

BEHAVIOURAL CAPITALISM AND SURVEILLANCE CAPITALISM - A COMPARISON OF TWO INTERPRETATIONS OF A DEVELOPMENT OF CAPITALISM

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- Behavioural Capitalism regards the absorption and use of behavioural data as a logical capitalist further development in historical continuity and thus as an inevitable development.
- Surveillance Capitalism distinguishes between behaviour that is needed to optimise existing services and data that is not needed for them. He considers the use of "behavior surpluses" as an explicitly man-made, non-compulsory and degenerate form of capitalism, the ultimate goal of which is the accumulation of power, wealth and influence.
- Behaviour has always been a raw material for Behavioural Capitalism, which has become a production factor through technical development.
- In Surveillance Capitalism, the so-called "surplus behaviour" was discovered by Google and exploited free of charge by this and other companies.
- Behavioural Capitalism sees both the opportunities and the risks of this development.
- Surveillance Capitalism, on the other hand, is interpreted exclusively negatively.
- Behavioural Capitalism stands in a context from which it cannot be torn, and knowledge of these connections is indispensable for dealing with it and understanding it.
- Surveillance Capitalism is an isolated construct, ultimately created a few years ago, whose authorship can be found among others at Google and can therefore also be combated in this way.

Introductory Remarks

Within a very short period of time, technological development has made new business models possible, shifted power relations and, in the end, created a new form of capitalism. This development is often viewed critically, but so far this debate still lacks a structure and models with which a targeted and also simple classification can take place as a basis for a broad

discussion. There are already first attempts to establish these and two interpretations of this evolution will be dealt with in the following.

These are the concept of Surveillance Capitalism and the model of Behavioral Capitalism. Different approaches to be contrasted in order to show that we are not talking about the establishment of new business models, but about a new form of capitalism that requires our full attention, since it risks exerting a serious influence on social, societal, political and economic life that reaches into the most intimate realm of the individual. This power cannot and must not hide in the shadows, but must be part of a public discussion that would be greatly facilitated by a structured presentation of this development of capitalism.

The main features of Surveillance Capitalism were presented by Shoshana Zuboff in her book "The Age of Surveillance Capitalism".¹ This work serves as the primary basis for the discussion and comparisons between the concept of Surveillance Capitalism and that of Behavioral Capitalism. With regard to the methodology, it should also be noted that quotations and thus also the page numbers refer to the German version of the² work. This is justified by the fact that the book was first published in German and that a large number of supplementary interviews or reports are available.³ Synopses held in English, however, have been included in the overall assessment in the same way as the non-English ones.

On the other hand, own research results are presented, the publication of which, however, is still of a more recent nature and still has to go the way of establishment and acceptance.

The aims of this writing are therefore:

- 1) To compare two fundamental interpretations of the development of capitalism
- 2) To contribute to making this new phenomenon describable and giving it a mediable structure
- 3) To create a basis for discussion on the opportunities and risks of capitalist development.

It should be noted from the outset that the author of this paper is also the author of the treatises on Behavioral Capitalism.

1. Definitions and Origin

¹ Zuboff, Shoshana, *The Age of Surveillance Capitalism: The Fight for the Future at the New Frontier of Power* Profile Books; 31. 01.2019

² Zuboff, Shoshana, *The Age of Surveillance Capitalism*. Campus Publishing House 4 October 2018; 04 October 2018

³ It is acknowledged that minor differences are possible in the back-translation into English.

Shosana Zuboff summarizes the modern development in capitalism under the term "Surveillance Capitalism". It offers a longer definition for this, which is to be considered step by step and compared with that of Behavioural Capitalism:

"[...] [Surveillance Capitalism is] a new market form that claims human experience as a free raw material for its hidden commercial operations of extraction, forecasting and sale."⁴

In Surveillance Capitalism, man ultimately plays the role of a field that is harvested by the technology companies in order to earn money with the products won in the end, as well as to gain power and influence.

Parallel to this, it is pointed out that Surveillance Capitalism can be described as a new market form through its influence on social, personal, social, political and economic life.

