



SAMAK

Nordic labour movement

THE DIGITAL CONQUEST

A quick primer for progressives

June 2022

It's Politics, Stupid!

We can no longer treat digitalisation as just a technical issue.

It's politics.

The tech giants, Artificial Intelligence and the Internet of Things already affect everyone.

Be it as citizens, workers, consumers or voters, as young or old. On the job, in transport, at home, everywhere.

Our digital future reveals breathtaking opportunities as well as profound challenges.

That's why progressives need to know the most basic digital tech, and, even more important, the politics of digitalisation.

Welcome to this crash course!



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Let's Not Be Naïve

As **Europeans** we cannot leave this basic part of our future to US and Chinese commercial and national interests. Let's not be naïve. We must design a distinct European brand of digitalisation.

As **progressives**, we have to take political charge. Leaving the digital future to the market players alone will not do. We must ensure a European digital model has everyone on board, is founded on freedom, equality and solidarity, and forwards a just green transition.

Since the digital is about to immerse every policy area, taking political charge applies to them all:

Jobs, health, education, media, transport, regional, defense, gender equality, you name it.

A progressive **European Digital Model** should:

- **Restrict concentration.** The digital giants must be regulated and taxed. Open standards and interoperability will create room for newcomers.
- **Put people first.** Not technology. Not profits. Citizens and workers must have a say.
- **Strengthen public governance.** Politicians must have the competence and means to govern in the digital age, as rule-setters, industrial policy makers, and public sector buyers of digital services. Digital infrastructure should be a public commitment.

What Hit Us?!

The digital era has just begun, but it sure has a story we may learn a lot from.

Phase 1: Older readers will remember the emergence of the world-wide-web on their PCs in the 1990s. This followed heavy US government tech investments since the 1950s, but note that the web was invented by the Brit Sir Tim Berners-Lee.

Optimism ran high, and we saw great public minded initiatives like Wikipedia.

At the same time, influential Silicon Valley entrepreneurs promoted a utopian and anti-government account of digital tech, as if machines could be value free and run the world. The US, and EU, decided on a hands-off policy, with **digital industry self-regulation**.

Phase 2: Arriving commercial interests around 2000, pushed by equity funds, spotting large profits. Among thousands of upstarts, Google was founded in 1998, Facebook in 2004. With Apple 's smartphone in 2007, things really exploded.

Fast-growing platforms turning giants, in the 2010s and ongoing we all propelled into apps and social media. Thousands of "smart things" pop up indoors and outdoors, as smart vacuum cleaners and traffic light sensors. Artificial Intelligence, algorithms and Big Data sweep the world. China has emerged as a new main player.

We choose the same network as our friends, and the cost of serving a new customer is virtually zero. **Then the already big digital platforms grow even bigger**. This "network effect" explains why a handful of digital companies – left unchecked by governments – became monopolistic, winner-take-all, predatory giants, envied and feared.¹

Their business model is by now well known: You may enjoy their service for free, if you let them use your personal data for profit.

The digital giants buy upstarts and competitors, and expand aggressively to new markets, as retail. Not least they work hard to frame a digital future serving their own interests. A good example is how Facebook pushes their version of a "metaverse", where people habitually live in a 3D holographic world. Though yet of little substance, judging by FBs size and proven record in generating demand, this ambition is risky to dismiss.

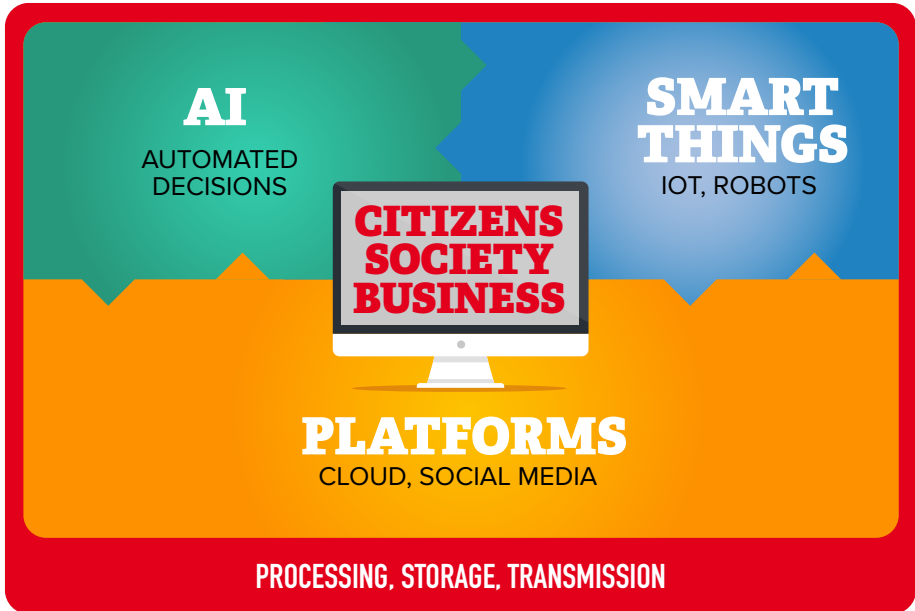
Only recently the policy of self-regulation has been questioned.

