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**The Power of Tech Companies:  
towards a non-dominating technology sector**

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## **Abstract**

Tech giants exercise an incredible amount of economic, social, and political power over society. Criticisms of their power tends to be focused on the societal implications of their power. This thesis provides a new angle to the debate on the power of tech companies by investigating, using the neo-republican concept of freedom as non-domination, the source of their power and how their power affects the political status of these companies and society. I claim that these companies unaccountably dominate society because of (1) certain powerful features and (2) underlying societal structures, resulting in (3) monopolistic tendencies. This allows tech companies to interfere with society without facing accountability. I claim that the companies' domination may be mitigated through a co-determination scheme where secondary associations participate in the decision-making process of tech companies: this way, the power of these companies becomes democratically accountable.

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## Introduction

In a democratic society the existence of large centers of private power is dangerous to the continuing vitality of a free people.

- *Louis Brandeis* (Melvin Urofsky 2009, 326)

Louis Brandeis was a Justice of the United States Supreme Court and advisor to President Woodrow Wilson. He was also a strong defender of individual rights and opportunities to develop oneself. For Brandeis, the “good life rested on the dignity and independence of the individual, who could then do the hard work required to sustain freedom in a democratic society” (Urofsky 2009, ix). He firmly expressed his concerns regarding big companies and monopolies. However, it was not per se the bigness in size that he criticized, but rather the effects that such bigness could have “upon society, economy, and the individual” that concerned him (Urofsky 2009, xi).

I agree and disagree with Brandeis. Like Brandeis, I worry about the power of monopolies. Today’s monopolies tend to be technology companies (Google, Amazon, Facebook, Apple, Microsoft). Generally, these companies make life more convenient thanks to their use of technologies like the internet and big data analyses. These technologies improve the productivity, efficiency, and easiness of the companies’ products and services, which may benefit society. However, these technologies also make it possible to influence<sup>1</sup> people’s decisions concerning what to buy, what to search for (including what search result to click on), or possibly even who to vote for (see *The Great Hack* 2019). This influencing ultimately jeopardizes democratic norms and values (Macnish & Galliot 2020, 4). Undoubtedly, these companies exercise *some* power over society, and the threat they pose to individual rights and opportunities is enough for some to question this power, like myself.

Yet, unlike Brandeis, I am more concerned with the *source* of their power than the effects of their power. Focusing on the effects of monopolistic powers tends to lead the discussion into unresolved economic debates that cloud issues of legitimate exercises of power (Giocoli 2015). The debate regarding the power of tech companies, as it stands now, is mainly focused on the power of these companies and their threat to people’s democratic rights. But to fully capture the power of these companies and how they may be a threat people’s democratic rights requires

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<sup>1</sup> People have always been influenced, but nowadays micro-targeting (focusing on one specific individual) has become incredibly easy thanks to the great amount of data available. Furthermore, thanks to algorithms, the influencing is much more widespread and far-reaching than before. See also Macnish & Galliot 2020.

analyzing the power relation of these companies with society and how these companies affect the political status of individuals. Indeed, an unequal political relation indicates some level of threat of these companies. The source of these companies' power is hence important to analyze as it informs their political relation with society.

The **questions** that logically follow from this and that are central to this thesis is **to what extent do tech companies exercise power on society unjustly and how can this unjust exercise of power be mitigated?** I approach this question from a neo-republican perspective and argue that society is dominated by tech companies and that increasing public involvement in the decision-making process of tech companies may mitigate their domination. Domination, according to neo-republicanism, is an unjust form of political relation where one is subjected to a superior, arbitrary power. Arbitrary here is used in the sense of non-accountable power<sup>2</sup>. The unaccountable domination of tech companies ultimately lies in their powerful features and society's interest in these companies that contribute to these companies' monopoly status, which has provided these companies with a strong influence upon society. Citizen participation in these companies' decision-making processes may solve the lack in accountability by holding these companies democratically accountable.

I defend my claims by investigating three sub-questions. First, what is domination, as understood in the neo-republican sense, and why is it problematic? Second, what makes these tech companies powerful and how does their power lead to their domination? Third, how can their domination be mitigated? Each of my chapters addresses one of these sub-questions. In my first chapter, I provide the neo-republican framework that sees unaccountable domination as the primary obstacle to one's freedom. The second chapter analyses the power of tech companies and provides my reasoning why their power is dominating in the republican sense. In the third I investigate my third and last sub-question by proposing a change in corporate policies procedures through a co-determination scheme that allows for a democratic participative market structure in the tech sector to reduce non-accountable domination of tech companies. I now turn to these chapters for a brief overview of my argumentation.

### [First chapter: theoretical foundation of neo-republicanism.](#)

The first chapter of this dissertation lays out the foundation for my argument. The core of my argument is that tech companies dominate society, with domination being an unjust exercise

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<sup>2</sup> Note that the word 'arbitrary' has two interpretations. Arbitrary can be 'random', as in a random act of interference. Arbitrary power in the neo-republican sense, whilst incorporating this understanding, specifically focuses on an *non-accountable* power, whereby the dominator is able to randomly interfere with the dominated without having to face severe costs or where the dominator is held accountable.

of power. I base my understanding of domination on the neo-republican conception. Neo-republicanism is a political theory that is centered around the concept of freedom. My first and foremost reason to adopt the neo-republican framework is because the republican understanding of freedom is rooted in the source of one's freedom instead of how one's freedom is expressed<sup>3</sup>. This allows me to analyze the debate regarding the power of tech companies from a new angle whereby the focus shifts from the effects of monopolistic powers (be it in the form of market functionalities or threatening democratic values) to what it means for the political status for both these companies and society to stand in relation with an (il)legitimate source of such powers.

Neo-republicanism understands freedom as non-domination; that is, whether there is a superior power that may choose to interfere with your choices at any given time without being held accountable (Pettit 1997b). This understanding of freedom includes the difference between being interfered with because someone else has *decided* not to interfere with you, or because someone else *cannot* interfere with you. The republican conception of freedom looks at whose voice is listened to in a decision-making process. To be unfree, or to be dominated, implies that you are not the final decision-maker of your life. Instead, when dominated, you are dependent on someone else's arbitrary or non-accountable will. According to the republican conception, non-accountable domination is problematic because it disregards people's freedom and autonomy.

The republican framework looks at the source of people's freedom (i.e. whether people's choices are secured) instead of how their freedom is expressed (i.e. whether they have choices). This implies that restricting people's choices does not entail restricting their freedom as long as the intervention can be held accountable (Pettit 2005, 93; Pettit 2014, xix). This has as advantage that this theory supports benefits of tech companies whilst avoiding a theoretical conflict. Take for instance the effort Facebook puts in filtering out child pornography, abusive materials, and fake news. The spreading of this harmful content is fought by deleting or marking such posts (*The Cleaners* 2018). This form of paternalism is arguably not only tolerated, but desired. For this reason, the republican understanding of freedom is attractive, as it explicitly separates interference from domination.

The republican conception of freedom as non-domination entails several conclusions that are especially relevant to the remainder of my argument. These include that following a neo-republican line of thinking, (1) a democratic society is desirable (I will argue for an *associative*

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<sup>3</sup> That is, the "extent and reach" of the power, see Laborde & Maynor 2009, 4.

*democracy* in particular), (2) monopolies may lead to domination, and (3) domination should be conceived as a structurally constituted form of power (cf. Gädeke 2020).

## Second chapter: Tech Giants and Power

In my second chapter, I focus on three factors regarding the relation between powerful and dominating tech companies that will inform my second sub-question. These factors include (1) features inherent to these companies that make them particularly powerful, (2) society's dependence on these companies, and (3) these companies' monopolistic tendencies, enhanced thanks to the first two factors.

The features, such as vertical integration (i.e. the ability to distribute own services and products within one company), the use of AI, and global reach, allow for efficiency and easiness. For example, an Apple product is useful to work with other Apple products because of the Cloud, easy integration, and so forth. Productivity, efficiency, and easiness are values that people in liberal-democratic societies tend to appreciate. Surely this does not hold for everyone, but these Tech Giants (all primarily concerned with society's digitization) offer products and services that fit well with the general mindset in liberal-democratic societies. In this sense, increased performance is supported by society and better-working features contribute to a desire for more and better-working products and services. In addition, these products and services work better *because of* increased use. Just consider Google's search algorithm that improves its performance using algorithms, or Facebook, whose efficiency of service is primarily dependent on the number of users. These so-called 'network effects' contribute to their status of a monopoly and limit the efficiency of market competition. The combination of their monopoly status and society's appreciative attitude for the products and services these companies offer has resulted in that these companies now have such an amount of superior power that they can exercise their power arbitrarily or unaccountably.

## Third chapter: solving the problem

The aim of my third and final chapter is to address the companies' non-accountable domination over society. According to Pettit, in order to mitigate domination one could either equalize the power between dominator and dominated, or one could include checks and balances that create a control on the superior power and hence reduces any exercise of arbitrary, unaccountable power (Pettit 1997b, 67-68).

Currently, the most common solution is focused on reducing the power of big tech companies by means of anti-trust legislations (breaking up the companies into smaller, separate ones to enhance market competition). However, I find this solution inadequate to address domination

from a neo-republican perspective. Trust-busting addresses the consequences of the companies' power. It is a reactive solution concerned with the expression of power and freedom rather than that it focuses on the source of one's power and freedom. The focus on the effects of power causes the solution to maintain a dichotomy between companies and consumers where consumers remain subjected to the will of the companies. Anti-trust legislation hence does not provide a robust structural change that includes the republican pillars of publicity and self-governance (Dagger 2006, 153). I therefore advocate for public involvement by means of secondary associations (cf. Cohen & Rogers 1993). The structural change of democratizing the technology market sector provides a robust solution that mitigates domination.



I realize that the neo-republican framework I support is a normative one. My thesis is based on the foundation of freedom as non-domination. Were the reader to disagree with this foundation, it is easy to discard the rest of this thesis altogether<sup>4</sup>. Yet, neo-republicanism provides a new angle to the debate on the power of tech companies. This debate tends to restrict itself to focusing on the effects of these companies and how these effects may be mitigated. This leads to Brandeisian solutions of anti-trust legislation, raising questions regarding market functionalities (Giocoli 2015). To avoid this issue, I therefore focus on the *source* of these companies' power. Doing so, my solution of a democratic participative market sector avoids statistical economic models and remains a philosophical debate focused on what it means to exercise power and what is needed to exercise power in a just and fair manner.

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<sup>4</sup> For different views and critiques, see e.g., Goodin 2003.



## Chapter 1: Neo-republicanism: theoretical foundation

In this chapter, I provide the neo-republican foundation for the remainder of this thesis. Neo-republicanism articulates an ideal of freedom where a person is unfree when she is subjected to the arbitrary or unaccountable will of someone else. This is what republicans refer to as domination (Pettit 1997b). Domination, in the republican sense, is thus inherently a wrong because it necessarily entails that the dominated person is unfree. In what follows, I first turn to my support for this framework after which I elaborate on necessary requirements embedded within the republican ideal of freedom that are of particular interest for my argumentation in the remainder of this thesis.