This should be contrasted with the definition of Behavioural Capitalism, which has some similarities and many more differences:

"Behavioural Capitalism is a variant of capitalism in which human behaviour becomes the central factor in the production and provision of goods and services."⁵

The definition of Behavioural Capitalism is broader because it focuses only on the rank of "behaviour" as a factor of production. However, behavioral capitalism also assumes that this is a new form of capitalism. Both models therefore agree on this point. An interesting difference, however, is that it focuses on human behaviour rather than experience. The behavior is defined as follows:

"Behaviour is understood as acting, tolerating as well as not acting. The Processes can be conscious or unconscious. It is influenced by stimuli and is generated. [...] The central production factor of behavioral capitalism is human behavior."⁶

Whether it is, however, only a linguistic blur must remain open, in the graphic overview ("The Discovery of the Surplus of Behaviour"; page 121) in Zuboff's book, experience is no longer mentioned. The terms may be understood synonymously here.

⁴ The definition is to be found in the introduction and therefore has no separate page number.

⁵ Herteux, Andreas, Behavioural Capitalism - A New Variety of Capitalism Gains Power and Influence

⁶ Herteux, Andreas, Behavioural Capitalism - A New Variety of Capitalism Gains Power and Influence

In Behavioral Capitalism, on the other hand, behavior is deliberately spoken of because it is based on the theory of the stimulus society, which assumes a development into a homo stimulus.⁷

The origin of Surveillance Capitalism

The differences become clearer when looking at the broader definition of Surveillance Capitalism. Zuboff⁸ describes this as *"a form of capitalism cut out of its kind, characterized by a concentration of wealth, knowledge and power unparalleled in human history"*.

Surveillance Capitalism is not only an anomaly, however, but was consciously created by a few people at the beginning of the recent past and used to constantly increase its own power:

"Surveillance Capitalism begins with the discovery of the surplus of behaviour [...] Above all,⁹ we must keep one thing in mind: Surveillance Capitalism was invented by a specific group of people, at a specific time, in a specific place. It is not necessarily the result of either digital technology or information capitalism. He was consciously created [...]"¹⁰

"Google had achieved its first successes in the online business at the beginning of the 2000s and then forecast click rates for tailor-made ads. But monitoring is no longer limited to online advertising. The products created by surveillance are becoming increasingly more lucrative than traditional products and services. Companies from all walks of life compete for our behavioral data so they can predict what, when, and how we will act, feel, want, and buy."¹¹

"Surveillance Capitalism is a historical phenomenon, not a technological inevitability. It was invented around 2001 by a company called Google."¹²

It is therefore only understandable if Surveillance Capitalism is ultimately viewed negatively, for it is the

⁷ Herteux Andreas, Die Reizgesellschaft - On the way to the age of collective individualism;

"A stimulus society is generally understood to be an association of individuals who are exposed to stimuli which influence a strong frequency, which are usually artificially generated, and who have difficulty or are unable to resist these stimuli, or in some cases do not wish to resist them. [...] The homo stimulus, the stimulus man, emerges."

⁸ The definition is to be found in the introduction and therefore has no separate page number.

⁹ Page 121

¹⁰ Zuboff, page 108

¹¹ Interview with Süddeutsche Zeitung of 07.11.2018; <https://www.sueddeutsche.de/digital/shoshana-zuboff-ueberwachungskapitalismus-google-facebook-1.4198835>

¹² Interview with the weekly magazine "Der Freitag" from 02.04.2019; <https://www.freitag.de/autoren/the-guardian/tyrannei-die-sich-von-menschen-ernaehrt>

"[...] parasitic [...] foundation and framework of a surveillance economy [...] the origin of a new instrumental power that claims above society and confronts market democracy with disturbing challenges.[...] aims at a new collective order on the basis of total certainty.[...] an expropriation of critical human rights that can best be understood as a coup from above - the overthrow of popular sovereignty."¹³

The origin of Behavioural Capitalism

In contrast to Surveillance Capitalism, Behavioral Capitalism sees the developments in capitalism not as a man-made plan, but as a logical and compelling further development of capitalism itself.

