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# SURVEILLANCE CAPITALISM VERSUS SURVEILLANCE STATE – YET ANOTHER PRONOUNCEMENT OF THE END OF DEMOCRACY

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## Abstract

This article conducts a critical literature review to explore the intersection between Surveillance Capitalism and the Surveillance State and the possible impacts on democracy. Using a theoretical approach grounded in various texts and books, the study examines how the Fourth Industrial Revolution has transformed economic, social, and political structures, giving rise to Surveillance Capitalism, and intensifying the Surveillance State. The analysis addresses the implications of the concentration of power and capital and the intensive use of data, with a specific focus on privacy, freedom, and the viability of Democracy in these new conditions. The article also discusses the possible erosion of democracy considering the growth of Populism and the influential role of the media and propaganda in the era of Surveillance Capitalism. In addition, it contemplates the crisis of liberal democracy and proposes workable solutions, considering a change to a multipolar world order with China holding important information from the West. This study invites future research to continue exploring technology's impacts on politics and society to develop strategies that protect and promote democracy in the digital age.

## Key words

Surveillance Capitalism, Surveillance State, Democracy, Fourth Industrial Revolution, Populism

## Introduction

The rise of the digital age has unleashed a profound and disturbing transformation in how societies function. This article explores two emerging and interconnected phenomena that have resulted from this transformation: the Surveillance Capitalism and the Surveillance State. The coexistence and interaction of these two phenomena bring fundamental questions about the future of Democracy and the nature of Power in the Digital Age.

Surveillance capitalism, a term coined by Zuboff, refers to the new economic order that claims human experience as free raw material for hidden business practices of extraction, forecasting, and sales<sup>1</sup>. At the same time, the Surveillance State, an extension of the Foucauldian concept in Surveillance and Punishment describes the tendency of modern governments to use technology to monitor, track, and control their citizens. While the two phenomena seem distinct, they often operate synergistically, feeding off shared technological infrastructure and social attitudes toward privacy and surveillance<sup>2</sup>.

## Methodological and methodical assumptions

The article is structured as follows: after this introduction, section two provides a detailed review of the literature on the Surveillance State and Surveillance Capitalism. Section three compares these two phenomena, while section four discusses their impact on the democratic

system. The conclusion summarizes the main findings, discusses their implications, and suggests areas for future research.

This question is crucial in the contemporary digital age. By exploring the intersection between Surveillance Capitalism and the Surveillance State, the study hopes to contribute to a deeper understanding of the challenges and opportunities facing Democracy. The aim is to investigate the intersection between Surveillance Capitalism and the Surveillance State and explore its implications for contemporary Democracy.

The multidisciplinary analysis incorporates insights into political science, sociology, economics, and media studies. The impact of these phenomena on Democracy is then assessed based on relevant indicators and democratic theories. Finally, the study explores workable solutions and ways forward in the context of a growing erosion of democracy.

## Literature Review

### Surveillance State: Concepts and Theories

The concept of the Surveillance State has evolved significantly over time, adapting to technological and social transformations. The French philosopher Michel Foucault is one of the primary theoretical references for understanding the Surveillance State. In his work "Watch and Punish". Foucault describes the historical shift in how society exercises power over individuals, moving from direct, physical control and punishment to more subtle and

<sup>1</sup> See: *New Frontier of Power*, Relógio D'Água, Lisboa 2020.

<sup>2</sup> See: M. Foucault, *Discipline & Punish: The Birth of the Prison*, Edições 70, Lisboa 2021.

psychological methods based on surveillance and self-regulation. This concept, known as “Panopticism,” is central to understanding the evolution of the Surveillance State.

Modern digital technology, with its almost ubiquitous surveillance capabilities, can be seen as an embodiment of Foucault’s Panopticism. At its core, panopticism is a system of total and constant surveillance where the observed never knows if they are being observed. This leads to self-regulation and conformism for fear of punishment.