¹ 5 of the 6 largest global firms are now digital platforms; Apple, Microsoft, Alphabet (owns Google), Amazon and Facebook (market value 2020). Alphabet owns 5 of the top 6 web platforms: Android, Google Maps, Google Search, YouTube and Google Chrome. In 2021 Facebook renamed their owner company "Meta". In May 2022 Tesla's owner Elon Musk, the world's richest man, took steps to buy Twitter, the microblogging and social networking service.

The Digital Tech Essentials

We are all digital experts in a way, busy at our smartphones. But there are so many apps, services, technologies and trends, and much is hype.

This figure distills what progressives *“need to know”*.



Source: Nogarede and Støstad (2020), adapted from Steen (2020).

Lots of data about you is extracted when you use platforms such as Google and Facebook, but also via “smart things” sensors and devices – the Internet of Things (IOT). Simply due to the enormous amounts, we call this “Big Data”.

The data is stored and analyzed with Artificial Intelligence – AI. This is done in the “cloud”, which in fact is large physical data centres.

The development is fueled by rapid technological advances in processing, storage and transmission of data.²

2. Moore's law: The number of transistors in an integrated circuit doubles about every two years.

AI and Algorithms – No Mystery (?)

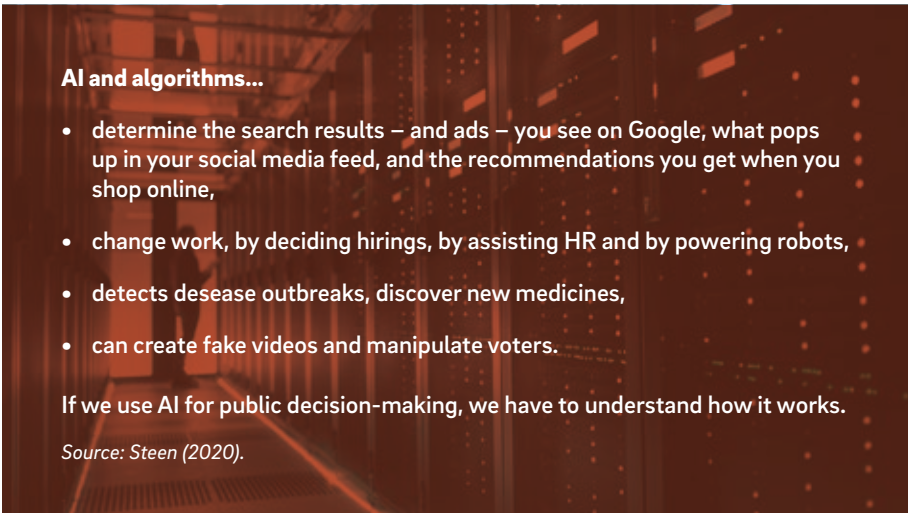
Artificial Intelligence analyzes information, to *make predictions and take decisions*.

AI originates in the 1950s, but in the last decade better hardware, advanced programs and big data inspired a breakthrough in so-called machine learning.

Today's AI can process speech, translate languages, play chess, operate cars and countless other tasks, and in these, like machines tend to, outperforming humans. However, it is far from having common sense.³

Algorithms are the crucial rules that the computer uses in its AI predictions and decisions. Earlier, algorithms were designed by a programmer. Now with the machine learning variant deep learning, the computer increasingly self-learns. Not to forget though, this is still executed by human design.

AI and algorithms are *not good or bad as such*. Used proactively, they can reduce inequality and discrimination. But presently they have a "black box-character" and often just reinforce an already unacceptable situation.



AI and algorithms...