Not Google & Co. have developed a business model, but the change of times has¹⁴ opened up a new direction for capitalism, which was only taken by the technology companies.

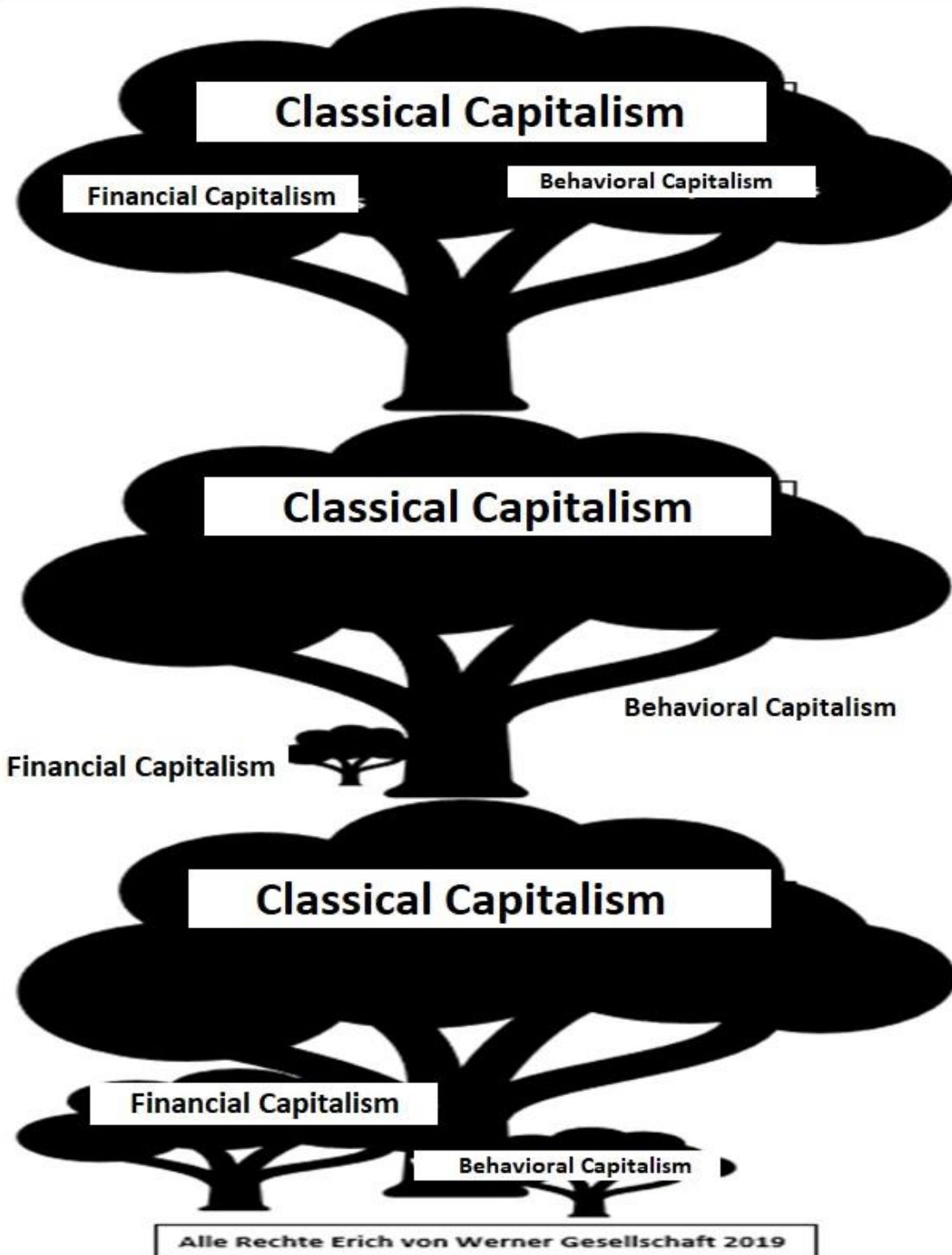
It was therefore not necessary for any company to discover any form of behaviour in the back room, but behaviour has always been a raw material. A prime example of this is the insurance industry, which researched, evaluated and used customer behavior long before the Internet age to optimize current insurance products and generate new ones. Basically, it has always been a production factor, at least in these areas, and it is with this very idea that we can approach this new form of capitalism, because the recognition that the needs and behaviour of potential customers are an important component of being able to offer and sell products and services effectively is neither original, nor does it require more in-depth study.