State surveillance extends beyond the economy today and penetrates every aspect of everyday life. However, the Surveillance State is a theoretical, political, and social reality. For example, in “The State and the Revolution”, to ensure social justice, Lenin discusses the need for the proletarian state to maintain strict vigilance over producing and distributing goods, and in “On the State”<sup>3</sup>. Pierre Bourdieu argues that the state’s power lies in its ability to shape social reality and define accepted norms. This is achieved in part through surveillance and control over information. In the digital age, state surveillance becomes even more intrusive as governments access unprecedented amounts of personal data<sup>4</sup>.

### Surveillance Capitalism: Evolution and Impact

Surveillance Capitalism, as well as the Surveillance State, is a phenomenon that emerged in the information age,

and it has a profound impact on the functioning of society and the economy. Shoshana Zuboff coined this term in her book “The Age of Surveillance Capitalism”. Also, according to her book, this new kind of capitalism started in the late 20th century, and it is starting to become the dominant form of capitalism. The big tech companies, operating in Surveillance Capitalism style, collect large amounts of “surplus” data from people’s behavior on the internet, often without the knowledge or consent, and use that data to predict and shape future behavior. This gives these companies unprecedented power to influence and control society<sup>5</sup>.

The impact of Surveillance Capitalism is profound and far-reaching. It has implications for privacy, autonomy, Democracy, and economic power. In “Infocracy”. Byung-Chul Han argues that the full transparency demanded by Surveillance Capitalism leads to a society of control in which privacy becomes impossible. This has profound implications for individual autonomy and Democracy<sup>6</sup>.

Surveillance capitalism also has a significant economic impact. As argued by Veneris in his analysis of the transition from the Industrial Revolution to the Information Revolution, the information economy has distinct characteristics that challenge traditional notions of production and consumption. Data becomes a crucial commodity in Surveillance Capitalism, and those who

3 V.I. Lénine, *State and Revolution*. Edições Avante, Lisboa 2019.

4 P. Bourdieu, *On the State: Lectures at the Collège de France*, Edições 7, Lisboa 2018.

5 S. Zuboff, *The Age of Surveillance Capitalism: The Fight for a Human Future at the New Frontier of Power*, Relógio D’Água, Lisboa 2020.

6 B. Han, *Infocracy: Digitization and the Crisis of Democracy*, Lisboa 2019.

can control and analyze those data gain a significant economic advantage<sup>7</sup>.

In “Media. Political Propaganda and Manipulation” Noam Chomsky examines how the media and tech companies can use the information to manipulate public opinion. In the context of Surveillance Capitalism, this capacity for manipulation becomes even more potent as companies have access to detailed data on individual behavior<sup>8</sup>.

In short, Surveillance Capitalism represents a significant shift in how the economy and society function, bringing new challenges and questions about privacy, democracy, and economic power.

### Challenges to Democracy in the information age

The information age has brought with it unique challenges to democracy. First, the rise of Surveillance Capitalism and the Surveillance State, as discussed earlier, challenges traditional notions of privacy and individual autonomy, which are fundamental to the functioning of liberal Democracy. Rampant use of data collection by corporations and states can erode the individual’s privacy and autonomy, as Han<sup>9</sup> pointed out. Moreover, as Fukuyama argues, the growth of Surveillance Capitalism can lead to a power imbalance between citizens and the entities that control

their data, undermining citizens’ ability to participate fully in the democratic process<sup>10</sup>.

The emergence of AI and ML also presents significant challenges, as Kissinger argues in “The Age of Artificial Intelligence”. These technologies have the potential to alter power structures, giving Elites power to use these technologies for data collection, and analysis of the public intentions and behavior<sup>11</sup>. That kind of knowledge control could lead to increased decision-making automation, with profound implications for accountability and transparency. In addition, this new Era has also created new forms of propaganda and manipulation of public opinion; as Chomsky pointed out, the media always play a key role in shaping public opinion, and the ability to control or influence the media can be a powerful tool for those seeking to wield power<sup>12</sup>.