### 1.1 Support for framework

In this subsection, I provide my support for my choice in framework. My support for neo-republicanism is rooted in the republican conception of freedom, namely freedom as non-domination<sup>5</sup>. This understanding of freedom focuses on the source of one's freedom (who has the authority over your choices?) instead of the expression of one's freedom (what are your available options?). Such a focus on the source of one's freedom ensues other values that liberal-democratic societies appreciate, like freedom of speech and equality (Pettit 1997b; 2014). Freedom as non-domination provides a new perspective in the debate on the power of tech companies, precisely because of the focus on the source of one's freedom.

Domination, in the most general sense, refers to an unbalanced power relation: person A dominates person B if person A has a superior power position in relation to person B. This general sense is morally neutral: domination is not necessarily problematic. For example, there can be a dominant player in a hockey team, but this person does not necessarily have a problematic power relation with its teammates; it just reflects the player's superiority in the game compared to the other players.

Following the neo-republican line of thinking, however, domination is always a moral wrong. In a neo-republican sense, someone is dominated when she is subjected to a superior power that may arbitrarily interfere in her choices. Arbitrary interference means that a person can interfere with someone without being held accountable<sup>6</sup>. Consider a slave who can be beaten up at any time by his master, or a wife being abused by her husband in a sexist society. Neither the slave nor the wife has the option to remedy their abusing; they are simply left to the

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<sup>5</sup> I focus on a Pettitian understanding of domination, but other views on non-domination are put forward by e.g., Habermas, Foucault, Walzer, Skinner, and Shapiro. See Shapiro (2012) for a brief overview.

<sup>6</sup> Note there is a difference between having the actual possibility to hold someone accountable or whether it is realistically plausible that the person can be held accountable. I follow the second interpretation.

goodwill of their master and husband to be treated right. In this sense, master and slaves or women and men do not enjoy political equality<sup>7</sup>. Domination restricts a person to realize his personhood by confining his autonomy over his own life. It does not matter whether the possibility for domination becomes a reality: neo-republicans include any potential arbitrary interference under the term domination. It implies that a person is not the ultimate authority over her decisions, but that her freedom is dependent on the will of someone else. For that reason, she does not enjoy true freedom. Domination, in the republican sense, is hence not a morally neutral term: it is inherently a moral wrong.

It must be emphasized that republicans do not have a problem with superior power, but they have a problem with *unaccountable* superior power. Superior power in itself is inevitable. Governments have superior power over their society, employers have superior power over employees, parents have superior power over children, the list goes on. For this power relation to be non-dominating, there is popular control, labor unions to protect employees, and child protection services: there are institutions and organizations that can hold the superior power accountable. According to neo-republicanism, then, person A only dominates person B when person A is said to be in a superior power position in relation to person B *with the ability to interfere arbitrarily*. That is, when person A has the ability to interfere without being held accountable for her interference. Person A does not interfere with person B when the power A exercises over B is controlled and A is held accountable for her (potential) interference. In the case of the talented hockey player, person A is not dominating her teammates in a republican sense as long as her superior power is controlled, and she is held accountable for her actions. For neo-republicans, domination is therefore not merely a term to indicate ‘superior power’ but always includes the aspect of unaccountability within the term.

By including the aspect of accountability, the republican understanding of freedom shifts its focus on the source of one’s freedom rather than how one’s freedom is expressed<sup>8</sup>. Philip Pettit, the philosopher who revived republicanism, refers to the source of one’s freedom as ‘depth’ in freedom of choice (Pettit 2014, 28). It implies that you not only have the freedom to choose an option, but that this freedom in choice is secured. Your freedom in choice is secured

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<sup>7</sup> Political equality refers to the relation between the social or political status of people. A master and slave occupy a different social position in society, as do men and women in a sexist society. Slaves and women (in a sexist society) are politically inferior to masters and men. Political equality is hence different from *moral* equality, where people are seen as intrinsically equal. Here, masters and slaves or men and women *are* equals. See Dagger 2006, 154.

<sup>8</sup> As is the case with the more liberal understanding of freedom as non-interference, see e.g., Berlin ([1969]2017). According to this conception of freedom, freedom depends on the *actual* possibilities one has and not on whether these possibilities are granted by you or by someone else.

when your choice does not depend on another person's will. This is different than how one's freedom is expressed, or the 'breadth' in freedom that someone enjoys (Pettit 2014, 27). The breadth in one's freedom of choice refers to the options available. The point of republicans is that even though a person may enjoy the greatest freedom in choices, as long as this freedom is not secured, that is, as long as a person depends on someone else's unaccountable will, this person is not truly free.

A focus on the source of one's freedom has several advantages. A practical one is that neo-republicanism is a robust normative framework. Unlike other freedom-based political theories (e.g., liberalism or libertarianism), neo-republicanism avoids a theoretical conflict: one can be interfered with and still be free<sup>9</sup> (Pettit 1997b, 22). According to republican theory, one may be dominated without being interfered with (being subjected to an unexercised superior, arbitrary power), or being interfered with without being dominated (interfering party is subjected to a controlling power and can be held accountable). Because of this, neo-republicanism does not need to weigh interference and non-interference in terms of freedom (e.g., small interference at the initial level leads to less interference at a further level) because interference and freedom can be compatible. This theoretical consistency contributes to a strong and robust framework for normative analyses.

In addition, the focus in source of freedom redirects critique on unjust societal practices from the effects of political inequality within a society to the political status of individuals themselves. In other words, neo-republicanism helps to formulate criticisms regarding existing societal norms and practices by analyzing how these norms affect people's political status. To illustrate my point, imagine the sexist society Mantopia. In Mantopia, the only relevant characteristics that inform your social status are gender-based. Sexist norms and practices disadvantage women in their ability to get a job, their paycheck, and so forth. Rather than emphasizing the problematic effects and trying to rectify *those* (fair job opportunities, increase in paycheck), neo-republicanism focuses on the source of these effects (i.e. men's superior power over women) to rectify the political inequality between men and women (by fighting dominating norms and practices). As Pettit (1997b, 4) states: [t]hinking about politics in terms of the demands of freedom as non-domination gives us a very full and persuasive picture of what it is

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<sup>9</sup> This is not the case for theories rooted in a conception of freedom as non-interference, such as liberalism or libertarianism. For such theories, any interference restricts someone's freedom to at least some extent. Even theories that have converged on many things with neo-republicanism, such as constitutional liberalism face this issue (see e.g., Pettit 2014, 23; Laborde & Maynor 2009).

reasonable to expect of a decent state and a decent civil society”. Thus, neo-republican theory provides normative guidance based on the political inequality within a society.

This section has analyzed the concept of domination as understood in the republican sense. Domination is a moral wrong that obstructs someone’s freedom by limiting her authority over her own life: the security of a choice is essential, not the choice itself. Focusing on the source of freedom provides a novel angle to issues concerned with powerful and dominating tech companies and society. The republican ideal of freedom illuminates the necessary changes to corporations and society to address this unjust power dynamic. In Chapter 2 and 3, I will dive into these power dynamics and potential solutions to mitigate domination. But first, let me lay out the building blocks that are needed for these next chapters.

## 1.2 Neo-republican requirements

This section discusses several elements related to the conception of freedom as non-domination that are especially useful for my analysis on the power dynamics between tech companies and society. These elements include the desired structure of the state (democracy) and of the market (anti-monopoly). In addition, I elaborate on the concept of domination and conclude, following Gädeke (2020), that underlying societal structures not only facilitate but constitute domination.

### 1.2.1 Neo-republicanism and Democracy

In the following paragraphs, I claim that an associative democracy fits well with neo-republican ideals of publicity and self-government. While there are other democratic forms that similarly uphold neo-republican values, I claim an associative democracy combines the strengths of competitors whilst avoiding weaknesses because an associative democracy supports citizen inclusion in order to improve self-government by decentralizing power over so-called ‘secondary associations’ (cf. Cohen & Rogers 1992; 1993; 1994, 137). But first, let me discuss the general republican appeal for a democratic state.

Democracy appeals to republicans because it contributes to freedom as non-domination. Freedom as non-domination has an interconnected relation with political equality; domination implies an unequal political relation. Hence, to be free implies to be equal to your fellow citizens. This relation is inherent in a (non-corrupted) democracy. In a democracy, citizens and state are politically equal thanks to public control (Dagger 2006, 153; De Dijn 2018, 62). Two requirements are important to realize this public control: ‘publicity’ (transparency to allow for citizen criticism) and ‘self-governance’ (free from arbitrary rule) (cf. Dagger 2006, 153). Indeed, a democratic government is desirable thanks to its support of these two pillars: by having

a transparent authority, citizens can follow its decision-making process and hold these decisions accountable. Superior power is accounted for through popular control, and hence citizen inclusion is core to a republican democratic state.

Jean-Jacques Rousseau, considered a strong republican voice, was a strong advocate for citizen participation (De Dijn 2018; Stiliz 2009). According to his thinking, true freedom requires active participation in governmental activities (De Dijn 2018, 62-63). Citizen participation is then not only desirable, but necessary for freedom: only a collectively constituted authority is justified (Stiliz 2009). Rousseau's preference was thus a state governed *by* the people *for* the people, resulting in an authoritative body that both controls and exercises power.

Rousseau's philosophy initially seems to fit the value of public inclusion, yet the centralized body of power is in fact problematic for republicans (Pettit 1997b). Besides practical limitations<sup>10</sup>, a combined body of power frustrates the possibility to hold the superior power accountable, which may more easily result in a 'tyranny of the majority' where the majority unaccountably dominates the minority (Pettit 1997b, 52).

An associative democracy, similar to its participatory competitor, acknowledges the necessity of citizen inclusion. The goal of an associative democracy, as articulated by Cohen and Rogers (1994, 137) is to marry the ideals of liberty and equality by radicalizing democracy. The core of a radical democracy is that "practices of free discussion among equal citizens" must constitute "the exercise of public power" (Cohen & Rogers 1994, 137), indicating that public power must not be restricted to a limited group that runs the state. Radical democrats believe that such "*statism*" (i.e. centralized authority) undermines the ability for citizens to self-govern (Cohen & Rogers 1994, 138). In turn, self-governance is necessary for values like freedom and equality. In an associative democracy, then, citizen participation contributes to self-government. An associative democracy hence seems to particularly fit well with these pillars of publicity and self-governance.

In addition, an associative democracy does not combine regulatory and executive power into one body but divides public power over so-called 'secondary associations'<sup>11</sup> (Cohen and Rogers 1992; 1994). Secondary associations play an intermediary role between corporations and the government and serve as an additional controlling body that regulates the body that exercises power, minimizing the potential for domination (Pettit 1997b). To frame this in

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<sup>10</sup> A participative government limits the practical usefulness of Rousseau's theory, since full citizen inclusion is simply infeasible in larger states (De Dijn 2018, 63).