But through new technologies, the establishment of the irritant society and the possibilities of machine skimming, a small tributary stream arose from the rapid main stream of capitalism, which in time also developed into a dangerous body of water. An evolution that we already experienced with financial capitalism. Here, too, capital was an important means from the very beginning, but later broke away and founded an independent variety of capitalism. The fruit had grown on the tree, but the seed fell to the ground and grew there at an amazing rate. It is therefore hardly surprising at what speed large technology companies such as Amazon, Facebook or Google emerged and began to collect data as soon as the possibilities arose. So it was only logical to use behaviour according to capitalist methods and to embed people bit by bit. Algorithms and automation made possible what people would not have been able to do and the raw material and mere means of production became the production factor of a new capitalism: behavioral capitalism.

¹³ The definition is to be found in the introduction and therefore has no separate page number.

¹⁴ Herteux Andreas, Concept of the Change of Times

Development of the varieties of capitalism



2. Functionality

After considering definition and origin, the functionalities of both descriptions are now to be compared.

Surveillance Capitalism

Zuboff explains the functioning of Surveillance Capitalism as follows:

"Surveillance Capitalism claims one-sided human experience as a raw material for transformation into behavioral data [...]"¹⁵

At this point it is assumed that surveillance capitalism, which is ultimately only the tool less, is used to siphon off experience without human consideration.¹⁶ A very important point, because in the idea of Surveillance Capitalism the individual is merely the cow in the stable, which is constantly milked and in the end, metaphorically with the loss of freedom, slaughtered. Objections, such as that the person who enters a search query receives a list of results in return or that a concealed skimming could also serve to identify needs, are not accepted.

"It is difficult to determine our actual position in this constellation. First, we were told how happy we could be to get free services. When we found out that the companies were collecting data about us, we were "the product". And we were told this was a fair trade. But we are not the product, but rather the source, the freely accessible raw material. This in turn is processed into products that serve the interests of those who benefit from our future behavior."¹⁷

"They declared that they had the right to acquire our private experience, to transform it into data in order to own it as private property. Google began to claim unilaterally that the World Wide Web belonged to him and his search engine. [...] Once we searched Google, now Google searches us. We used to think

¹⁵ Zuboff, page 22

¹⁶ A certain problem arises here again, through the use of the vague term "human experience". Is "experience" skimmed off by entering a term in a search engine? Or just the behavior, the input. When data from a Facebook profile is used to evaluate it, are empirical values used? No, ultimately it is only the input behavior when creating and maintaining the profile.

¹⁷ Interview with Süddeutsche Zeitung of 07.11.2018; <https://www.sueddeutsche.de/digital/shoshana-zuboff-ueberwachungskapitalismus-google-facebook-1.4198835>

*digital services were freely available, now surveillance capitalists think we are freely available."*¹⁸

Surveillance Capitalism therefore not only interprets the relationship between surveillance capitalists and users as one-sided and parasitic, but also clearly warns against a further aggravation of this imbalance:

*"But also because such a parasitic development has become the basis for a lucrative capitalism of the 21st century. There is now an unprecedented concentration of knowledge and power, free from democratic control and beyond our individual control. Surveillance Capitalism is based on historically unimaginable knowledge asymmetries. Surveillance capitalists know all about us. We know very little of what they do or what they know. They use their knowledge advantage to influence our behaviour. It's a whole new kind of power."*¹⁹