Finally, the era of information also presents challenges at the social and political organization levels. As Veneris argues, the transition to the information revolution can lead to significant changes in how society and politics are organized, with implications for Democracy, and political theorists and policymakers must seek to understand and address the implications of these developments for democracy<sup>13</sup>.

7 Y. Veneris, *Modeling the transition from the Industrial to the Informational Revolution*, “Environment and Planning” 1990, 22(3), pp 399–416.

8 N. Chomsky, *Media Control: The Spectacular Achievements of Propaganda*, São Paulo, 2013.

9 B. Han, *Infocracy: Digitization and the Crisis of Democracy*, Lisboa 2019.

10 F. Fukuyama, *The Origins of Political Order: From Prehuman Times to the French Revolution*, Dom Quixote, Alfragide 2018.

11 H. Kissinger, E. Schmidt, D. P. Huttenlocher, *The Age of AI: And Our Human Future*. Dom Quixote, Lisboa 2021.

12 N. Chomsky, *Who Rules the World?* Editorial Presença. Lisboa 2016.

13 See: Y. Veneris, *Modeling the transition...*

### Similarities of the First and the Fourth Industrial Revolutions: Capital, Labor, and Ruling Elites

The Industrial Revolution was marked by a fundamental shift in the world economy, with profound implications, as Fukuyama stated. The most important transformations that occurred back then conduced the world to changes in the concentration of capital, and labor relations, and created a new ruling elite, making workers increasingly dependent on the owners of the means of industrial production<sup>14</sup>.

Today, we are at the beginning of the Fourth Industrial Revolution, trying yet to understand all the changes and implications that are occurring day and night, and is characterized by digitalization, automation, and artificial intelligence. As Kissinger argues in his book „The Age of Artificial Intelligence,” these changes can radically alter power structures. Just as the First Industrial Revolution led to a concentration of capital, the Fourth Industrial Revolution also allowed a new concentration in the hands of those who controlled and exploited data, the Big Tech companies. Not stopping there, labor relations are also being transformed; with automation and AI, workers increasingly depend on companies that control these technologies, and it raises questions about workers’ bargaining power, wealth distribution, and the future of work<sup>15</sup>.

Moreover, the Fourth Industrial Revolution is leading to a shift in the ruling elites. Tech companies, particularly those that dominate Surveillance Capitalism, are becoming increasingly powerful. Zuboff (Zuboff, 2020) defended that these companies have unprecedented influence on the economy, society, and politics, challenging traditional notions of power and control. This transition in the Information Age (Fourth Industrial Revolution) has profound implications for the structures of our societies<sup>16</sup>.

### Surveillance Capitalism vs. the Surveillance State

#### Comparison and Contrast: objectives and control mechanisms

Although distinct in their origins and goals, Surveillance Capitalism and the Surveillance State share many control and operation mechanisms. Both are based on collecting and analyzing information, using this data to monitor, predict, and control human behavior usually on the internet. However, the goals and uses of these control mechanisms are quite different, and when it is brought to the dispute of power, it can be used as traditional means in steroids. As described by Foucault in “Watch and Punish”, the Surveillance State is an extension of State power used to maintain social and political order. This type of surveillance is often justified in terms of security and

<sup>14</sup> See: F. Fukuyama, *The Origins of Political...*

<sup>15</sup> H. Kissinger, E. Schmidt, D. P. Huttenlocher, *The Age of AI: And Our Human Future*, Dom Quixote, Lisboa 2021.

<sup>16</sup> S. Zuboff, *The Age of Surveillance Capitalism: The Fight for a Human Future at the New Frontier of Power*, Relógio D’Água, Lisboa 2020.

protection, with States defending that protecting citizen, from internal and external threats, is necessary and is a valid justification for those tactical<sup>17</sup>.