<sup>11</sup> Secondary associations are groups that are left after identifying "primary" organizations like family or political parties (Cohen & Rogers 1994, 137, fn 7).

context of my thesis, secondary associations may provide an alternative source of control for corporations. A more heavily regulated top-down approach from the government may be ineffective to address companies' domination as this may make it less attractive for companies to interfere but does not cause a change in power structures (and hence insufficiently addresses domination) (Lovett & Pettit 2019). Secondary associations hence are well fitting with neo-republican values because of the decentralization of authority and the ability to control the decision-making process (Pettit 2014, 121).

In this subsection I have argued in favor of an associative democracy to fit the republican ideal of freedom from non-accountable domination. While different conceptions of republicanism require different types of democracies, I find that a deliberative, associative democracy is the most fitting because of its inclusion of secondary associations. An associative democracy appreciates the value of citizen participation and the notion of self-governance while distributing the power over separate bodies.

### 1.2.2 Neo-republicanism and Monopolies

This subsection claims that privatized and non-regulated monopolies are a threat to republican freedom due to their centralized power. This centralization of power provides monopolies with the opportunity to dominate their market sector by abusing their favorable market position. In addition, monopolies more easily can mingle with social and political affairs due to their enormous wealth.

A monopoly is a company that occupies a large part of its market sector, creating a centralized body of power within that market sector. A monopoly faces little to no competition in its sector, making consumers depend (or at least greatly reliant) on the services or products of that one company. The fact that consumers become dependent on a company indicates that there is an imbalanced relation between company and consumer. That is, companies have a superior power over consumers. But, as we have seen, this is not necessarily problematic from a republican perspective. Superior power becomes problematic when it is not held accountable. For example, a government also exercises superior power over its citizens, but the government's power is controlled because governmental representatives can be held accountable. Superior power of monopolies is hence specifically problematic when the power of the company, including the power of its board representatives, is not held accountable.

A monopoly with superior and arbitrary or unaccountable power is dominating the market sector. Because of this domination, the company may easily abuse its market power. It can do so for example by decreasing its prices to eliminate market rivals and maintain its monopoly

position ('predatory pricing' see Areeda & Turner 1975), or by arbitrarily raising its prices for consumers. In both situations, others (competitors and consumers) are dependent on the good will of the monopoly: the monopoly decides whether to provide room for competitors or to keep the cost of its product or service at a reasonable price. This form of dependency where the decisions of the monopoly are not held accountable is, from a republican perspective, clearly problematic: the monopoly's unaccountable domination restricts the freedom of those interacting with the monopoly. A monopoly exercising superior and unaccountable power, then, is ultimately at odds with republican values.

Furthermore, monopolistic powers are not necessarily constrained to the market sector. Great economic wealth may have social and political influence, and great uncontrolled economic wealth could potentially interfere with democratic values. Just consider that J.P. Morgan's New Haven Railroad would bribe politicians or lie to investors a century ago (Wu 2018, 62). This is of course an extreme example of undemocratic actions of monopolies and corrupted politicians, and surely not all monopolies are corrupt. But the example does indicate how strong economic power may affect the social and political sphere.

In this subsection I have argued that monopolies, specifically monopolies that are not heavily regulated by the state, are problematic because they are ill-subjected to a controlling power – and hence fail to be held accountable. Companies that have reached the status of a monopoly are of particular worry to republicans due to their centralization of power, creating a dependency of consumers and influencing the social and political realm.

### 1.2.3 Neo-republicanism and Domination

In this subsection, I elaborate on the concept of domination and argue in favor of Gädeke's (2020) structural account of domination. In the previous sections, I have limited the concept of domination to superior and arbitrary or unaccountable power, but the concept of domination presupposes a question of who dominates, how they get power, and who are dominated: a question that is not answered consistently by republicans<sup>12</sup>.

Dorothea Gädeke (2020, 4) provides the following scenario in her paper 'Does a Mugger Dominate?': "Imagine you are walking in a park in the twilight. Suddenly, a mugger points a gun at you, threatening to shoot you if you do not hand over your valuables. Is this an instance of domination?" The common republican response to this question is 'yes, the mugger dominates' (Pettit 1997a, 68-69). You are subjected to the good will of the mugger; he has a superior

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<sup>12</sup> See the debate on interpersonal (e.g., Pettit 1997b; Laborde 2013) vs. structural domination (e.g., Young 1990; Thompson 2013).

and arbitrary power over you. Pettit reasons that if “the penalty for interfering was too great and too credible”, the offender would likely not have interfered (Pettit 1997a, 68). Gädeke, however, claims that not everyone who is held at gunpoint is necessarily dominated. She distinguishes between ‘opportunistic forms of power’ and ‘structurally constituted forms of power’, and which type of power is executed depends on the social context (Gädeke 2020, 7-11).

To illustrate, consider again the sexist society Mantopia. Because of the sexist norms and practices, men can offend women and face no penalty. Men offending other men, on the other hand, do have to worry about their consequences. There is hence a structural difference between male and female victims regarding the consequences the offender faces. A woman being assaulted by a man can of course press charges, yet this will almost certainly achieve nothing: she will not be compensated, and the man will not face a penalty. If a male victim would press charges, the offender would most likely be sanctioned.

Now consider Gädeke’s mugging case happening in Mantopia (cf. Gädeke 2020, 7-10). A man is walking through the park and a male mugger<sup>13</sup> sees his chance to interfere with him. The surroundings were in his advantage: it was twilight, and presumably there were no people around to stop the mugger. Yet, according to Gädeke, this is not an instance of domination, even though the male victim held at gunpoint is at that moment subjected to the will of the mugger. The circumstances were favorable to the mugger, which allowed his interference with the male victim. But, the mugger, if caught, would likely be sanctioned. Gädeke (2020, 8) describes this as opportunistic forms of power.

If the man walking through the park would be a woman, however, she *would* be dominated by the mugger. Whereas the mugger and male victim enjoy political equality in Mantopia, the mugger and female victim stand in an asymmetrical political relation with each other. Because of the sexist norms and practices in Mantopia, the mugger will most likely not be held accountable for his deeds if he mugs a woman. Gädeke (2020, 8) refers to this as domination, thanks to a structural or robust capacity to interfere.

With her sexist gunman example, Gädeke exposes an underdeveloped element in Pettit’s account of domination: the necessary component of underlying societal structures to realize domination. According to Pettit, societal structures may “facilitate” domination and could lead to “*potential* domination” (Pettit 2012 as cited in Gädeke 2020, 13, original emphasis), but they

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<sup>13</sup> The addition of *male* is necessary: the dominated relationship, as I will explain, is not mugger-victim, but in fact a male-female relation because of the underlying sexist norms and practices in Mantopia.



never dominate themselves. As Pettit states: a dominating agent must “*always* be an agent” and “cannot just be a system or network or whatever” (Pettit 1997b, 52, my emphasis).

Yet stating that societal structures merely ‘facilitate’ domination does not do justice to the importance of these societal norms and practices. The mugging example in Mantopia shows how the mugger performs the same action when mugging a male or a female, but the consequences for the action are different. The societal context (set by underlying societal structures, like the sexist norms and practices of Mantopia) determines whether the action was merely an opportunistic exercise of power or involved a robust capacity to interfere. Such a robust capacity to interfere is only possible thanks to underlying societal structures, and domination is dependent on a robust capacity to interfere. Thus, societal structures *constitute* domination and not merely facilitate it (Gädeke 2020, 13).

The shift from ‘facilitator’ to ‘necessary component’ implies that the relation between dominator and dominated is not a dyadic one. This relation necessarily includes the norms and practices of citizens that maintain societal structures. The domination is hence a triadic relation between the dominator, the dominated, *and* society itself (Gädeke 2020, 9). Dominating power relations hence extend to an impersonal<sup>14</sup>, or “systemic”, realm (Gädeke 2020, 13).

This has two important implications: first, to refrain oneself from any potential interference does not eliminate the instance of domination. Consider again Mantopia. Here, it would not make a difference for women to refrain themselves from any interference with men. Women, *even when not in contact with men*, are dominated *because* of societal norms and practices. Although only the female victim may be personally subjected to the will of the mugger, all women in the park (e.g., women hiding behind a tree to avoid being mugged) are systemically subjected to the underlying societal structures. Systemic domination is problematic because it exposes these women to vulnerability in a similar way as the female victim is vulnerable to the

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<sup>14</sup> The difference between personal and impersonal is a slightly awkward choice in term, so some clarification may be useful. In the literature, there are really three types of domination. Personal domination both consists of an ‘agentive’ and a ‘systemic’ account (Laborde 2010; Hayward 2011). Agentive domination relates to the physical characteristics of the dominator that allow her to dominate another individual (or group) and hence is ‘personal’. The systemic account, on the other hand, resembles the account put forth by Pettit. In this sense, the relation is ‘impersonal’ and relates to a relational structure between dominator and dominated, like the master-slave dynamic. This impersonal account is independent of the person’s resources (Laborde 2013, 57). For Gädeke, advocating both interpersonal and systemic domination, personal domination implies those relations where a clear dominator can be appointed (as with the master-slave) and impersonal domination relates to situations where there is no actual dominator, yet domination occurs through structures and norms embedded in society (Gädeke 2020, 12). Hence, Gädeke’s personal account reflects Pettit’s and Laborde’s ‘impersonal’ account, and Gädeke refutes Laborde’s personal account completely because it does not acknowledge the necessity of underlying societal structures (Gädeke 2020, 12, see particularly fn 37).

mugger's will<sup>15</sup>; all women are dominated by the same “dominating power structure” (Gädeke 2020, 14). A structural account of domination hence captures the essence of republicanism, where being subjected to the will of someone else – even if it is ‘just a system or network’ – is *always* a moral wrong.

Second, addressing the problem of domination requires changes in underlying societal structures. In the case of Mantopia, it is not the women that should have to hide behind a tree or stay at home in order to avoid interference, nor should they all start carrying a knife; making it highly unattractive for the mugger to interfere with them is not enough<sup>16</sup> (Lovett & Pettit 2019, 3). Non-domination requires that the mugger is equally likely to be held accountable when mugging women as when mugging men. It requires that when the mugger mugs the woman, it is because the woman is unlucky to have been there at that moment (opportunistic form of power), not because the mugger was waiting for a *woman* in particular (cf. Pettit 2014, 142). For this to be achieved, society must adapt its sexist norms and practices in such a way that it leads to emancipation from the dominating power of men over women, or ‘anti-power’, to use Pettit’s term (Pettit 1996). Indeed, addressing domination requires “robust non-interference” (Lovett & Pettit 2019, 3). Since domination is constituted by societal structures, changes in societal structures may provide such anti-power and generate such robustness.

This subsection has argued in favor of a structural personal account of domination as provided by Gädeke. Her account is particularly strong as she underscores the necessity of underlying societal structures to realize domination. This structural account of domination implies that one is dominated even when actively trying to avoid contact, and that non-domination requires a change in societal structure.



