

COMSM0019

Internet Economics & Financial Technology

Lecture 20

Current Thinking

Dave Cliff

Department of Computer Science
University of Bristol

csdtc@bristol.ac.uk



You've had 19 lectures, covering the past
20+ years of thinking in internet economics
and financial technology

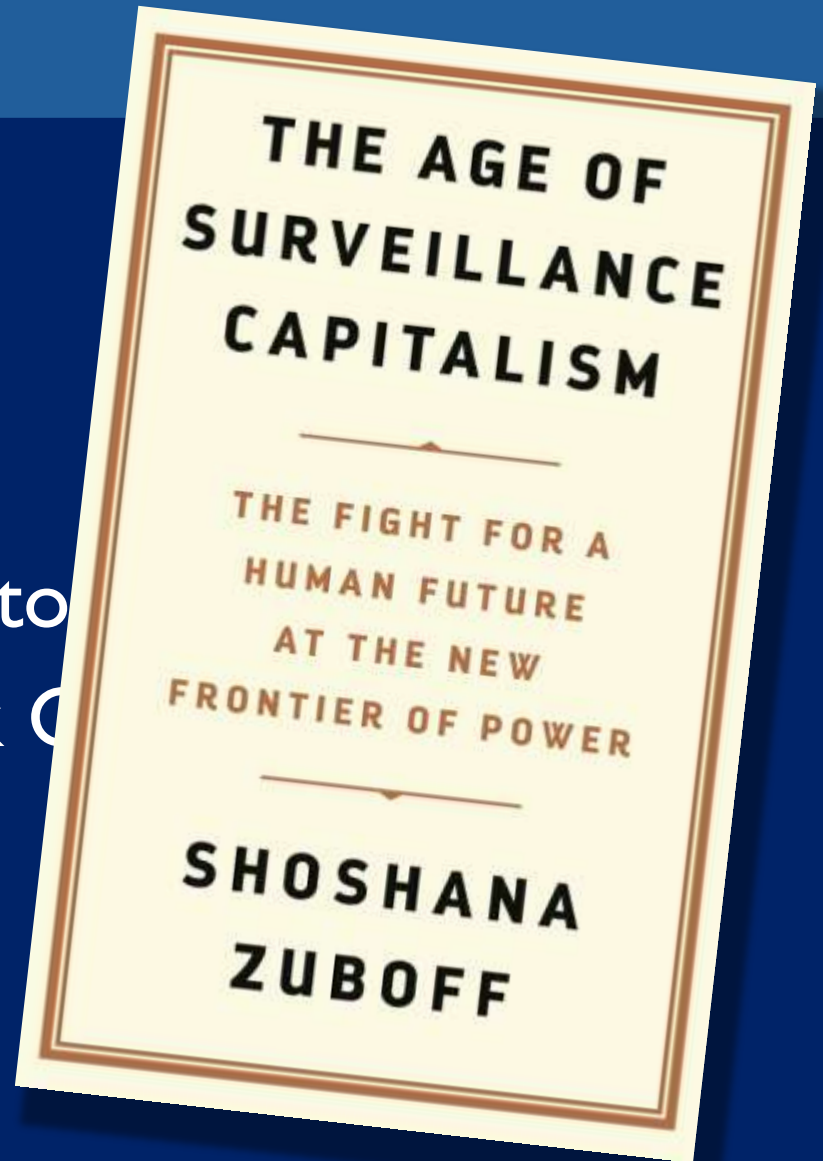
Today we look at very recent
views/arguments from
international thought-leaders.