On the other hand, as defined by Zuboff. Surveillance Capitalism is driven by commercial goals. Data is collected and analyzed to predict and modify human behavior to generate profit, but the control mechanisms here are often hidden, occurring without the knowledge or consent of individuals.

Despite these differences, there is a complex interaction between those two systems. For example, tech companies operating under Surveillance Capitalism often provide data to the state, while the state provides the infrastructure and regulation that enable Surveillance Capitalism to function. However, the convergence of these surveillance systems is not without conflict; as Han argues in “On Power,” the interaction between state and capital can result in a struggle to control information and power<sup>18</sup>. Moreover, as Chomsky notes, the disproportionate power held by tech companies can challenge the state’s authority, leading to tension between the two. The interaction between these two systems has significant implications for power, privacy, and Democracy.

### Intersection and Interaction Between the Two Phenomena

The intersection between Surveillance Capitalism and the Surveillance State is where the risks to democracy become

most evident and, simultaneously, most complex. Data collection and analysis mechanisms overlap, and the lines between state security, privacy protection, and corporate profit become increasingly blurred.

As Zuboff argues, tech companies operating under Surveillance Capitalism often collect more data than is necessary for their services and products. These “data surpluses” can be used for commercial purposes but can also be accessed by the state for surveillance purposes. This creates an intersection between the two phenomena, where commercial and security interests intertwine<sup>19</sup>.

The lack of transparency on the apps that collect the data, the black boxes that protect the AI, and ML, algorithms, and the necessity for the individuals to accept the contracts before being able to use applications, make it difficult for individuals to exercise their rights to privacy and control of their information. Moreover, the interaction between Surveillance Capitalism and the Surveillance State can lead to a concentration of power that threatens Democracy. As Chomsky argues, the accumulation of power by tech companies and States can lead to an erosion of civil liberties and an imbalance of power that threatens democratic equality.

The State should regulate and supervise tech companies and protect citizens’ rights, however, for this to happen, a greater understanding of the mechanisms of such technologies should be

17 M. Foucault, *Discipline & Punish: The Birth of the Prison*, Edições 70, Lisboa 2021.

18 B. Han, *Infocracy: Digitization and the Crisis of Democracy*, Lisboa 2019.

19 S. Zuboff, *The Age of Surveillance Capitalism: The Fight for a Human Future at the New Frontier of Power*, Relógio D’Água, Lisboa 2020.

dominated by the State, and its citizens, so the political system can act as needed.

### Use of Artificial Intelligence and Machine Learning

The emergence of Artificial Intelligence (AI) and Machine Learning (ML) has significantly broadened the reach of Surveillance State and Surveillance Capitalism. Specially because the tech companies operating under Surveillance Capitalism are at the forefront of the application of AI and ML. As Zuboff argues, these companies use advanced algorithms to analyze the data they collect, allowing them to predict and influence human behavior in previously impossible ways. This can lead to subtle but powerful manipulation of human behavior, potentially undermining individual autonomy and free choice, fundamental principles of democracy.

The Surveillance State also benefits from AI and ML. These technologies allow states to monitor citizens more efficiently and effectively, potentially increasing security. However, as Foucault warns, state surveillance can become invasive and oppressive, threatening civil liberties<sup>20</sup>.

Kissinger, in “The Age of Artificial Intelligence,” discusses the ethical and political challenges AI presents. He argues that AI can lead to a concentration of power and the erosion of privacy, mainly when used with surveillance. He also suggests that AI and ML can amplify existing trends toward polarization and misinformation, undermining public discourse and democracy.

However, AI and ML also offer the potential for regulation and oversight. For example, such technologies could detect data abuses or create more transparent and accountable systems. However, this requires a detailed understanding of these technologies and the political will to implement such measures.

### Impact of the Democratic System Erosion of Democracy and Rise of Populism

The erosion of Democracy in the face of Surveillance Capitalism and the Surveillance State is a troubling phenomenon that the rise of Populism has magnified. According to Eatwell and Goodwin (Eatwell & Goodwin, 2019), this phenomenon is often driven by distrust of elites and democratic institutions. This distrust can be easily manipulated and exploited when personal information influence’s public opinion.