This chapter has advocated for a neo-republican framework to analyze the power dynamics between tech companies and society. Neo-republicanism is a tempting framework as it explicitly focuses on the source of freedom by including the additional dimension of depth: who has the ultimate decision power? Furthermore, this chapter has applied the concept of freedom as non-domination in order to formulate a desired state and market organization as well as further narrowed down the definition of domination. These building blocks are the need for a

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<sup>15</sup> And *not* because it could potentially turn into actual domination, as Pettit would argue (Gädeke 2020, 13).

<sup>16</sup> This contradicts Pettit himself when he states that an offender would likely not have interfered if the penalty was too high. An increased penalty *also* makes it unattractive to interfere, but if we follow Lovett and Pettit, then this will not address domination.

democracy, a distaste for monopolies, and a necessity in recognizing underlying societal structures that constitute domination. These features help to (1) investigate how tech companies dominate society and (2) how to formulate a solution to mitigate their domination. Chapter 2 focuses on the first, Chapter 3 on the latter.

## Chapter 2: The Domination of Tech Companies

In this chapter I analyze the power of tech companies and claim that the power of some of these companies has led to their unaccountable domination over society. These companies are dominating because of three factors. First, these companies have certain features or characteristics that make them extremely powerful: vertical integration (i.e. their own distribution chain), their use of artificial intelligence, and their global reach. Second, societal structures, norms, desires, and values contribute to and uphold the value of the products and services these companies offer. Third, due to their economic size and wealth, these companies influence the social and political domain as well. In section 2.1 I will show that these three factors make companies extremely powerful. In section 2.2 I will argue that these companies dominate society because their superior power is not held accountable.

### 2.1 The Power of Tech Giants

In this section I argue that some tech companies ('Tech Giants') are especially powerful. I claim their power lies partly in specific powerful features (vertical integration, AI, and global reach); partly in underlying societal structures; that is, these companies' products and services are so beneficial to society they have become part of the liberal-democratic mindset of the 21<sup>st</sup> century; and partly in their social and political influence. In 2.1.1 I discuss their powerful features, in section 2.1.2 I discuss underlying societal structures that contribute to these companies' power, and in 2.1.3 I discuss their social and political influence. But before I continue, let me first elaborate on the term 'Tech Giant'.

Under the term tech giant, I include – but no limit myself to – Alphabet (Google's parent company), Amazon, Facebook, Apple, and Microsoft, also referred to as the Big Five<sup>17</sup> or GAFAM. These companies have a monopoly in a specific subsector in the tech market: Google for search, Facebook for social networking, Amazon for retail, Apple for integrated hardware and brand, and Microsoft for software<sup>18</sup>. *Figure 1* illustrates the market value of these five companies, which combined is close to a fifth of the

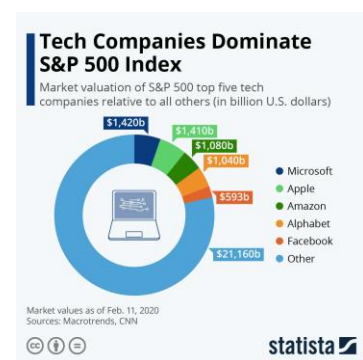


Figure 1: Market value of S&P 500 Index.

<sup>17</sup> It is disputed which companies should be included exactly. For instance, Galloway (2018) argues that Microsoft no longer is part of the Big Tech, since the 'desktop era is over'. However, Microsoft remains one of the largest software providers and has been on top of the stock market for many years, which arguably makes it a Big Tech company.

<sup>18</sup> Although initially this split was clearly visible, the companies are now overlapping each other's markets as well. Take for instance Google Home and Alexa (voice commanders by Google and Amazon), or the competition in advertising between Google and Facebook (Foer 2018; Galloway 2018).

market values of the S&P 500 top companies combined. For the past years, these companies have occupied the first six positions in market value according to Fortune 500 (2020). ‘Tech Giant’ still seems too small of a term to do justice to the value of these companies. I now turn to these companies’ powerful features.

### 2.1.1 Tech Companies’ powerful features

In this subsection I claim that there are certain features that make a tech company particularly powerful. These features include the fact that these companies have their own product distribution (‘vertical integration’), the use of Artificial Intelligence (AI), and global reach, specifically thanks to the internet. Business professor Steve Galloway includes these features in his ‘T-algorithm’<sup>19</sup> (2018, 176-194), a formula that likely leads to success, according to Galloway himself (2018, 176). These features indeed provide a solid base for the company’s power. Of course, achieving the status of a monopoly requires more than simply following some steps. Tech companies may be powerful without the inclusion of these features, and tech companies may not be powerful with the inclusion of these features. But these features are specifically useful for the products and services these companies provide. This in turn facilitates network effects, contributing to the monopolistic tendencies of these companies.

**Vertical integration** implies whether the company has control over its own distribution chain. Controlling one’s own distribution gives power to the company and enhances the company’s market position. Consider the monopoly of Microsoft at the end of previous century, discussed by Galloway (2018, 268). Microsoft created an “outstanding product” (Windows) that served as a “portal” to the company’s own products (Internet Explorer). Similarly, Amazon created the online marketplace and is now forwarding people to its own products. For example, when ordering batteries via voice commander Alexa, owned by Amazon, Alexa proposes ‘Amazon batteries’. When inquiring on different brands, it plays dumb and responds: “Sorry, that’s all I found!” (Galloway 2018, 49). The vertical integration feature hence creates an internal reinforcement cycle of the company and its products.

**Artificial Intelligence** (AI) has made it incredibly easy to not only collect data, but to analyze this data and apply it to users. AI provides the company with user insight that goes beyond anything yet seen in history. Research shows that an algorithm has a better view of you after

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<sup>19</sup> The other features that belong to the T-Algorithm mentioned by Galloway include ‘product differentiation’, ‘visionary capital’, ‘likability’, ‘accelerant’, and ‘geography’. For further elaboration, see Galloway 2018, Chapter 8. The reason I have not included these features explicitly in this thesis is because these features may contribute to achieving the status of a monopoly but become less relevant once the company has reached this status. While the monopoly status of a company is incredibly relevant for its power, the power that a company has *when it already is a monopoly* is of greater importance for the company’s domination, as this focuses more on a structural political inequality.

150 Facebook likes than your family and performs equally well with your partner around 300 likes (Youyou, Kosinski, & Stillwell 2015). This deep understanding of individuals allows for ‘micro-targeting’, where individuals receive personalized advertisements, improving the output<sup>20</sup>. AI hence delivers great results yet requires few employees or costs. The benefit of AI is most visible in combination with social media and advertising platforms (lots of data input) but is also embedded in the services and products of other giants, like the application stores of Google and Apple. In addition, AI improves the company’s product and/or service over time by analyzing the collected data. For example, Google’s search engine collects and analyzes data of previous searches, improving the software significantly. Whereas usually products or services become less useful over time, AI software becomes more powerful.

The last feature to discuss is the **global reach** of these companies. The rise of the internet has significantly increased the consumer base. Although not all tech giants necessarily require a great consumer base, it often contributes to efficiency of these companies’ services or products. As we saw with AI, Google improves with more users. Hence, a greater consumer base is useful for its efficiency and accuracy, even if Google’s functionality itself is not depending on having a large consumer base. Facebook, on the other hand, does require a large consumer base. Without users, Facebook would never be able to fulfil its goal to ‘connect the world’. Global reach is hence important as it provides these companies with the fuel for their product or service.

Indeed, the products and services these companies offer contribute to their monopolistic tendencies. This is thanks to so-called ‘network effects’. Network effects are the reinforcing cycle that make it convenient for users to stick to this one company. These network effects, ingrained in these companies’ vertical integration, their use of AI, and their global reach, contribute to and – when successful – maintain the status of a monopoly. These tech giants, because of these network effects, may become ‘natural monopolies’, a form of monopoly where it makes sense that there is only one company that offers the service.

Such a natural monopoly may exist because of ‘replication effects’. For example, if one company lays an electrical cable, it makes little sense for another company to lay down a new cable: it is inefficient to replicate the pipe structure. The company that first lays down the pipeline hence ‘naturally’ has a monopoly over the electrical cables.

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<sup>20</sup> The threat to democratic norms and values lies for a great extent in big data analyses (see Macnish & Galliot 2020) ([this sentence is what happens when you rely on the passive voice. Instead, try this: “Big data analyses generate a serious threat to democratic norms and values.” So much better.](#) The huge amount of data available nowadays enables the companies to discover hidden patterns, facilitating targeted advertising. This allows for nudging and manipulation, potentially leading to identity reduction of people and polarization of the online sphere, which all negatively contributes to democracy as an individual becomes less informed on different opinions (Mill 2003, specifically ch. 2).

Network effects work in a similar fashion, but, instead of replicating a physical infrastructure, the ‘naturalness’ of the monopoly lies in the line of efficiency of the product or service that the company offers that is often parallel to the size of their consumer base. Indeed, also Amazon, Microsoft and Apple enjoy the benefit of these network effects. Like Google, these companies all use AI to improve their systems. The more people that use your service, the better your service will become. The goal for tech giants is thus to become number one as quickly as possible, because once you are number one, you are the most logical company for people to turn to. This indicates the power of network effects: once such a network has been established, it requires active effort or collective action and synchronization of individuals to move over to a new company, which often proves difficult<sup>21</sup>.

In the previous paragraphs I have argued that there are some features (vertical integration, AI, and global reach) that contribute to a company’s powerful status. While there are many other features that also influence a company’s power, these features are specifically important as they facilitate network effects that may contribute to the status of a monopoly. Thanks to network effects, the companies that are the first to enjoy these effects become the standard for their particular product or service.

### 2.1.2 Underlying societal structures

In this subsection, I argue that society contributes to the power of tech giants because of underlying societal structures, like economic and social ones. These societal structures fit well with the products and services offered by tech giants: these companies provide comfort, efficiency, and easiness.

Society is structured in a way that contributes and enforces the power of tech giants. On an individual level, this structure is seen in the comfort these companies offer their consumers<sup>22</sup>. Specifically, the use of artificial intelligence provides consumers with comfort, efficiency, and easiness: a quick search on Google to settle an argument, easily adding a new acquaintance to your network on Facebook, last-minute ordering a present that on Amazon still arrives on time, and so forth. These companies undoubtedly have improved at least some aspects of life by

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<sup>21</sup> People do try: Signal in the Netherlands is a privacy focused app similar to Whatsapp; or DuckDuckGo, a privacy focused alternative to Google. Although DuckDuckGo is much more of an individual choice to switch to than Signal, as long as the recommendations are greatly behind Google’s, it will be an imperfect solution.

<sup>22</sup> Tech giants’ products and services require a certain amount of material wealth. Surely not everybody in a liberal-democratic society enjoys such wealth. Since on average, most people in liberal-democratic societies own a smartphone and/or a computer which enables these services, I have taken this as a standard for my argument. However, material wealth raises interesting issues of social injustice that I unfortunately am not able to address in this thesis, yet an interesting direction could be to combine the capability’s approach (Sen 1980) with the dominating tendencies of tech companies.

providing comfortable and efficient access to cheap convenience, and the benefits can make it difficult for consumers to exit these companies.