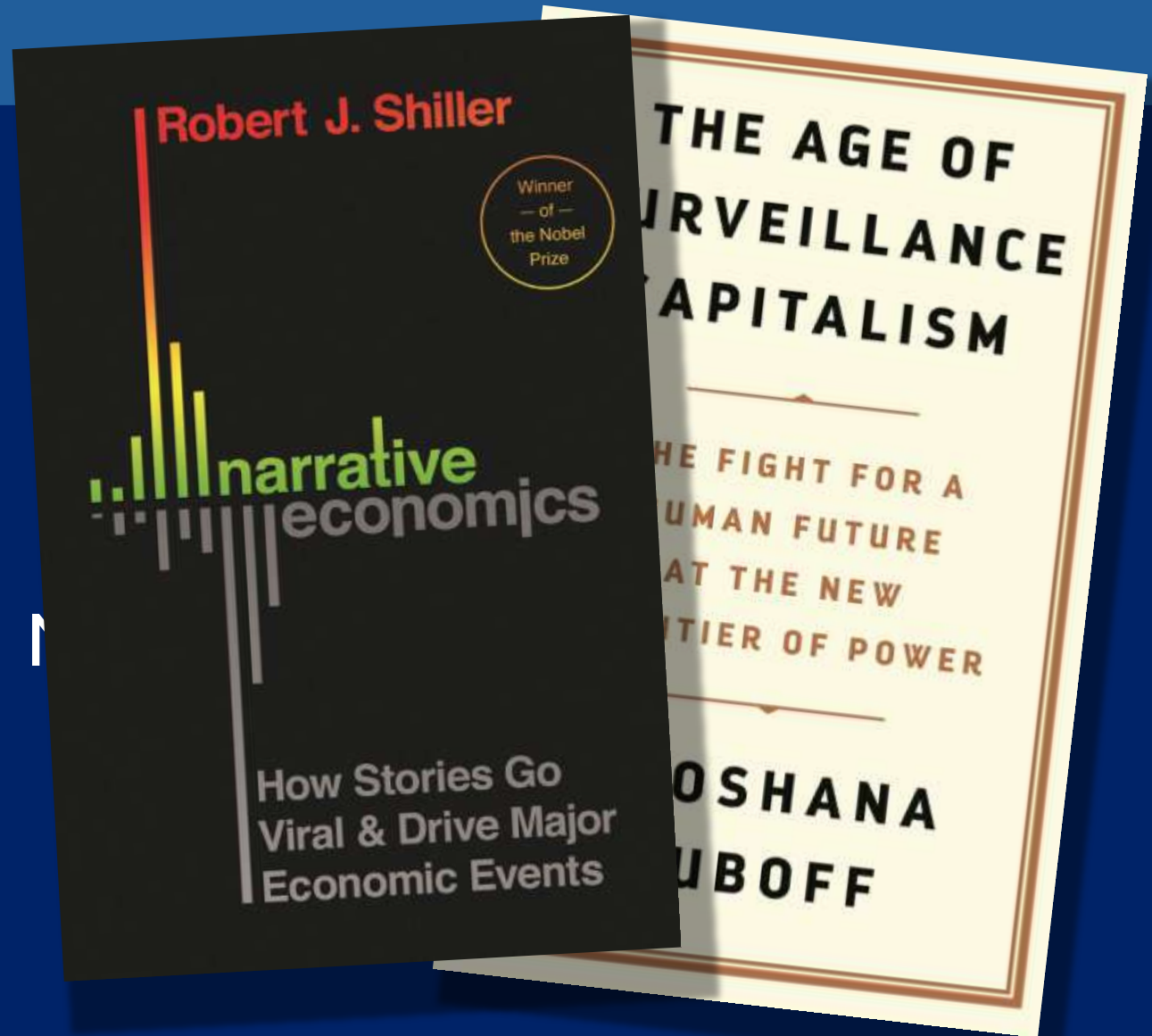
Today we look at very recent
views/arguments from
international thought-leaders.
In their own words.

There are no Platonic truths here

Welcome to the M0019 Book Club...

Welcome to M0019 Book C





All three were published this year, 2019



Last year, December 2018, we could not have taught this lecture

How do we know what the good
books are?