- determine the search results – and ads – you see on Google, what pops up in your social media feed, and the recommendations you get when you shop online,
- change work, by deciding hirings, by assisting HR and by powering robots,
- detects disease outbreaks, discover new medicines,
- can create fake videos and manipulate voters.

If we use AI for public decision-making, we have to understand how it works.

Source: Steen (2020).

Inside a data centre. ©SHUTTERSTOCK

³. That is, it is far from reaching what is called Artificial General Intelligence (AGI).

A Key to All Future Policies

In a way it's easy:

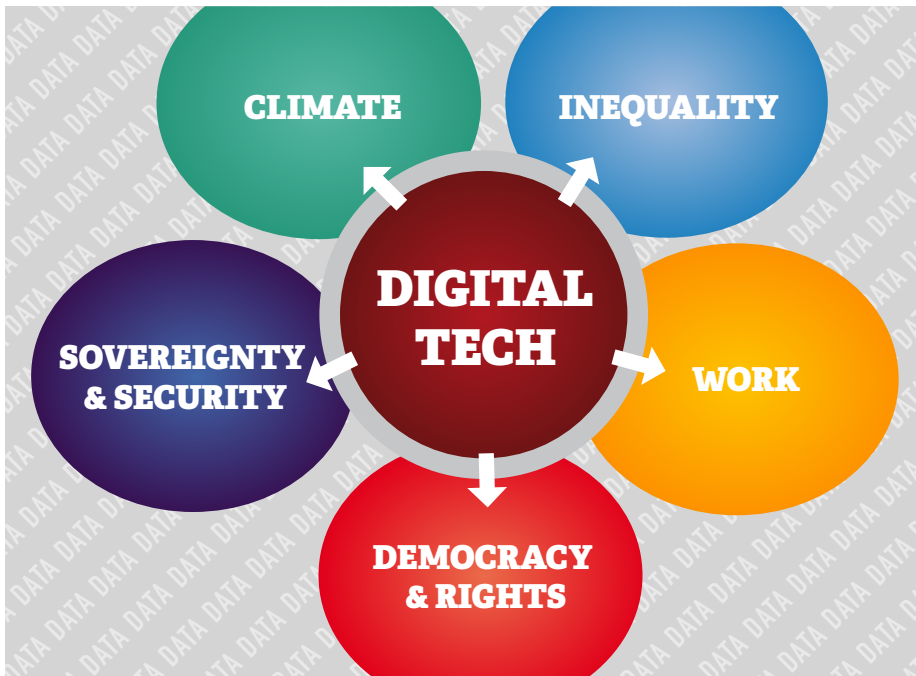
Digitalisation already affects everyone and everything, and ever more as time goes by. Hype aside, it is not easy to overestimate the impact for humans and society in the years ahead for good and bad.

This means:

No policy issue or policy area will escape the digital conquest.

And notably, this applies also to the issue of our political system and democracy itself.

Since several years we have seen the digital entering politics, through social media (don't forget Cambridge Analytica) and digital tech lobbying. How will the power struggle within and between democracies, authoritarian regimes and the tech giants spell out in the next decade? For this, the way we tackle digital tech will be important indeed.



Source: Nogarede and Støstad (2020) adapted from Steen (2020).

Jobs In the Balance

Should we worry about our future jobs? The straight answer is yes and no!

Yes, because most of today's jobs will change or be obsolete. Job requirements will not be the same.

Yes, because there is real concern that short spells of unemployment will be more frequent, as more people will change jobs and need skill upgrading.

Yes, because there is real concern that if platform-like work get common, even more jobs may have little or no protection against dismissal, unpredictable working hours, surveillance from robots, less than minimum wage, and so on.

No, because new jobs will be created and total number of jobs should keep up.

No, because many dirty, tough, boring jobs will be automated.

Most important:

No, if we as progressives, in our political parties and trade unions, fight the “yes-worries” above and ensure decent jobs for all, in practice.



Work by smartphone. ©ISTOCKPHOTO

Equality In the Balance

Experts agree that inequality is not only morally bad and hurts the poor, it compromises society at large and hits the middle class. Even for the rich, too much inequality harms social stability and drives crime.

With the digital giants underpaying platform workers (Uber etc.) and creating large private fortunes (Marc Zuckerberg etc.), as well as offering engineers and programmers high salaries and share options, digitalisation is already undermining a just society.

Then there is the pitfall that AI and algorithms aggravate today's inequalities.