The fact that these comfort-improving companies have risen to power suggests that most people in society appreciate these companies' products and services and the benefits they bring. Regardless of whether these companies caused society's interest or whether these companies made society interested in them, if (the majority of) the people did not care for the benefits these companies provide, these companies would likely not have grown to the size they are now. This implies that people in a society – at least to some extent – contribute to the power of these companies by using their service.

On a broader governmental level (local and national), these companies similarly provide valuable benefits that has continued the expansion of these companies. They may bring great capital to the city or country in which they reside, be it thanks to the job opportunities they provide for the area or for other reasons. Indeed, the market values of these companies indicate their economic worth, and currently, most liberal-democratic societies support profitable companies. In this sense, cities and countries contribute to the power of these companies by providing them with good deals to settle in their area (Shane 2019).

Society's structures (or the mindset that upholds society structures) favors the existence of these companies for comfort and economic reasons. Society's positive attitude (both on a private and public level) towards the benefits of these companies' products and services has contributed to their power. While the powerful features mentioned above are great contributors to the power of these tech giants, without society's 'approval' of these companies, they would not be tech *giants*.

In this subsection I have argued that society contributes to the power of tech giants by using and/or supporting their products and services for private and public reasons. The benefits these tech giants bring fit well within a liberal-democratic 21<sup>st</sup> century mindset of comfort and economic wealth. Thus, not just powerful features but also underlying societal structures contribute to and maintain the power of tech giants.

### 2.1.3 Economic, social, and political influence of tech companies

In this subsection, I argue that these companies' network effects and these companies' benefits for society contribute to monopolistic tendencies, and show that the monopolistic tendencies of tech giants have enabled these companies to occupy a powerful position in not just the economic but also the social, and political domain.



First, how do these tech giants become actual giants? In the previous two subsections I claimed the power of these tech giants is rooted in both powerful features and underlying societal structures. Indeed, the combination of these two factors may convert these companies to monopolies. As stated in 2.1.1, the inherent goal of the product or service of tech giants often go hand in hand with network effects. Network effects make it more convenient for people to use the service that brings them the most benefits. However, whether the company actually achieves a monopoly status also depends on societal structures: does society consider their business beneficial enough that the ‘necessary number’ of people<sup>23</sup> will engage with the company which turns a company into a monopoly? If this is the case, the company may become a monopoly.

These monopolistic tendencies provide the company with greater economic power. This economic power creates a reinforcing cycle. More economic wealth enables the companies to buy out competition (e.g., Facebook acquiring WhatsApp and Instagram, see Wu 2020, 158), which in turn strengthens their number one position in the sector. In addition, greater economic wealth makes these companies more attractive from an economic point of view. Hence, local and national governments are more likely to support these companies because of the value they bring to the city or country.

Furthermore, the effect of monopolistic tendencies is not limited to the economic sector but stretches into the social and political domain as well. We see this in material and public infrastructures, for example in Baltimore, USA, a city – including its local government – that is slowly infiltrated by Amazon (Shane 2019). Amazon taking over the city of Baltimore is not inherently problematic, but it does show the powerful effect of monopolies.

When discussing more problematic social and political influence, critics commonly discuss the online sphere, specifically the social media and advertising sectors. They focus on the surveillance of big tech (Johnson 2019), which allows for manipulation (Susser, Roessler & Nissenbaum 2018; boyd and Crawford 2012), which in turn facilitates demagoguery and sophistry (Kinkead & Douglas 2020, 120). Certainly, not all the services these companies provide are inherently problematic (I personally encourage getting a good reply or staying in touch with people from around the world). Nevertheless, the power embedded within these services may bring hidden and surprisingly high costs. One painful reminder of such a cost is Myanmar’s genocide, in which Facebook played a major role (Mozur 2015). Although Facebook may not

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<sup>23</sup> The ‘necessary number’ of people is of a vague indication, yet this number depends on the product or service the company provides: is the company more useful on an international level, or already significantly useful in just one city, to what extent does the company use a material infrastructure, etc.

be the direct cause of the genocide, it did play an assistive role in the spreading of hateful messages

These examples show that these tech companies – be it companies that are in business of retail, advertising, or social media – have the potential to interfere in the social and political realm. But according to the neo-republican conception of liberty, interference is not a bad or wrong in itself. Its wrongness depends on the *way* how the interference is done. Indeed, interference of these giants may be inevitable and/or desirable.

Inevitably, all companies must interfere with your choices in one way or another. Take a query on Google: it is impossible to show you all the possible answers to your search query simultaneously. Google search engine must make a decision as to what comes up all the way on the top of the first page; which answers make it to the first page; and which ones will end up on the untouched and never-ending ‘ooooogle’ pages. Besides practical limitations, in certain situations interference with what we see is perhaps avoidable, but desirable. Facebook has tens of thousands of ‘cleaners’ (*The Cleaners* 2018), removing pictures ranging from gross, to horrific, to assaultive. Sure, by ‘interfering’ with what pictures are deleted, Facebook ‘decides’ what we see. However, I doubt many people will contest the benefits this cleaning brings. These inevitable or desirable interventions by tech companies should be considered when making statements on their exercise of power. Indeed, while we are not always able – and in some situations should not want – to avoid interference, the exercise of such power must be done justly, in a non-dominating manner.

To refresh the memory, the republican line of thinking states that a person is dominated when she is subjected to a superior, arbitrary power. Such an arbitrary power implies that the dominator has a robust capacity to interfere: the dominator’s interference is unlikely to face severe costs or consequences. Hence, the dominator is not held accountable for his interference. In order to make a judgment whether the potential interference of tech companies is arbitrary requires an investigation into the consequences these companies face regarding their actions.

In this subsection, I have argued that the tech monopolies occupy an extremely powerful position due to their economic, social, and political influences. As monopolies, they have been able to extend their reach beyond the economic realm. They take over cities, they decide for people what to buy and what to think, and they may even have played an assistive role in a genocide. Although interference is not necessarily problematic (indeed, it may be inevitable and/or desirable), the question is whether their interference is held accountable.

In this section, I have shown that tech giants, focusing on the GAFAM tech monopolies, occupy a superior power position in society. Their power is grounded in the features of vertical

integration, AI, and global reach that provide the company with a robust foundation for their product or service that often entails network effects. In addition, social and economic structures increase the power of technological companies. Both these factors contribute to these companies' monopolistic tendencies and their power. But we should be weary: monopolies, because of their power and size, may interfere with society, and perhaps in such a way that this interference is not sufficiently held accountable. This creates the possibility that monopolistic tendencies turn into dominating tendencies. In the next section, I will investigate this possibility.

## 2.2 The Lack of Accountability of Tech Giants

In the following paragraphs, I claim that the superior power of tech giants is not adequately held accountable. Their powerful features and societal structures that contribute to their monopolistic tendencies make these companies especially important in society. So important, that they have the ability to exercise their power without being held accountable. This is partly due because society treats these companies in favorable ways. Examples of this special treatment include tolerating or ineffective sanctioning of questionable behavior or providing tax favors to these companies<sup>24</sup>. Another way how these companies are not held accountable is because their products and services have become so deeply embedded within society that it is difficult or burdensome for society to exit these companies. Let me start with their special treatment.

My first example of ways in which these companies are favored is the toleration of questionable behavior. One example of questionable behavior is the bad treatment of employees. Although not all tech monopolies treat their employees bad, some concerns have been voiced in the employment sector of these tech giants. For instance, Amazon requires its employees to finish an order within a particular time (Shane 2019). If the employee fails, he is out. Of course, employers expect productivity from their employees. Yet, according to an Amazon employee, Amazon has created an "eerily inhuman warehouse culture" (Shane 2019). More companies are known for poor employee treatment. Take for instance the factories in China that produce the iPhone, infamous for their anti-suicide nets<sup>25</sup>. Yet even though this is public knowledge, people still use Amazon and people still buy iPhones (myself included). These companies can treat their employees poorly whilst maintaining a powerful market position, suggesting that this questionable behavior is tolerated in at least some extent.

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<sup>24</sup> Surely, these aspects are not limited to the tech sector: in all market sectors, similar examples can be brought forth. My point is, however, not to show that these tech giants are the only corporations that are powerful or even dominating; my point is to show that they are powerful to the extent that society does not hold these companies sufficiently accountable for problematic actions.

<sup>25</sup> Note that the employees of iPhone factories or not officially employed by Apple but by Foxconn. I am restricted by the scope of this thesis to discuss Apple's responsibility regarding this matter.

A second way in which these companies are favored is by means of inefficient sanctions on questionable behavior. Unlawful actions like privacy violations or market abuse are sanctioned in such a way that seem to have little effect on the market value of the company and hence on its monopoly position. Facebook, for instance, has received several fines, last year even a stunning 5 billion dollars fine for privacy violations (Kang 2019). Yet, these fines do little actual harm to the company (5 billion dollars sounds a lot, but when a company makes a 55 billion dollars profit in the previous year, the fine becomes manageable). Similarly, the European Union has fined Google several times for abusing its market power (European Commission Press Release 2019). Indeed, whether these fines are truly effective is questionable. Both Google and Facebook are still in the top 6 of the most valuable companies (Statista 2020b). This shows that even though these companies face some sanctions, it has little effect on their favorable position in society.

A third element of special treatment these tech companies may receive is in the shape of tax favors. For instance, when Amazon had to decide on a city for its second headquarters, many cities were incredibly eager to have Amazon settle in their city. After all, Amazon did promise an incredible amount of 3.8 billion dollars in subsidies to the city (Shane 2019). In order to convince Amazon to settle in their area, cities were outbidding each other by making promises and offers to Amazon, such as reduced taxes (or even turning city lights to ‘Amazon Orange’, see Green 2017). Although this particular example of tax favors is limited to Amazon, it is not unimaginable that a company that would bring in similar wealth as Amazon does could also be favored by local or national governments.

These three examples of special treatment suggest that tech giants hold such a strong position in society that despite questionable practices, they remain incredibly powerful. Indeed, these examples highlight the societal structures like the economy or social habits that contribute to the power of these companies: people and cities continue to use the services provided by these tech giants. Yet, these structures not just highlight their power, they highlight their *unaccountable* power.

To support this claim, I use the Facebook-Cambridge Analytica scandal (henceforth, Facebook-CA scandal). This example shows the different consequences for these two companies after the scandal went public. Whereas Facebook still exists today, Cambridge Analytica filed for bankruptcy.