+ Add to myFT

Business Book of the Year Award 2019 – the longlist

A review of the 16 titles that are competing for this year's £30,000 prize



The contenders for the 2019 Financial Times and McKinsey Business Book of the Year Award © St. Martin's Press, Allen Lane, Bloomsbury Publishing, Simon & Schuster, Bantam Press, PublicAffairs, Profile Books, Pan Macmillan, William Collins, PublicAffairs, Portfolio Penguin, Chatto & Windus, Virago

Andrew Hill AUGUST 11 2019

22

The pressing issue of how to handle fast-moving technological change looms over the longlist for this year's Financial Times and McKinsey Business [Book of the Year Award](#).

+ Add to myFT

Business Book of the Year Award 2019 – the shortlist

Data privacy and bias against women are among the themes explored in this year's annual prize



© Simon & Schuster, Penguin Press, Portfolio Penguin, Riverhead Books, Macmillan, Chatto & Windus, PublicAffairs, Profile Books

Andrew Hill SEPTEMBER 16 2019

14

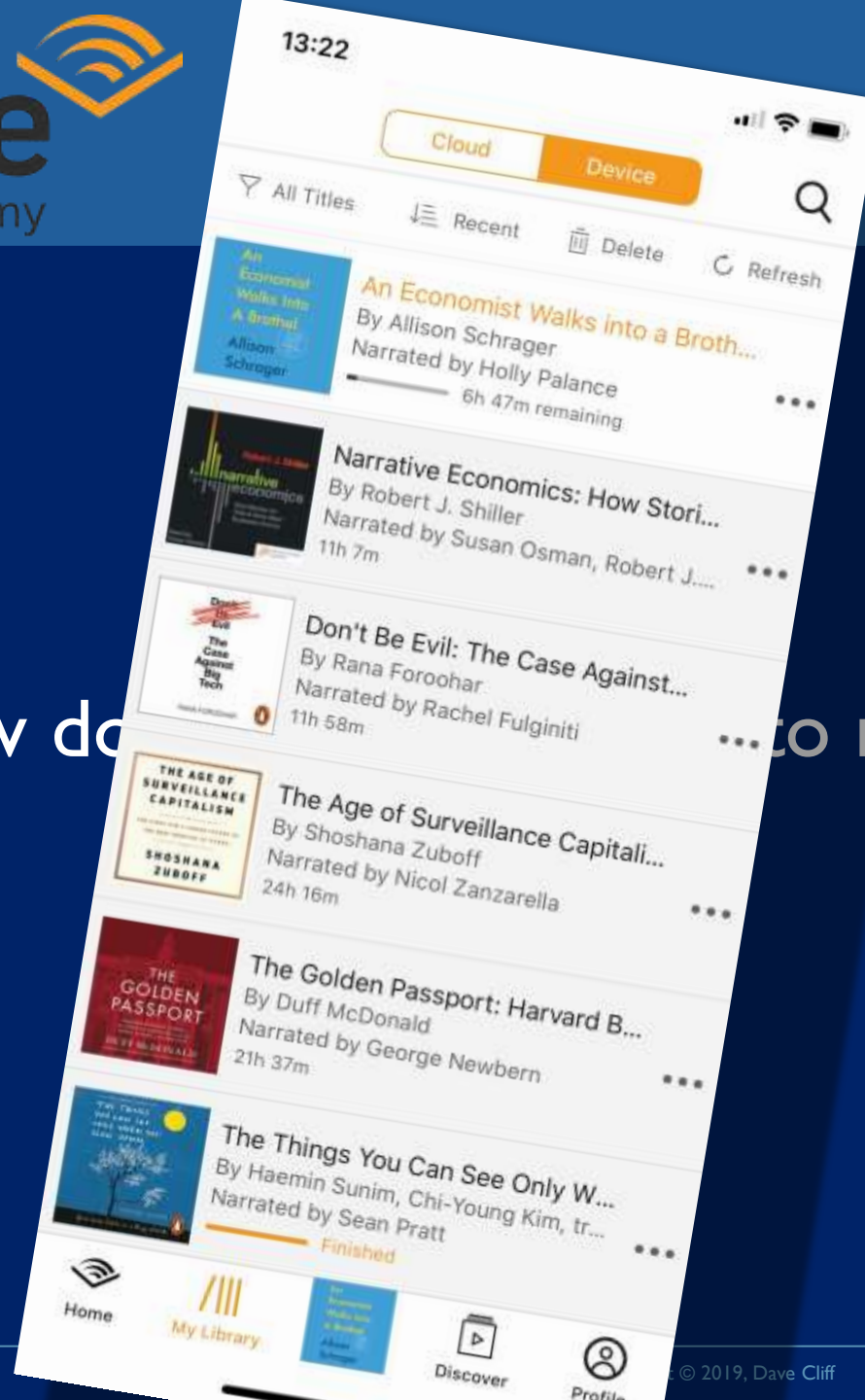
Heavyweight books on data privacy, bias against women and the rise of the politically powerful conglomerate Koch Industries are among six titles on the shortlist for this year's Financial Times and McKinsey [Business Book of the Year Award](#).