After the levies have been levied, the data obtained is divided:

*"Some of this data is used to improve products and services, the rest is declared a proprietary surplus of behaviour from which, with the help of advanced manufacturing processes, which [...] can be summarized under the term "machines or artificial intelligence", prediction products are produced that anticipate what they will do now, in the near future, or sometime in the future. Finally, these forecasting products are traded on a new type of behavioural forecasting marketplace, [...] [called] the behavioural futures market."*²⁰

At this point it becomes somewhat blurred, as it is not always clearly distinguished whether Surveillance Capitalism describes only the use of what is called "new means of production" or also that of improvement. The wording should refer to both.

The question of whether it is not one of the fundamental characteristics of capitalist economy that new products, services and innovations are generated from surpluses of means of production is left open. The same applies to the consideration of whether the identification of needs and requirements, which is ultimately nothing more than market research by modern means, does not

¹⁸ Interview with the weekly magazine "Der Freitag" from 02.04.2019; <https://www.freitag.de/autoren/the-guardian/tyrannei-die-sich-von-menschen-ernaehrt>

¹⁹ Interview with the Süddeutsche Zeitung of 07.11.2018; <https://www.sueddeutsche.de/digital/shoshana-zuboff-ueberwachungskapitalismus-google-facebook-1.4198835>

²⁰ Zuboff, page 22

²¹ Zuboff, page 121

have to be the business basis of every company that cannot operate on a seller's market, under state protection or in an oligopoly or monopoly.

The separation also causes problems precisely because Zuboff in particular sees those data that are not required for optimization, i.e. the "behavior surplus", particularly critically:

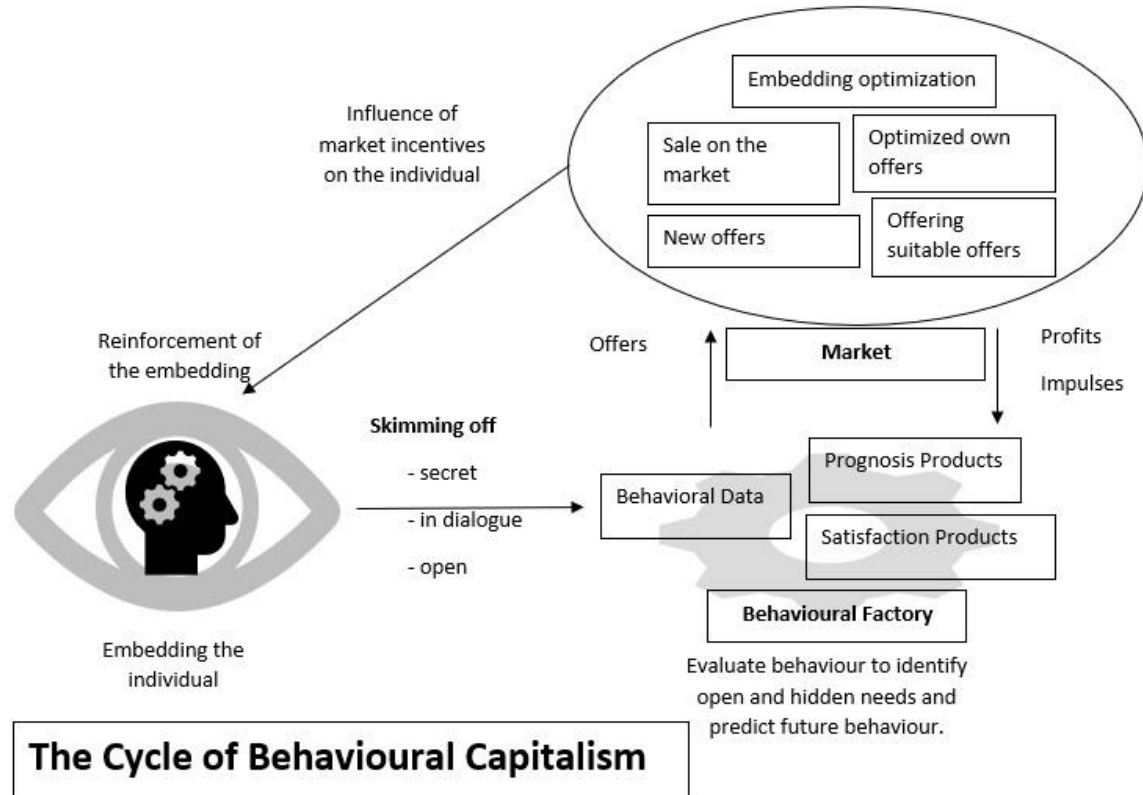
"More behavioral data is rendered than is necessary to improve the service. This surplus provides a new means of production that produces predictions from user behavior. These products are sold to business customers on new behavioural futures contracts. The behavioral value reinvestment cycle is subject to this new logic."²²