In early 2018, it came to light that data from Facebook users was used by the company Cambridge Analytica (CA) to influence the 2016 US elections (*The Great Hack* 2019). The

data was collected through an app, which approximately 300.000 people downloaded<sup>26</sup>. By consenting to the download, these people unknowingly consented that the data of *their* connections was also shared, expanding the number of people whose data was collected from 300.000 to 87 million people<sup>27</sup>. Thanks to the data the app provided (likes, friend connections, posts), individuals were profiled and categorized into Democrat, Republican, or those that had not yet decided (Clark 2018). Specifically, the last category was targeted, as these people were most susceptible to be steered in a certain political direction. Although there is no complete certainty about the actual impact of CA on the elections, Trump's campaign was based on the statistical models of CA. This, in combination with the huge difference in Facebook advertising (nearly 6 million Facebook ads for Trump as opposed to Clinton's mere 66.000 ads, see Clark 2018), surely suggests that Cambridge Analytica, using Facebook's data, did not have any negative effects on the campaign.

This scandal shows an unjust exercise of power by both companies: they knowingly interfered with millions of people without giving them the opportunity to contest that these companies use their data. They used data to steer individual and mass behavior by infiltrating with democratic norms and values through manipulation of information. These users were manipulated into a certain direction without given a choice to not participate. Yet while both companies exercised power unjustly, I claim that only Facebook can be said to be *dominating* society and that CA's exercise of power was more opportunistic.

To recap, opportunistic forms of power refer to actions and do not necessarily create a structural political inequality. Only a robust capacity to interfere creates political inequality and leads to domination. Even though both companies were extensively criticized for their privacy violations after the scandal became public (e.g., Adams 2018; Chang 2018), Cambridge Analytica had to file for bankruptcy; its reputation was damaged irrevocably. Facebook, on the other hand, remains the largest social network available in the world. Although Facebook faced some sanctions – Zuckerberg had to testify for the US Congress on its practices; the company had to pay several fines – Facebook's reputation was not damaged so severely that the world unanimously decided to stop using its service, unlike Cambridge Analytica.

This example shows that Facebook received some type of special treatment. Even though CA and Facebook both committed privacy violations, practiced superior power by their gathering and analysis of users' data, and interfered without (most of) the users' consent or

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<sup>26</sup> Numbers differ: most sources state 270.000, whereas other sources state 320.000, see Denham 2018.

<sup>27</sup> Again, sources differ. Initially the number was said to be 50 million, but later this number changed to 87 million citizens worldwide, of which the largest group (70 million) were US citizens. See Facebook, Inc. (2019).

knowledge, for CA it was game over when the interference became public. Unlike Facebook, Cambridge Analytica was held accountable for its action, and hence missed the *robust* capacity to interfere. Facebook, on the other hand, was able to interfere without severe costs attached, indicating its robust capacity to interference, and hence domination over society.

So, why does Facebook have this robust capacity to interfere?

Facebook has a robust capacity to interfere because societal structures maintain Facebook's power. This is seen in the difficulty to opt-out of its service. When this scandal became public, Facebook was by far the largest network company. For Facebook to face the same fate as Cambridge Analytica, it would have required too many people who all would have had to decide to stop using Facebook's services. This, as history shows, did not happen. There is no good alternative available to turn to: it is the power of network effects. In the case of Facebook, things are even more complicated. Even if you as an individual decided to stop using Facebook's service, Facebook can still track your data as Facebook is able to monitor people that do not even have an account (Privacy International 2018). The possibility to 'opt-out' is hence both collectively as well as individually difficult.

Tech giants share this difficulty to 'opt-out'. Once the company has secured its number one position in its sector (as the Big Five have managed to do), the company becomes the standard, the 'default option', in its product or service. From this moment, it often requires active effort to opt-out, that is, choosing a different service or company. Being the default option provides the company with extra power: people tend to conform to the default option (e.g., the donor opt-in or opt-out default, see Johnson & Goldstein 2003). Take for instance Microsoft, the largest software provider (Statista 2020c). Most computer hardware (Apple excluded) is delivered with Microsoft's operating system (Windows). Although I have the choice to use a different operating system, like Linux, this requires physical effort. I hence am more likely to stick with Windows. Even if it is possible to completely withdraw yourself from these companies, this would be burdensome and inconvenient (as someone who has quit Google shows, see Coca 2019).

The fact that it is sometimes undesirable or difficult (and sometimes nearly impossible) for society to quit the tech giants supports the claim that tech giants have unaccountable power for two reasons. First, these companies do not try to make it easier for you to choose a different option. Indeed, the fact that it is society and not these companies who must make a burdensome effort to quit these companies indicates that the power scale is tipped towards these companies. This suggests that the legal, social, and political sectors do not hold these companies sufficiently

accountable<sup>28</sup>. If they did, these companies would likely have succumbed under societal pressure and have lost their monopoly status. Instead, the social pressure they have received over the past years may have affected their power to some extent, but apparently not enough to lose their monopoly status. Second, because of their monopoly status, the market also does not adequately hold these companies accountable. These companies have managed to fight back potential competition, leaving society more inclined to use their service which in turn protects these companies from bankruptcy, as exemplified with the Facebook-CA scandal. The difficulty to fully exit these companies shows to what extent these companies have integrated with societal structures, and to what extent societal structures do not hold the power of these companies accountable.

Earlier in this chapter, I established that tech giants have superior power over society. I now have claimed that they also have an unaccountable power – seen in the special treatment these companies receive and the difficulty to opt-out – that provides them with a robust capacity to interfere with – and hence dominate – society. This capacity creates an unequal political relation between these companies and society. Society is subjected to the good will of these companies, because these companies have the possibility to interfere with society without being held accountable.

At this point, I must make two comments. The first relates to the difficulty to ‘opt-out’. Although this may indicate the unaccountable power of these companies, it is not *because* of this difficulty that these companies dominate society. As I claimed with the women in Mantopia, hiding behind trees and avoiding men does not solve the instance of domination. Although in these situations, women may not be personally subjected to their power, they still are dominated systemically. Similarly, even if you withdraw yourself completely from these tech companies, you may no longer be personally dominated, yet you still live in a society with underlying societal structures that constitute a systematic domination. Indeed, a runaway slave will always remain a slave to the master he ran from, unless legal, social, and political sectors force the master to acknowledge that the slave no longer is a slave.

Second, so far, I have referred to the power of tech *companies* and addressed the political inequality between these companies and society. Yet this inequality is not merely between these companies and society, it is between those that make the companies’ decisions with society as well. A government’s authority is legitimate when its representatives can be held accountable

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<sup>28</sup> Until perhaps this summer, when the Big Four (Google, Apple, Facebook, and Amazon) were required to testify on their monopolistic tendencies for US Congress, these companies would always dodge major investigations regarding their influence on society.

and it is illegitimate when they cannot. Although I have been referring to these tech companies as an agent, it must be kept in mind that these companies are controlled by an individual or group with particular interests. Thus, to be exact (and without getting into a discussion regarding the term ‘agency’), people that control the companies’ actions constitute the companies’ domination. For the sake of argument, however, I will continue to refer to this domination as the domination of tech companies.

In this section I have argued that tech giants have unaccountable power due to their powerful position in society. Society favors these companies because of this powerful position. Partly thanks to this special treatment, certain questionable actions (like the Facebook-CA scandal) do not result in severe consequences for the company. Another reason why these companies may not be (sufficiently) held accountable for their actions is because of the monopolistic tendencies of these companies, making it difficult to quit these companies. Societal structures support and continue the power of tech companies, indicating that there is a structural domination of tech companies over society: even when not personally subjected to the actions of these companies, one remains dominated because of societal norms and practices.



This chapter has investigated the question how tech companies dominate society. I have shown that tech companies have a superior power position in society thanks to their technologies (AI) and other features (vertical integration, global reach) and the products and services they provide. I claimed that these technologies and services inherently contribute to these companies’ monopoly status because of network effects, and, additionally, that their products and services are beneficial to society which further contributes to their monopolistic tendencies. I have also argued that the products and services of these companies have become part of society’s 21<sup>st</sup> century mindset: they are embedded within society’s wider social and economic power structures. This is crucial, as it has led society to treat these companies in favorable ways and has made it difficult to exit these companies. Tech companies hence have a superior power that is not held accountable by neither the social, political, or economic sector because of underlying societal structures and their monopolistic tendencies that maintain their powerful status. This superior and unaccountable power has provided these companies with a robust capacity to interfere with society: in other words, these tech giants dominate society.

To address this domination, neo-republicanism demands *robust* non-interference, and as we saw in the previous chapter, such robustness demands a change in society’s structures. A change



of structure focuses on the source of power instead of its consequences. And only by addressing the source of power can we create a robust solution that addresses the problem of domination.

## Chapter 3: Mitigating Domination

In this chapter I argue in favor of a co-determination approach to corporate policies to mitigate domination of tech companies over society. Co-determination requires a minimum of employees on the supervisory board of a company. This means that the power of the company is necessarily spread across groups that presumably have different interests. The company itself therefore remains in a superior power position over society, yet its unaccountability is addressed through a democratic participative market structure.

This chapter is structured as follows: I first zero in on potential possibilities to mitigate domination. In section two, I elaborate on the anti-trust regulation as the main solution to deal with the power of tech giants. In section three I object the neo-republican argument in favor of anti-trust regulation and claim that it does not provide a stable policy equilibrium for tech companies. In section four, I argue that greater citizen participation should be the base to address unaccountable domination of tech companies over society: to incorporate secondary associations in a more democratic participative framework. Although this solution does not necessarily require breaking up the monopoly, it still addresses republican concerns regarding monopolies because of increased citizen regulation.

### 3.1 What are the options?

In this brief section I investigate several possibilities to mitigate domination. I conclude that self-regulatory solutions are inefficient as they maintain a dichotomy between the dominating and dominated group. Hence, I argue that in order to adequately address domination of tech companies, external measures must be taken.

First, let me recap the essentials of neo-republicanism. Neo-republicans understand freedom as non-domination. That is, to be free from a superior and arbitrary or unaccountable power. This freedom from domination ultimately looks at the source of one's freedom and whether an individual is the final authority over her decisions or if her decisions are dependent on the unaccountable will of someone else. The element of unaccountability is key: if her decisions are dependent on someone else, does she have the possibility to contest this decision (e.g., governmental authority) or can her decision-maker interfere with her without having to face (severe) constraints. Hence, to mitigate domination, the remedy is to either address the superiority of the dominator or the arbitrariness of the exercise of power, that is, to address the dominator's unaccountability (Pettit 1997b).

In Chapter 2, I argued that tech giants structurally exercise their power in an unaccountable dominating fashion over society due to their monopolistic tendencies rooted in (1) specific features of these companies and (2) the fact that these companies are so beneficial to the current

mindset of society. To address their dominance, we must then either equalize power relations between these companies and society or prevent arbitrary exercise of power. This may be done through internal or external ‘fixes’. The internal fix (self-regulation) would demand addressing either their features or society’s dependency: it would significantly reduce the superiority of these companies and hence their domination.

An example of an internal fix includes that companies regulate each other for non-dominating behavior. But this does not actual solve the instance of domination. Imagine, again, Mantopia, and assume that all women in Mantopia have made a deal to not be in contact with men again because of potential abuse. As a response, the men decide to control each other’s behavior: if one of them abuses a woman, other men will ensure that he will be held accountable for his behavior. Although in this scenario the dominating side is held accountable, it does lead to a non-dominating society: there remains a hierarchy between the men and the women, with now women being dependent on the good will of all men to *continue* regulating each other. Similarly, companies that regulate each other’s domination maintain the dichotomy between the class of companies and class of consumers. Indeed, because the domination is deeper than merely actions (cf. Gädeke 2020), the solution requires to address the structural imbalance in relation, rather than a focus on addressing unjust actions. Hence, non-domination requires an external fix.