AS DISCUSSED EARLIER, AI and ML tools enable unprecedented information segmentation and personalization. This can amplify existing views and feelings, creating echo chambers reinforcing existing beliefs and divisions. This polarization of public opinion can undermine democratic discourse and facilitate the rise of Populism.

Additionally, the collection and use of data by tech companies and states can lead to an erosion of privacy. As Han argues, this loss of privacy can lead to a sense of powerlessness and distrust, fueling dissatisfaction and revolt against elites and democratic institutions.

20 M. Foucault, *Discipline & Punish: The Birth of the Prison*, Edições 70, Lisboa 2021.

The rise of Populism can also be facilitated by the misuse of surveillance by the state. As Foucault warns, state surveillance can become invasive and oppressive, leading to widespread discontent. This can be exploited by populist leaders, who often present themselves as the solution to such abuses of power.

Discussing possible solutions to protect democracy in the information age is a necessity. Even if we accept what Fukuyama argues, that Democracy is resilient and can adapt to new challenges, it requires a clear understanding of the risks presented by Surveillance Capitalism and the Surveillance State and the political will to address these risks<sup>21</sup>.

### The Role of Media and Propaganda in the Age of Surveillance Capitalism

The media have evolved, causing challenges for democracy, with political groups using these new forms and functions to disrupt society. That is often the case with Social Networks, which are powerful tools for sharing information, but also for spreading disinformation and manipulating political views and influence as an erratic power around the world. In his book, Chomsky argues that the media often works to the interests of the powerful.

Today's elites are the Big Tech companies, that control information flow and use data to influence behavior and opinions; and it may undermine democracy, as seen in the context of Surveillance Capitalism. In addition, the data collection allowed by Surveillance Capitalism

can be used to create personalized propaganda. Messages can be tailored to resonate with individual beliefs and feelings, increasing effectiveness. This can reinforce existing divisions, polarize public discourse, and destabilize democracy.

The media also plays a crucial role in shaping the public's perception of the Surveillance State. Coverage of surveillance abuses can increase public distrust of democratic institutions, fueling dissatisfaction and revolt. However, the media can also hold state and tech companies accountable, highlighting abuses of power and advocating for privacy and civil rights.

Therefore, the media and propaganda in the Surveillance Capitalism era can undermine and reinforce democracy. How we deal with these challenges will be critical to the future of democracy in the information age. The next chapter will discuss possible solutions and strategies to protect democracy in these challenging times.

### The Crisis of Liberal Democracy and Possible Solutions

Liberal democracy faces a significant crisis amid the rise of Surveillance Capitalism and the Surveillance State. The strategies of manipulating behavior, the erosion of privacy, and the rise of populism, as discussed earlier, undermine the fundamental principles of liberal democracy, such as individual autonomy, free choice, and balanced public discourse.

However, this crisis also offers the opportunity to rethink and strengthen

21 F. Fukuyama, *The Origins of Political Order: From Prehuman Times to the French Revolution*, Dom Quixote, Alfragide: 2018.



liberal Democracy. Fukuyama argues that democracies are resilient and able to adapt to new challenges. To do this, we need to clearly understand the risks and challenges presented by Surveillance Capitalism and the Surveillance State and be willing to take steps to address them<sup>22</sup>.

One of the ways to strengthen liberal Democracy is through regulation. Tech companies operating under Surveillance Capitalism and states employing surveillance strategies must be regulated to ensure they respect individuals' privacy and civil rights. This may include laws restricting the collection and use of data and implementing oversight mechanisms to ensure compliance.

Finally, we need to strengthen democratic institutions by balancing public discourse, combating populism, and promoting trust in the system. This can be achieved through various strategies, from civic education to electoral reform. Education plays a crucial role, as it can help create a more informed and resilient society capable of resisting manipulation and demanding greater transparency and accountability.