The shortlist for the £30,000 prize was announced in London on Monday by

How do you find the time to read?

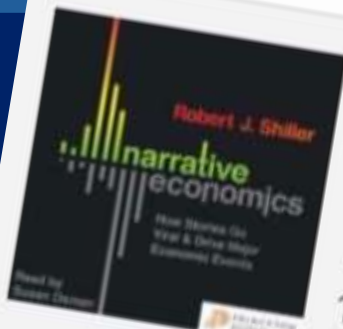


How do we read?



Walks Into
A Brothel
Allison
Schrager

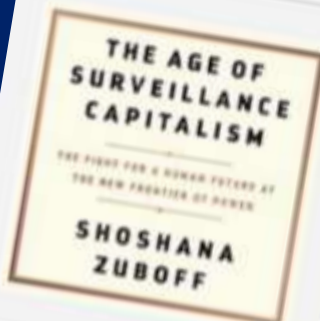
An Economist Walks into a Broth...
By Allison Schrager
Narrated by Holly Palance
6h 47m remaining



Narrative Economics: How Stori...
By Robert J. Shiller
Narrated by Susan Osman, Robert J....
11h 7m



Don't Be Evil: The Case Against...
By Rana Foroohar
Narrated by Rachel Fulginiti
11h 58m

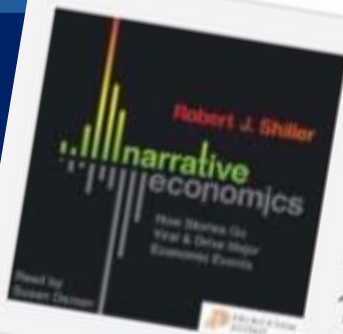


The Age of Surveillance Capitali...
By Shoshana Zuboff
Narrated by Nicol Zanzarella
24h 16m



An Economist Walks into a Brothel
By Allison Schrager
Narrated by Holly Palance
6h 47m remaining

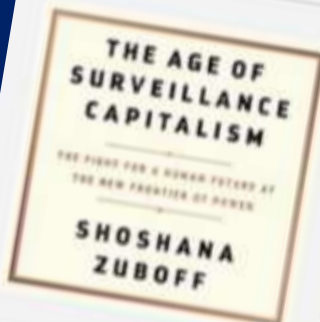
11 hours



Narrative Economics: How Stories...
By Robert J. Shiller
Narrated by Susan Osman, Robert J....
11h 7m



Don't Be Evil: The Case Against...
By Rana Foroohar
Narrated by Rachel Fulginiti
11h 58m



The Age of Surveillance Capitali...
By Shoshana Zuboff
Narrated by Nicol Zanzarella
24h 16m



An Economist Walks into a Brothel
By Allison Schrager
Narrated by Holly Palance
6h 47m remaining

