but that they differ very much in the importance they attach to economic success as well as to money and the social embeddedness of the economy.

Anglo-Saxon capitalism has a tendency to subordinate social relations to economic success. The evaluation of people and relationships in monetary terms, as Gary Becker and other economists do, has become normal.⁸ This tendency has been observed and criticized from the outset. Over time it has become increasingly

radicalized. It is therefore no wonder that the digital monetarization of personal relationships has developed in the Calvinist culture (and not in the Indian or Latin American, for example).

In the digital surveillance economy of the future, thousands of companies are permanently capturing our daily lives and constantly trying to assess our purchasing power, our interests, dislikes, preferences and weaknesses. In the background, the digital profiles are exchanged, traded and linked. For each person, identification codes are created from e-mail addresses, telephone numbers, and other properties, which are permanently matched. This allows to repeatedly identify individuals via data carriers, platforms, computers, smartphones and other devices. The personality profiles are superficial and flawed, but they are good enough for rough categorizations.

This intransparent machine is used to manipulate and control human consumption patterns (and also political behavior). Everyone is more or less compelled to give his data and, above all, data about his friends and his family.

What are the consequences? In digital capitalism, there will be in the future only personalized prices. The knowledge about social and psychological characteristics, which Big Data companies directly get out of the personal and social network of a person, is very important for the determination of the personal price. The social characteristics not only reveal the marketing professionals the purchasing power of each individual, they tell him as well what the person likes and dislikes – and where they can really pay off. They calculate your individual highest price that you are likely to pay.

If, for example, your social environment reveals, that it more likely buys pizza and beer, than it is likely to be less expensive. As a consequence Big Data Companies offer cheaper prices, or, more precisely: they offer exactly just as high prices as the optimal algorithm for this purchasing power group has calculated.

That means: With our social data, we help online sellers to get the maximum profit from us and our friends.

In pre-digital capitalism there were rules which prohibited the possibility of discriminating a price openly - for example, foreigners pay more than residents (for example, the price of a ski pass card). In the future, discrimination becomes the core element of pricing. Personalized prices are the quintessence of discrimination.

The start-up company, Aspire Health, has developed an algorithm designed to predict the remaining life of patients and their Expiration date. For each patient, a medical expiration date is identified as a risk or hopeless case. The algorithm predicts

whether the patient will die in a week, in six weeks or a year - and whether treatment is still worth it.

The algorithm does this by examining the patient's medical indications and comparing it with the relevant influencing parameters. These parameters include social data, such as family illness. Whoever announces on Facebook that his grandmother died of cancer, thus informs the algorithm that a higher cancer risk exists – for himself as well as for his kinship. In a word, everyone's social data provides evidence of the state of health - of yourself and of your social and family background. This will have a direct impact on the "medical expiration date" of your relatives in the future – despite people don't want this kind of misuse and without being asked.

These business models are based on exploiting social relationships and making money out of them. This will have a huge impact to our future social behavior. It will reduce our social embeddedness.

I think what we are facing here in the case of digital capitalism with its monetization of social relationships, and its appreciation of disruption and Creative destruction should not be the social life we want to practice, And I think, it is legitimate to resist it.

¹ <http://www.sueddeutsche.de/digital/tech-startup-reservation-hop-die-dreisteste-geschaeftsidee-des-silicon-valley-1.2032661>

² Die Gesellschaft wird zum Anhängsel der Märkte Polanyi, Die große Transformation, 1978, Seite 88

³ Steven Hill, The California Challenge, 2016 <http://library.fes.de/pdf-files/id-moe/12797-20160930.pdf>

⁴ Sarah Kessler, The "Sharing Economy" Is Dead, And We Killed It, in: „Fast Company“ <https://www.fastcompany.com/3050775/the-sharing-economy-is-dead-and-we-killed-it>

⁵ Englische Theologen lehnten bei den poor laws, der Armengesetzgebung, Almosen ab, weil sie einen Eingriff in den göttlichen Heilsplan darstellten. Allenfalls durften Arme von Almosen profitieren, die sie »verdienten« Dazu näher: Hill, Lisa: »The Hidden Theology of Adam Smith. European Journal of the History of Economic Thought«, in: Oslington, Paul und Elgar, Edward (Hg.): Economics and Religion. Cheltenham 2004, S. 11

⁶ John E. Tropman The Catholic Ethic and the Spirit of Community, 1998

⁷ Georg Simmel, Philosophie des Geldes, 2011

⁸ Becker, Gary S.: Der ökonomische Ansatz zur Erklärung menschlichen Verhaltens. 1993