### Shift from World Order to Multipolar with China in Possession of Western Information

It's crucial to consider the possibility of a change in the World Order when examining this issue, as the United States has been holding power since the aftermath of the Cold War, however, the emergence of the importance of new states such as China, Russia, and India is leading us to a shift from a unipolar to a more multipolar balance of power.

This presents a formidable challenge to liberal democracy. With China, through apps and technology from companies based there, gaining access to vital information and data from the West population, it has become a fierce competitor in the race for information dominance.

As Huntington argues, this shift in world order can lead to a clash of civilizations as different regions seek to assert their own values and political systems. In this scenario, liberal democracy, the dominant norm in the West, may conflict with other forms of governance. Interest to notice that democracy has more affinity with Surveillance Capitalism, and the China regime, as its allies, has more affinity to State Surveillance. So, the potential shift to a World Order, could accelerate the change from democracy to a new system<sup>23</sup>.

However, China's rise may also offer opportunities for learning and cooperation. For example, the West can learn from China's experience regulating tech companies and protecting data. Moreover, the need to deal with China's rise can catalyze the West to unite and take steps to protect liberal Democracy.

### Summary

This article sought to explore and analyze the impact of Surveillance Capitalism and the Surveillance State on liberal democracy, also considering the shift to a multipolar world order with the rise of China. Several main results were identified through a detailed analysis of various theoretical and empirical sources.

<sup>22</sup> Ibidem.

<sup>23</sup> S. P. Huntington, *The Clash of Civilizations, and the Remaking of World Order*, Gradiva Lisboa 2019.

First, the interaction between the Surveillance State and Surveillance Capitalism was established. Both share the goal of collecting and analyzing data, but they do so for varied reasons: the former seeks to maintain security and order. At the same time, the latter aims to maximize profit, however, as discussed, these two systems overlap in many respects, especially in information technologies and artificial intelligence.

Second, the impact of these phenomena on liberal democracy was highlighted. The mechanisms of control and manipulation used by the Surveillance State and Surveillance Capitalism can compromise privacy, autonomy, and free choice, fundamental principles of liberal democracy, which can lead to the erosion of trust in democratic institutions.

Third, China's role in the current multipolar world order has been explored. China is an example of how the possession of information can strengthen state control and challenge the established world order. However, it was also highlighted that China's rise could offer opportunities for learning and cooperation.

Finally, workable solutions to mitigate the challenges facing liberal democracy were discussed. This includes implementing stricter regulations to protect privacy and civil rights, strengthening education about the use and risks of data, and strengthening democratic institutions.

This article highlights the need for a more critical and reflective approach to using data and information technologies, especially considering the potential risks to liberal Democracy.

### Implications for Political Theory and Democratic Practice and Future Studies

The conclusions of this work have significant implications for political theory and democratic practice. First, as theorists like Foucault and Zuboff have pointed out, these practices can shape power relations and influence individual behaviors in ways that challenge democratic ideals, moreover, the analysis suggests that Liberal Democracy needs to adapt to the new realities of the Information Age. This may involve creating new norms and laws to protect citizens' privacy, ensuring transparency of data use, creating public agencies that oversight or control the data servers, and limiting the concentration of power in the hands of tech companies or authoritarian governments.

The practical implications for Democracy are equally significant. To preserve democratic principles, citizens must be informed about how their data is being collected and used and that they can exercise meaningful control over these practices. This may involve promoting digital education, implementing stricter data protection regulations, and promoting more transparent and consensual data collection practices.

China's rise and transition to a multipolar world order also profoundly affect political theory and democratic practice. This change requires deeper reflection, especially on how Liberal Democracy would be able to coexist and interact with other forms of governance and how it can respond to the challenges presented by an increasingly interconnected and multipolar world.

A more collective, critical, and proactive approach from academics, policy-makers, activists, and citizens, is needed to understand if democracy will change to a new format or be replaced entirely by a different system in the digital age.

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