But is it not the case that the data used for optimization and prediction should not be largely identical? And who are the new products for? For business customers only? Not for the customer himself? And isn't the market much bigger than described here? It seems a bit like trying to differentiate between good new capitalism ("optimization of services") and bad new capitalism ("use and generation of behavioural surpluses"), but does this differentiation really make sense?

These questions may be irrelevant if one wants to represent only an exploitation mechanism created outside the capitalist norm, for the purpose of accumulating power, influence and wealth of a few, but they become relevant when an overall structure of a new capitalism is sought, and that is precisely the aim of this paper: Making the inconspicuous visible in the shadows and generally understandable.

²² Zuboff, page 121

Behavioral capitalism



Absorption of behavioural data

Today, behaviour is also a central production factor for classical and financial capitalism and complements labour, land and capital.

Behavioural Capitalism is based on the raw material and production factor behaviour, which is created by the reaction of the individual to stimuli. He must first win this by skimming. There have always been such attempts, but it was the technological progress driven by the change of times that made automated harvesting in large quantities possible. The skimming process has three variants whose transitions can be fluid:

- Open skimming
- Dialogic skimming
- Hidden skimming

Transformation in the behavioural factory

The data volumes obtained are now stored in the behavioural factory, a metaphor to represent a complicated and decentralised processing process more plastically, and processed in parts into products. Forecast products as well as satisfaction products are produced.

A satisfaction product aims to satisfy human needs.

A prognosis product predicts future human behavior.

Behavioural data can also be traded without further processing.

Forecast products are used to estimate the future behaviour of an individual. A typical example would be a user of a social network who is interested in hiking, presents photos and documents participation in events. The algorithm can now read this data and supplement it with other information such as age, place of residence, brand inclinations, style, etc. The algorithm can also read the data from the data. Paired with the reading of the browser history, which can happen even if you are no longer logged in to the corresponding network, a forecast product is created, the result of which could be, for example, that exactly this user is highly likely to set off on the corresponding tours again in summer. It would therefore make sense to virtually confront him with suitable services (e.g. travel offers) or products (e.g. hiking boots) shortly beforehand. The forecast product opens the door for a targeted approach.

Satisfaction products, on the other hand, are specifically aimed at satisfying identified needs. Not in the future, but in the present. It is interesting to note that a satisfaction product can refer both to a need that the user is aware of and to a need that he has not yet reflected on, but which results from the analysis of behaviour. Thus, it is precisely satisfaction products, but also prognosis products, that have the function of revealing the inner needs of the individual and can thus be an important element of self-realization.

Trading on the market

Both prognosis and satisfaction products as well as the behaviour itself can be used or sold by the data collector himself. This generates massive profits, which are usually reinvested. Not necessarily only in the previous business model, but also in other fields that invite networking. The following opportunities therefore arise for the market:

- **Offering suitable offers**

The data is used to offer suitable offers to the individual. This can consist of own services and products, combined, however, these are usually with the advertisement for third parties. The core of the business model can still be seen here today.

Overall, it is estimated that 25% of global advertising revenues are now generated by Facebook and Google, two of the best examples of applied behavioural capitalism. By 2016, it was still 20%. Tendency rising.