External fixes include a controlling power that is not part of the dominating class. One could think of governmental interventions or a transformation in authoritative power. For instance, in Mantopia a way of changing the dominating structure could be by including an extra jury in legal affairs with a women’s quota that can contest the decisions made by the court. Although this may not immediately completely rectify society’s sexist norms and practices, it does provide some anti-power to women. Regarding external fixes for tech companies in specific, I will focus on the governmental intervention of ‘anti-trust legislation’ and including secondary associations in the decision-making process of tech companies. Anti-trust actions break up companies that have too much power, and hence specifically focus on reducing the superior power of tech companies by addressing their monopolistic tendencies. Changing the market structure by greater citizen participation through secondary associations does not decrease the companies’ power but brings more power to citizens that can hold the companies’ decision-makers accountable. These two possibilities are interesting to compare because of their different focus on the companies’ power.

In this section, I have supported my focus on anti-trust legislation and secondary associations as these are part of external fixes. I now turn to the possible solution of anti-trust legislation.

### 3.2 Anti-trust legislation

In this section, I provide a neo-republican argument in favor of anti-trust legislation, also known as trust-busting. Anti-trust legislation is generally seen as the primary solution to address the power of tech companies. Many critics have claimed that anti-trusts are the only way to escape the domination of these giants (e.g., Galloway 2018; Wu 2020). The aim to increase and improve anti-trust regulation was even one of the priorities of politician Elizabeth Warren in her 2020 US presidential campaign. The popularity of anti-trusts implies that no current debate regarding the power of tech companies can proceed without investigating the solution of anti-trust legislation.

The neo-republican argument in favor of anti-trust legislation rests in its objection to monopolies and their concentrated power, pointed out in Chapter 1. Let me briefly repeat the main objections. Monopolies, due to their concentrated power, may arbitrarily raise prices, create dependency of its consumers since it is the only possible option, and decrease any true potential for consumers to contest the company's decisions. Power over a market sector may lead to superior and arbitrary power over the consumer. If the company decides it wants to close down a line of consumption, the consumer does not have the opportunity to move on to a competitor. To follow Pettit's famous example: a monopoly may become the doorkeeper deciding which doors should be open or closed (Pettit 2011). In short, the concentrated power of monopolies may lead to domination over consumers.

In order to fight this domination, neo-republicans would advocate for anti-trust legislation to decentralize concentrated market power. Trust-busting causes a monopoly to lose its uncontrolled power to raise prices arbitrarily due to the competition of other companies in its own market sector. This has two important consequences for the consumer. First, by breaking up a concentrated market power, there is not just one company that has the possibility to decide for its consumers: the doorkeeper that controls the consumer's door disappears. The choice given to the consumer is solely dependent on the consumer's thinking, desires, and choices, since the consumer has the possibility to move on to a different company in case the company makes a decision at odds with the consumer's wishes. Second, because the consumer now has the possibility to make use of a different company, the consumer has the implicit potential to contest

the decisions made by the company: the consumer is no longer required to work with one specific company.

These two consequences narrow in on the neo-republican argument in favor of anti-trusts, as decentralization of power allows consumers to have a true, independent say in their choices, and consumers now can contest corporate decisions. Consumers can hence exercise power over corporations, given the market operates under ideal conditions<sup>29</sup>.

In this section I have argued that, following the neo-republican perspective on freedom and power, anti-trust regulations are a solid means to fight concentrated power. Anti-trusts create choice for consumers of the market. Hence, if they dislike the course of events of one particular company, they are free to move on to the next. In this regard, decentralization of market power ensures consumers' freedom. This freedom in choice arguably reduces any opportunity for domination. Considering that neo-republicans wish to fight concentrated power because it may lead to domination, the solution to break up companies surely seems an effective means.

### 3.3 Anti-trust and tech giants: insufficient solution

Despite the apparent attractiveness of anti-trust legislation, I will claim in the following paragraphs that it is in fact not a good solution to address the unaccountable domination of tech companies over society. I am skeptical for two reasons. First, anti-trust legislation will likely be ineffective and perhaps even undesirable due to the network effects of these companies. Second, and more fundamental, anti-trust regulation in itself does not fully address the domination problem as anti-trusts do not adequately address the republican core of publicity and self-governance.

Let me start with the first reason. While I do not aim to focus on market functionalities in my argument, I should remark on the network effects of these tech giants. If indeed these companies' network effects contribute to their monopolistic tendencies, as I claimed in the previous chapter, breaking up powerful companies could be a futile task as the products and services provided by these companies may significantly decrease in efficiency. Indeed, there is some usefulness that Facebook and Instagram are connected, as they link you to probable connections. These tech giants work more efficiently when they are used by more people, like Google and Facebook, or when users stick to Apple products since this improves consumer experience (useful to have all-Apple products). Although it is unclear whether size does indeed increase efficiency and productivity (Giocoli 2015), if this is the case, it is questionable whether anti-

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<sup>29</sup> For a description of idealistic assumptions, I follow Pettit 2006, 142.

trust legislations are both effective and desirable as they undermine the use and goal of these companies.

Besides this practical point, anti-trust legislation may not truly enhance consumers' freedom as much as neo-republicans would like. The neo-republican argument in favor of anti-trusts states that trust-busting provides individuals with more choice and less dependency on one company. Anti-trusts hence decrease the potential for any arbitrary power the company has over the consumer. The question, however, is to what extent this increased independency is actual independency or *false* independency. Let me illustrate my point by comparing the following two scenarios.

**SCENARIO 1:** Consider slave Felix and master Bertus. Felix has been with Bertus for many years and knows all the ins and outs of the household. Felix has come to be completely in charge of administration and organization of the household over the years. He knows precisely what is needed and can do his work whenever he sees fit. Bertus has become dependent on Felix for the administration and organization of his house. This dynamic has resulted in the fact that Felix is treated extremely well, able to ask favors of his master Bertus, and even able to demand things of his master. Furthermore, Felix is allowed to leave and go as he wishes, as long as at the end of the month his tasks are done.

**SCENARIO 2:** Consider slave Ruffix and master Petrus. Ruffix is new to Petrus' households, and is forced to do small tasks, meaning that Ruffix must be at Petrus' disposal at all times. Ruffix has no opportunity to leave the house, unless told to do so. Furthermore, there is no chance Ruffix can ask his master Petrus for a favor, let alone demand something. There is no wiggle-room for Ruffix to do activities independent of his Petrus.

These scenarios seemingly differ in the independence of the slaves Felix and Ruffix. In Scenario 1, Felix seems to have greater control over his own desires, as he is able to ask and demand of his master certain things Ruffix is not able to do. At first glance, it hence seems Felix has, at least to some extent, greater independency compared to Ruffix. Yet, Felix remains a slave who is still dominated by his master. Were his master to change his mind or believe Felix no longer is of use, Felix is no longer more independent than Ruffix. Even though Felix may *appear* to be more in control, he is not. When a master is benevolent, he remains a master. The political inequality between master and slave, dominator and dominated, remains a moral wrong despite the dominated being (partly) in an advantageous position. The point is, thus, that even though

Felix at that particular time does have the liberty to do what he desires, this independency is not real: it changes not when Felix decides so, but when his master Bertus does.

A similar argument can be made in the situation of companies and consumers. Surely, when consumers can only interact with one company because it dominates a particular sector, consumers may appear to be less independent due to a restriction in choice than if there were a lot of companies to choose from. Yet, what Felix and Ruffix show is that even though one scenario may appear to provide a greater independency, this is not necessarily the case. The neo-republican argument in favor of anti-trust legislation therefore does not adequately address the fact that there remains a power dichotomy between the *class* of companies and consumers. There remains a structural domination of companies over consumers, similarly to a structural domination of slave-owners over slaves. Surely, power may greatly diminish, yet consumers and the consumers' interests still depend on what the companies offer, and the consumers do not have any power back over these companies.

Anti-trust legislations are hence not a satisfying solution to mitigate domination. First, anti-trusts do not adequately attend to the interests of the consumers. Like slave Felix, while consumers may *influence* choice, they are still dependent on whether the companies decide to listen to them. It is up to the companies to *decide* to listen to the consumers, but the consumers do not have the possibility to control the decisions of these companies as the decision-power ultimately remains with the companies. This makes anti-trust legislation an instable solution as people are still dependent on the will of someone else. Hence, it is not robust enough of a solution to mitigate the systemic domination of tech giants.

Second, anti-trust legislation does not successfully address the neo-republican pillars of publicity and self-governance by upholding the dichotomy between companies and consumers. Indeed, the concepts publicity and self-governance are missing in the debate regarding policy measures to mitigate the dominating tendencies of tech companies. Jon Elster (1997 as cited in Held 2006, 246) compares consumer and political choice, and claims that the latter is public and may affect others whereas the former is private and does not. This, however, no longer holds for contemporary society. Just consider Amazon's influence on and conquest of cities (Shane 2019), or most obviously, the Facebook-Cambridge Analytica scandal. In order to justify the power of tech companies on society, we should seriously consider the source of their power as well: who decides, who governs these companies? Currently, consumers are blocked from participating in their own governance through a lack of public involvement, with or without anti-trusts.

While anti-trust legislation may be insufficient to mitigate the unaccountable domination of tech companies, it must be noted that they can do some good. By no longer being such a strong monopolistic force in the market, these companies may be more careful with their actions out of fear for their competition or simply because their decrease in wealth can no longer take financial blows. For instance, trust-busting may increase the effect of fines: if companies no longer have a seemingly unlimited bag of cash, they could become wearier of violating certain tax or privacy laws. It is hence not unimaginable that trust-breaking would – even if indirectly – have some positive effect on the power dynamics between tech companies and society. It just does not provide a robust solution because the power inequality between companies and society continues.

In this section, I have argued against the neo-republican argument in favor of anti-trust legislations. This argument is based on the idea that by increasing choice, consumer's dependency on companies is decreased, and hence unaccountable domination decreases as well. However, as the example of the slaves Felix and Ruffix shows, independency requires more than an increase in choice and the opportunity to demand certain things. In addition, anti-trusts do not correct for the dichotomy between companies and consumers. As long as this structural relationship maintains, the structural unaccountable domination continues as well.

### 3.4 Secondary Associations: the primary focus

In this section, I propose a solution to mitigate unaccountable domination of tech companies that addresses their structural dominating relation with society. This solution is rooted in the ideal of associative democracy. Increasing citizen participation using secondary associations may mitigate power imbalances between tech giants and society. In what follows, I will claim that a democratic participative market sector provides a proactive solution that addresses the cause of domination by respecting the norms of publicity and self-governance. Although an associative democracy can range from governmental assistance to a complete market transformation, the democratic market sector I propose remains virtually consistent with current market mechanisms of modern capitalism (see also Cohen & Rogers 1993, 283; 286-287).