Digitalisation may also worsen regional disparities.

However, this bleak picture should be turned around. As with jobs, the decisive factor is *the political reaction*:

- Digitalisation hitting deep and wide, governments must fight inequality harder, through fairer tax, better health care, education and welfare systems, as well as boosting solidaristic trade unions.
- AI and algorithms has a great potential to improve equality, including gender equality, in addition to neutralize today's biases.
- Platform monopolization must be restricted.



Home of FBs Mark Zuckerberg, Palo Alto, Silicon Valley. ©REALTOR



RVs in East Palo Alto, a 10 min drive north. ©MASON TRINCA/FOR THE WASHINGTON POST

A First To Do-List

Jobs and equality hang in the balance, but so do all the other political issues which the digital will impact!

This is what we need to do as progressives, as a minimum:

1. Reinforce public sector to govern (a) digital tech and (b) society in the digital age.
2. Regulate and tax the digital giants, to redistribute power and money.
3. Make future AI and algorithms a tool for equality.
4. Make future AI and algorithms a tool for climate change.
5. Fight hard for decent jobs, in platform work and else.
6. Fight hard for democracy and free elections.
7. Support professional media and a sound public discourse.
8. Be sure to design smart cities with citizens centre.
9. Protect citizens' rights online. Threats, hate speech and harassment in social media have gotten out of hand.
10. Research digital consequences in all major policy areas. Set up training modules on digitalisation for progressives, in the political parties as well as the trade unions.



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It's Now or Never!

Digitalisation started off well, but it is now urgent to **get it back on track**.

As European progressives we must find Europe's own digital way ahead, not outsource our future to US and Chinese national interests and their digital giants.

This is ambitious, but necessary. We should remember, Europeans have a lot to build upon. We have high skills, are open to new technology and, not least, have the institutions both at the EU and the national level needed for forceful collective action.

Though still lagging behind, the last year and two the EU has stepped up with several initiatives:

- Digital Markets Act. To reduce the power of the digital platforms.
- Digital Services Act. To help citizens to make good on their digital rights.
- An AI Act and a data strategy. To make AI and data help, not hurt our societies.

The point is not to "win the global digital race". The point is to improve and safeguard the lives of European citizens and workers. Europe should also cooperate with others worldwide to set digital standards.

Make no mistake: It's time to take charge of our digital future.

Just like Elvis' hit back in the 60's: **It's now or never!**



Elvis Presley "It's Now or Never" (RCA 1960).

About

This pamphlet is written by Jan-Erik Støstad, Secretary General of SAMAK. Analytically it is based on *Nogarede, J. and Støstad, J.-E. (2020): A Progressive Approach to Digital Tech. Taking Charge of Europe's Digital Future. A FEPS-SAMAK report.* Primary source for the graphs on page 5 and 7 is *Johan Røed Steen (2020): Key Technologies In the Digital Transformation: Towards a Social Science Taxonomy of Digital Technology. Fafo Institute for Labour and Social Research.* Some of the text and most pictures and graphs also originates in the FEPS-SAMAK report. A special thanks to Justin Nogarede in FEPS, Linda Larsson in LO Sweden and Hans Petter Dahle for valuable inputs to this pamphlet.

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SAMAK is the Nordic Labour Movement's Cooperation Committee, consisting of the Social Democratic parties and trade unions in Denmark, Finland, Iceland, Norway and Sweden.

Social democratic parties

- The Social Democratic Party, Denmark
- The Finnish Social Democratic Party, SDP
- The Social Democratic Alliance Samfylkingin, Iceland
- The Norwegian Labour Party
- The Social Democrats, Sweden
- Føroya Javnadarflokkurin, The Faroe Islands
- Siunmut, Greenland
- Åland Social Democrats

Trade unions

- FH – Danish Trade Union Confederation
- The Central Organisation of Finnish Trade Unions (FFC/SAK)
- The Icelandic Confederation of Labour (ASI)
- The Norwegian Confederation of Trade Unions – LO
- The Swedish Trade Union Confederation - LO

FEPS is The Foundation for European Progressive Studies.

"It's politics, stupid" relates to the phrase "The economy, stupid", which James Carville coined as campaign strategist of Bill Clinton's 1992 presidential race.

Layout: Robert Mehmet Sezer, LO Media

Other SAMAK pamphlets: *The Nordic Model for Dummies.*

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We build the Nordics!



Nordic labour
movement