- **New offers**

Behaviour makes it necessary to design entirely new products in order to satisfy the needs identified from them. The idea of deriving the necessary innovations and further developments from market observation is as old as economic activity itself, but thanks to the new possibilities of siphoning off a raw material that was previously difficult to extract, it has reached a completely new dimension.

- **Optimization of own offers**

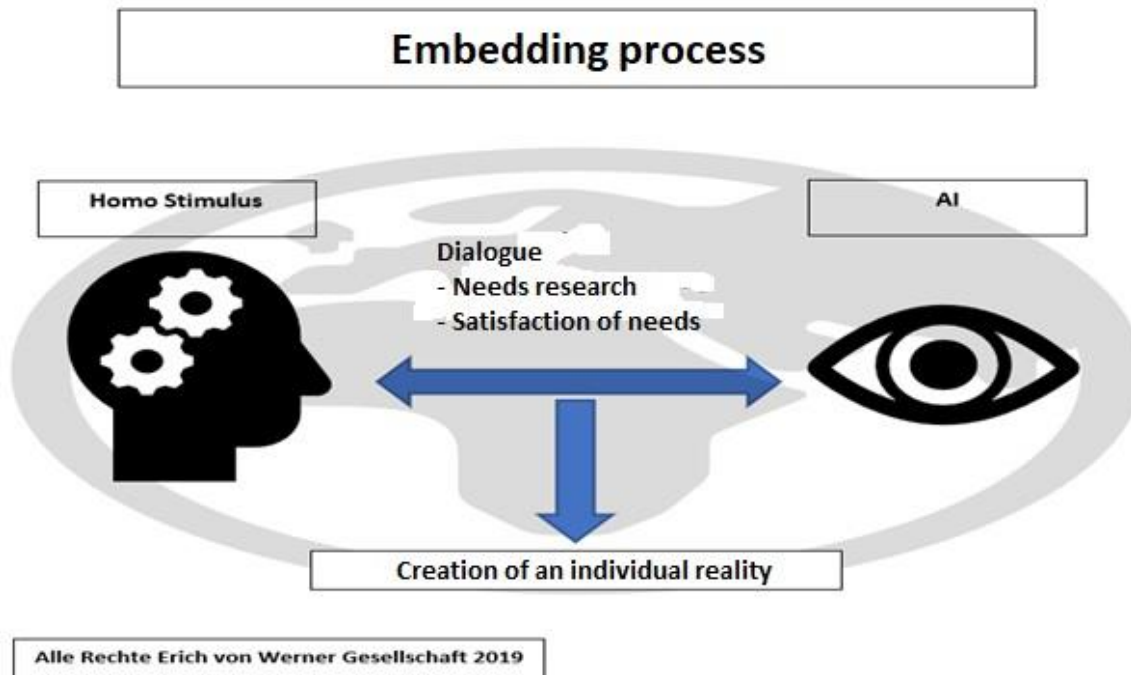
The own offers are improved and adapted by behavior products and appropriate feedback. This applies both to the collectors of the data and to their customers. In particular, the learning machine relies on these reactions to constantly improve its functions.

- **Sale on the market**

The data volumes are made available to third parties raw or already as processing products for their own business activities.

- **Embedding optimization**

The collective individualism knows the embedding of man the creation of an individual reality. Behavioural Capitalism contributes to this through a continuous cycle of behavioural skimming.



Stimulation of the individual to react

In the ideal case, the individual reacts to the stimuli offered and thus creates new behaviour, which in turn can be skimmed off. The result is a cycle of embedding, which in the end can lead to the creation of an individual reality.

In a complete collective individualism, which of course presupposes a constant technical development, the skimmed-off would now sink bit by bit into an individualized reality. However, this is still incomplete due to the presence of milieu fights. At the same time, the raw material behavior and the investment capital accumulate, which further improves the possibilities of the behavior factory and skimming. A cycle develops. The game, driven by the machine, starts from the beginning. Thus, on the one hand, it causes the embedding of man, but at the same time it also causes the further drifting apart of the social milieus.