In Chapter 1, I argued in favor of an associative democracy, as it combines the Pettitian-republican demand for separation of power with a Rousseauian-republican demand for participation. Following the ideal of an associative democracy and the problem of domination regarding tech companies and society, secondary associations may hold the power of tech companies accountable by assisting in the governance of corporations. Doing so, these secondary associations stand between the corporate and the political world. In an associative democratic



approach, citizens can rely on some sort of lawful consultative mechanism to control companies' decisions instead of being dependent on the authority of a company, often based on a system that favors shareholders (Rhee 2017, 2004). In particular, I will advocate for a co-determination scheme based on the co-determination act in Germany. Such a co-determination scheme enabled by secondary associations allows for a democratic participative market structure in the tech sector. Like a democratic government, tech companies are then democratically held accountable.

But what precisely do I mean by secondary associations and a democratic participative market structure? Under secondary associations I understand a system based on citizen inclusion that can influence and direct society's organization (cf. Pettit 2014, 121). Specifically, regarding tech companies these associations may be either internally or externally linked to a corporation. They may take the shape of a trade or labor union, an external regulatory board that referees the decisions made by the company, or an internal board where citizens have the opportunity to participate in the decision-making process of the corporation. These citizens most likely have different incentives for their decisions than other board members, such as shareholders that are particularly focused on profit. This new perspective arguably 'democratizes' the market, as it widens the interests that are at stake in the decision-making process (Page 2011).

So how do we reshape society in such a way that we create a democratic participative market structure? The pillars of publicity and self-governance indicate that this new structure should give 'power to the people' to contest decisions made by the dominating companies. But while this may be a nice idea in theory, it faces several practical issues that I must first address.

For instance, there is a question of who in society should be included. Should only the users of a company be given a chance to participate in the corporation's decision-making, or should everyone who is affected by the company be included? And when is someone 'affected' by the company? If indeed Facebook-CA contributed to the election of Trump or the Brexit Leave vote, arguably those entire nations – if not every country interacting with those nations – are affected. Including a whole nation (or the world) clearly is infeasible. Indeed, this is one of the practical objections against Rousseau's participatory democracy (De Dijn 2018, 63). Luckily, in order to fight domination, it is not necessary that the *dominated* have the ability to contest (see e.g., Pettit 1997b, 119-120). For instance, the power of a representative government is controlled because the representatives can be held accountable, not because every citizen has a direct say in governmental legislation. Hence, the question of whether to include everyone who

may be affected by these tech giants in the process is not necessary. The point is to create a system that holds the power of these massive corporations accountable.

I propose that such accountability can be achieved by involving secondary associations in the form of elected representatives in the corporate conduct of these tech companies. Due to limitations of this thesis, I am not able to discuss in detail how this may be done, but I can provide a brief example of what I have in mind. Regarding the tech sector, legal legislation may require the board of companies to include citizen representatives in their corporate conduct. These citizen representatives are themselves independent of the company and government, but belong to voluntary, secondary associations like civil society organizations that elect the representatives that participate on the boards of these companies.

To illustrate this idea, consider the co-determination act as executed in Germany ('*Mitbestimmung*'). This act requires by law that a certain percentage (either 33% or 50% depending on the size of the company) of a company's supervisory board consists of elected representatives of the company's employees and was established as a goal to "rebalance the unequal powers between labour and capital" and to control "the economic power of companies" (Michel 2007, 3). Although the German co-determination act limits its citizen inclusion to associates of the company and focuses more on the work environment rather than decisions regarding the products or services of the company, it still provides a good basis to show how the decisions of a company may be held democratically accountable.

The co-determination act is valuable because it implies that the companies' decisions are ruled from a multitude of perspectives. The authority does not just consist of *shareholder* perspectives, but it includes 'regular' citizens who can voice their concerns. Through deliberation and by engaging with their own interest, these citizen representatives may steer the company in other directions than a sole focus on profit (cf. Cohen & Rogers 1992, 395). This is thanks to the fact that co-determination distributes the power that directs the company and the company's responsibility over more individuals or groups of individuals with different interests. Perhaps the company itself remains a powerful entity, but through a co-determination scheme where elected citizen representatives participate in the decision-making process of the company, the power of the company becomes democratically accountable – and hence non-dominating.

My proposal is thus as follows: the primary means to address and mitigate domination is by introducing secondary associations, based on the German co-determination act, that contribute to the decision-making process of tech companies. It allows citizens to participate in the direction of corporate tech companies. Active involvement of citizens in the decision-making process respects the inclusion of the people, the sovereignty of people, and their self-

governance. A democratic participative market structure is hence a robust, proactive solution to fight domination of tech companies by its focus on publicity and self-governance.

I realize my proposal is idealistic: it assumes that it is possible to alter market structures and change prevailing societal norms and practices (although this proposal does not require a complete turn-over of current market practices, it does require *some* structural changes). This idealistic assumption is not shared by everyone. For instance, Dammann and Eidenmüller (2020) have claimed that a system of co-determination would not work for US based companies, subjected to US corporate law, due to significant differences between the US and German institutional differences. Their critique is based explicitly that US societal practices do not support German practices.

Yet, my aim was to discuss the theoretical necessities to realize non-domination of tech companies in society. As I stated in the first chapter, non-domination requires structural changes. Merely increasing regulation, for example by increasing fines, will not actually diminish these companies' domination. Interference should not just be unattractive to these companies; it should be impossible (idealistically). Hence, the strategy to use secondary associations in the form of a co-determination scheme provides society with the anti-power that non-domination requires. Whereas more easily executed solutions (e.g., increasing regulation, enforcing anti-trust legislation) may be applauded in the sense that it could reduce *effects*, a structural change actually addresses the dominating structure.

My account therefore provides a more robust solution to address the dominating tendencies of tech companies. A solution like a co-determination scheme avoids some of the objections raised against anti-trust legislation. Two of the concerns I mentioned were (1) the instability of anti-trust legislations and (2) their inability to account for publicity and self-governance. Democratic theories suggest the inclusion of the interests of several groups of people and aim to find a solution to manage conflicts of interests. They are grounded in justifying exercise of power and power legitimacy by providing some control to people themselves in their governance. This makes the problem of instability disappear, as the interests of people are no longer dependent on someone else's will. Furthermore, since a democratic approach corrects for the legitimacy of power, the inability to account for publicity and self-governance also becomes less of an issue. A democratic participative market structure that includes checks and balances hence provides a robust solution to address and mitigate domination by companies because of its proactive nature that addresses the cause of their domination. For these reasons, secondary associations that support a democratic participative market structure, such as the co-determination act

in Germany, is a better alternative than increased regulation, such as enforcing anti-trust legislation, to mitigate domination of companies.

This section has investigated the possibility of a democratic participative market structure based on the German co-determination act to mitigate domination of tech companies over society. I have argued in favor of distributing the decision-making power over different interest groups. Although these tech companies may remain powerful, the people with decision-making authority are (partly) elected representatives. While surely this is not a perfect solution, it provides food for thought for different possibilities regarding market structures in the tech sector.



In this chapter, I have analyzed and compared two different solutions to mitigate domination of tech companies over society. I have argued that the leading solution of anti-trust legislation is not an adequate solution to mitigate domination of tech companies, because it does not sufficiently address neo-republican values such as publicity and self-governance. Instead, I have argued in favor of a democratic participative market structure by means of secondary associations. Such associations participate in the decision-making process of companies. Secondary associations make the authority of these companies democratically accountable, which in turn makes the power of these companies democratically accountable. This solution addresses the lack in accountability while supporting the neo-republican pillars of publicity and self-governance. My account hence corrects for neo-republican concerns left unaddressed in a solution based solely on anti-trust legislations, resulting in a more proactive and robust solution.

## Conclusion

In this thesis I have investigated the question **to what extent do tech companies exercise power on society unjustly and how can this unjust exercise of power be mitigated?** I have approached this question from a neo-republican perspective and argued that tech companies exercise power on society unjustly, that tech companies are dominating society, and that their unjust exercise of power can be mitigated through a democratic participative market structure follows a co-determination strategy.

In the first chapter, I have presented the theoretical framework of neo-republicanism. Neo-republicanism provides a robust foundation for a power analysis since it particularly focuses on the legitimacy of one's exercise of power. The neo-republican conception of freedom explores a dimension of depth regarding the source of one's freedom of choice. Thanks to this extra dimension, neo-republicanism avoids inconsistencies within its own theory by allowing interference from a particular authority, as long as authority is subjected to a controlling entity. In addition, I have argued in favor of a democratic authority, decentralized bodies of power (or, centralized bodies that are governed by decentralized bodies of power), and a structural account of domination. These elements have contributed to my conclusion by claiming that freedom or non-domination of tech companies requires an authority that holds the centralized power democratically accountable by focusing on underlying societal structures.

In Chapter 2, I argued that tech companies are powerful because of certain powerful features and underlying societal structures that contribute to these companies' monopolistic tendencies, which in turn provides these companies with social and political influence. The powerful features are vertical integration, use of AI, and global reach. These features contribute to the networked effects of these companies, facilitating a monopoly status. The underlying societal structures are rooted in the fact that these companies provide comfort and economic benefits to individuals and governments. The combination of powerful features, underlying societal structures, and societal implications gives these companies both superior and unaccountable power. These companies have unaccountable power because they are so powerful and beneficial to society that they receive special treatment and are difficult to exit. This lack in accountability provides tech giants with a robust capacity to interfere with society and hence to dominate society.

Chapter 3 combines the first and second chapter in order to formulate a solution to mitigate these companies' domination. The most common solution to deal with the power of tech giants is trust-busting. However, this neglects the neo-republican necessity for a controlling power and continues the dichotomy between the public and private life. My account hence advocates

for a robust solution that undermines the potential for robust interference by these companies on society. Introducing secondary associations in the supervisory board of a tech company to participate in the company's decisions provides a controlling entity. These secondary associations consist of different-minded individuals than the owner (either individual or group of similar-minded individuals) of the company, and hence there no longer is one individual (or similar-minded group of individuals) solely in charge. The company itself remains a powerful entity, but like the government, the individuals within that body are subjected to democratic control.



We are a bit over a century separated from Louis Brandeis' fights against the monopolies of his time. Society has seen many changes but still shows how monopolies may limit the continuing vitality of a free people. With this thesis, I have aimed to further the debate regarding the democratic threat these companies pose to society by demonstrating how these companies affect the political status of individuals in a society. In addition, I have provided a direction that rebalances the political relation between tech companies and society. While this direction still requires a lot of fine-tuning, I hope that the least it does is provide some food for thought in how we may continue the vitality of a free people.

## References

### Figures

Figure 1: Statista (2020a). Market value of S&P 500 Index. Retrieved March 12, 2020, from <https://www.statista.com/chart/20794/tech-companies-highly-valued-in-sp-500/>

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