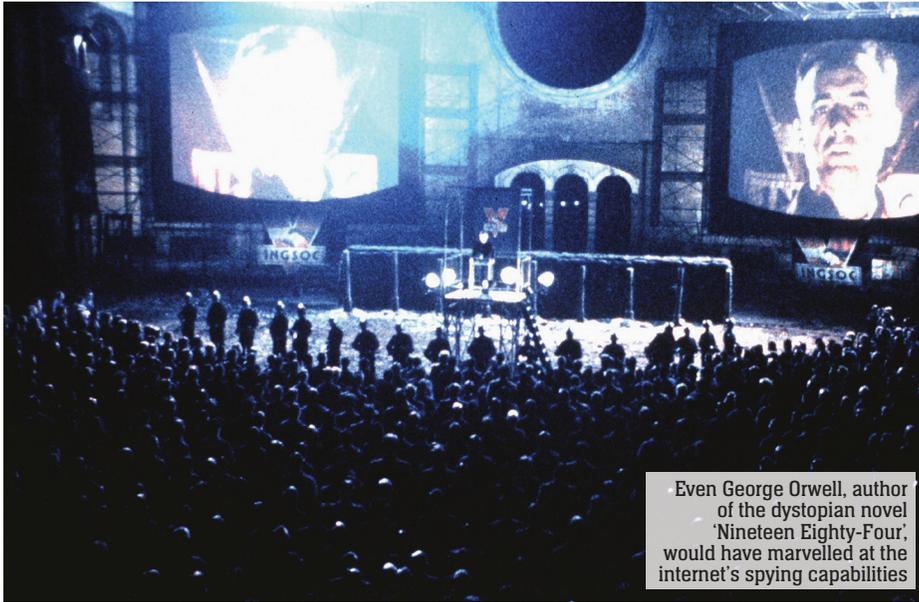


The world is waking up to the fact that the internet giants treat you and your data as a commodity to be monetised. Can politicians put the brakes on their predatory behaviour?

By **Clem Chambers**

Money+Markets



Even George Orwell, author of the dystopian novel 'Nineteen Eighty-Four', would have marvelled at the internet's spying capabilities

SOCIAL MEDIA

Internet giants make life easy for deceivers and scammers

THE INTERNET has been engineered to be a listening device that even George Orwell would have marvelled at. Huge technical resources have been ploughed into turning your internet usage into a real-time picture of you and all your connections, with the inference that they can be used against you.

Now this engineering dystopia has been turned against democracy and the politicians are waking up.

We've all seen some polling upsets recently. Something has changed, we said. Trump is the first internet president, I wrote. It turns out that these poll upsets are being birthed by voter targeting generated by social media profiling, folded back to rig elections. If you can zero in on a few thousand swing voters, you can fix an election for peanuts. That is no different from political advertising perhaps, but actually it is more like ballot stuffing.

With these techniques, there is no need to swamp a location with canvassers or drive the party's battle bus up to a marginal with a posse of famous politicians. Instead your data mining engineers identify a few thousand voters who normally won't get off their rumps to vote, target them with fake

news on their inferred hot button issue and bingo – you prove the old-school pollsters wrong, beat the bookies, get into power and violate democracy.

This shocking situation is the tip of the iceberg of what is going on under the hood of the internet. Cryptocurrency is getting criticised for using up lots of electricity, but guess who is spending billions a quarter on electricity-guzzling hardware? The likes of Google, Facebook, Amazon, Twitter are parked by hydroelectric power stations, burning gigawatts tracking your life.

It's a cliché, but if you do not pay for something, you are the product, and that 'monetisation of you' is driving a deluge of deceit and lies, from fake news to fake traffic, to fake likes, follows, views, ads, products, 'initial coin offerings'. The digital giants are at the core of scamming going mainstream.

This shady new reality is a consequence of optimisation, which might be fine for an engineering process, but it can go bad quickly when it involves people.

Ethics can't easily be mapped onto optimisation and it rarely is in the internet space. No one has ever tried to mug me in real life; online someone tries to mug me at

least five times a day. If someone started peeping through my window a few times a day, they'd get arrested, while right now the titans of the internet world have monopolised and are fighting over the control of your and everyone else's information.

The power they have taken through this is not just financial, it's influence on many levels and it's become transnational. These companies flout local laws and aggressively game regulatory and fiscal regimes. Optimisation has no truck with the spirit of laws; it is often as much about cheating/ beating a system as being part of it, and that comes from a relentless technical process of applying game theory, optimisation and algos. It is easier to apologise than to ask permission, without regard to consequences.

Anyone who has seen ads tracking them across multiple websites will know that this spying has long grown from the 'uncanny valley' of occasional tracking to the 'creepy canyon' of outright digital stalking. Unfortunately, these bugs are worth about a trillion dollars and we now know, thanks to WikiLeaks and Edward Snowden, they provide for government all the intelligence they can dream of.

Google and Facebook are killing print media, suppressing huge swathes of competing online sites and devastating other non-digital media channels, all with the data they harvest from you.

Fortunately, politicians now realise their necks are on the line. Not from the hapless denizens of social media who don't care. They are at risk from all their adversaries who can gain an overwhelming advantage with the right data partner. That enemy could be a foreign power, the entrenched government party, an upstart with enough private data to engineer an upset at an election, a corporation or even a malicious individual.

A trillion here or there is not a big deal to the political elite; they will drop a trillion out of a plane or helicopter onto you if you are a military enemy or in need of a bailout.

As such the internet giants are not unassailable, and now the truth is out they are in for a rough ride, so long as enough global politicians have cleared their cookies and browser history.

This also leads on to a great investment opportunity. The pillory is going to get a new incumbent. Out will go the banks and in will come FANGs (that's Facebook, Amazon, Netflix, Google). So with interest rates rising banks are going to be on a roll. Relieved from standing in the corner with the dunce's cap on, they will prosper. The 'Bankster' moral panic will be replaced by the unfolding information-prowling scandal and the whipping boy will be the internet giants, their colossal cash balances ripe for some serious fines. *