3. Consideration

Behavioural Capitalism is a variant of capitalism that, like financial capitalism, is difficult to identify in its effects and therefore plays only a subordinate role in public perception and on the political agenda. He cleverly uses this to spread and consolidate himself, which in capitalism is often characterized by the emergence of monopolies or oligopolies. This is impressively demonstrated by the real situation of the technology groups and their market power.

Behavioural Capitalism has therefore become firmly established, but without being perceived as such. State-of-the-art technology enables a never-before-seen embedding that can penetrate into the most intimate areas of the individual. A development that requires closer scrutiny and must not continue to take place in the shadows, for an unleashed Behavioural Capitalism would be an even stronger force than financial capitalism ever was. He would be a means of domination.

The last two paragraphs could have been written in a similar, if not identical, way about the concept of surveillance capitalism, but the difference below the surface is unmistakable, because while Surveillance Capitalism views development as something abnormal, man-made and ultimately - unilaterally - evil that gives birth to even the worst, the portrayal of behavioral capitalism is deliberately neutral because it recognizes that it is a normal development of capitalism and offers both opportunities and risks. Zuboff's work presents the challenges in an excellent and meticulous manner; perhaps more convincingly than ever before. Not the odds. These are even denied.

The step-by-step embedding of the individual in his own world is at the same time a possibility not only to fulfil needs, but also to identify them. However, this process cannot be separated from the capitalist process, as Zuboff suggests. He needs the innovations and optimizations.

It also overlooks an important detail: the population of a country is divided into milieus, which are also decaying more and more quickly, some of which have completely different views, values or lifestyles. A considerable part of these milieus would always be willing to exchange elements such as democracy or freedoms that are not perceived for an embedding that satisfies their needs.

This realization may be frightening and yet it describes the facts. If Zuboff is speaking therefore of *"be sand in the wheel"*²³, the *"unwillingness of citizens and journalists [...] the scientists [...] the elected representatives of the people and political decision-makers [...] and the young [r] people [...]"*, then the *"unwillingness of the people and journalists [...] the scientists [...] the politicians [...] and the young [r] people [...]"* it could be an illusion. If we²⁴ speak of a general feeling of *"indignation"*²⁵ that should develop, it should be noted that this will only be in the interest of part of the population.

But that is only a problem as long as development is seen as an isolated monstrosity that would be controlled with a rifle and whip. In fact, behavioral capitalism is not only in historical

²³Zuboff, page 593

²⁴ Zuboff, page 596

²⁵ Zuboff, page 595

continuity, but is itself only a part of a transition into an era of collective individualism that, together with milieu struggles and the shifting of global power relations, will shape the future.

The idea that these great forces of change can be countered with some restrictions in the business activities of Western technology companies seems interesting, but it is not very purposeful, because wouldn't that mean that the field will ultimately be left to Baidu, Tencent, Alibaba & Co, often backed by the authority of the Chinese state? This is an important issue that needs to be discussed:

The dark sides of Behavioral Capitalism are a gigantic problem, but aren't we perhaps leaving the market to much more dangerous forces if we weaken Western corporations while we can't influence Eastern ones? It therefore requires a comprehensive solution concept, as we find it in the Model of Alternative Hegemony (AH Model), which should not be an issue here.

Towards the end

This writing finally dealt with:

- 1) To compare two fundamental interpretations of the development of capitalism
- 2) To contribute to making this new phenomenon describable and giving it a mediable structure
- 3) To create a basis for discussion on the opportunities and risks of capitalist development.

Shoshana Zubuff has succeeded in presenting the negative aspects of Behavioural Capitalism in an outstanding way. A real pioneer work. A systematic portrayal of a new variety of capitalism was probably never its own end, but only a means to an end to express the warning of the dangers of a new era of collective individualism.

The model of Behavioural Capitalism offers a systematic description and classification that can serve as a broad basis for discussion.

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