11 hours

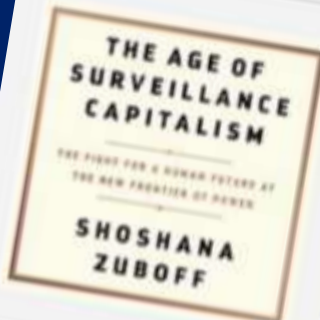


Narrative Economics: How Stories Go Viral & Drive Major Economic Events
By Robert J. Shiller
Narrated by Susan Osmond
11h 7m

12 hours



Don't Be Evil: The Case Against Big Tech
By Rana Foroohar
Narrated by Rachel Fulginiti
11h 58m

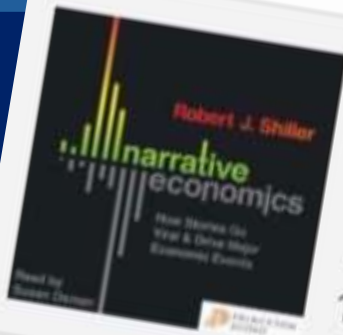


The Age of Surveillance Capitalism
By Shoshana Zuboff
Narrated by Nicol Zanzarella
24h 16m



An Economist Walks into a Brothel
By Allison Schrager
Narrated by Holly Palance
6h 47m remaining

11 hours



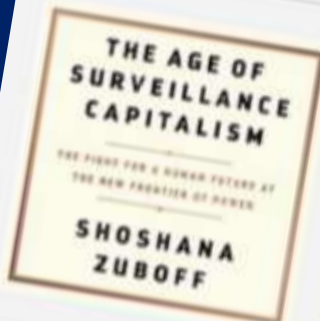
Narrative Economics: How Stories Go Viral & Drive Major Economic Events
By Robert J. Shiller
Narrated by Susan Osmond
11h 7m

12 hours



Don't Be Evil: The Case Against Big Tech
By Rana Foroohar
Narrated by Rachel Fuginiti
11h 58m

24 hours



The Age of Surveillance Capitalism
By Shoshana Zuboff
Narrated by Nicol Zanzarella
24h 16m

How do you find the time to read?

NARRATIVE ECONOMICS

By

Robert J. Shiller

January 2017

COWLES FOUNDATION DISCUSSION PAPER NO. 2069



COWLES FOUNDATION FOR RESEARCH IN ECONOMICS
YALE UNIVERSITY
Box 208281
New Haven, Connecticut 06520-8281

me to read?

Walks Into
A Brothel

All Economist Walks into a Brothel
By Allison Sch...
Palanc

11 hours

ours

ours

The Observer
Technology

John Naughton

Sun 20 Jan 2019 07:00 GMT

12,519 1,055

'The goal is to automate us': welcome to the age of surveillance capitalism



▲ "Technology is the puppet, but surveillance capitalism is the puppet master." Photograph: Getty Images
Shoshana Zuboff's new book is a chilling exposé of the business model that underpins the digital world. Observer tech columnist John Naughton explains the importance of Zuboff's work and asks the author 10 key questions

We're living through the most profound transformation in our information environment since Johannes Gutenberg's invention of printing in circa 1439. And the problem with living through a revolution is that it's impossible to take the long view of what's happening. Hindsight is the only exact science in this business, and in that long run we're all dead. Printing shaped and shaped societies over the next four centuries, but nobody in Mainz could have known that his technology

Advertisement



Cyber Monday
View Offers Now

In store and online

H&M

Walks Into
A Brothel

An Economist Walks into a Brothel
By Allison Schrager
Palanc

11 hours

NARRATIVE ECONOMISTS' welcome

The long read

How big tech is dragging us towards the next financial crash

▲ Illustration: Guardian
Design/Christophe Gowans/Getty

Like the big banks, big tech uses its lobbying muscle to avoid regulation, and thinks it should play by different rules. And like the banks, it could be about to wreak financial havoc on us all. By [Rana Foroohar](#)

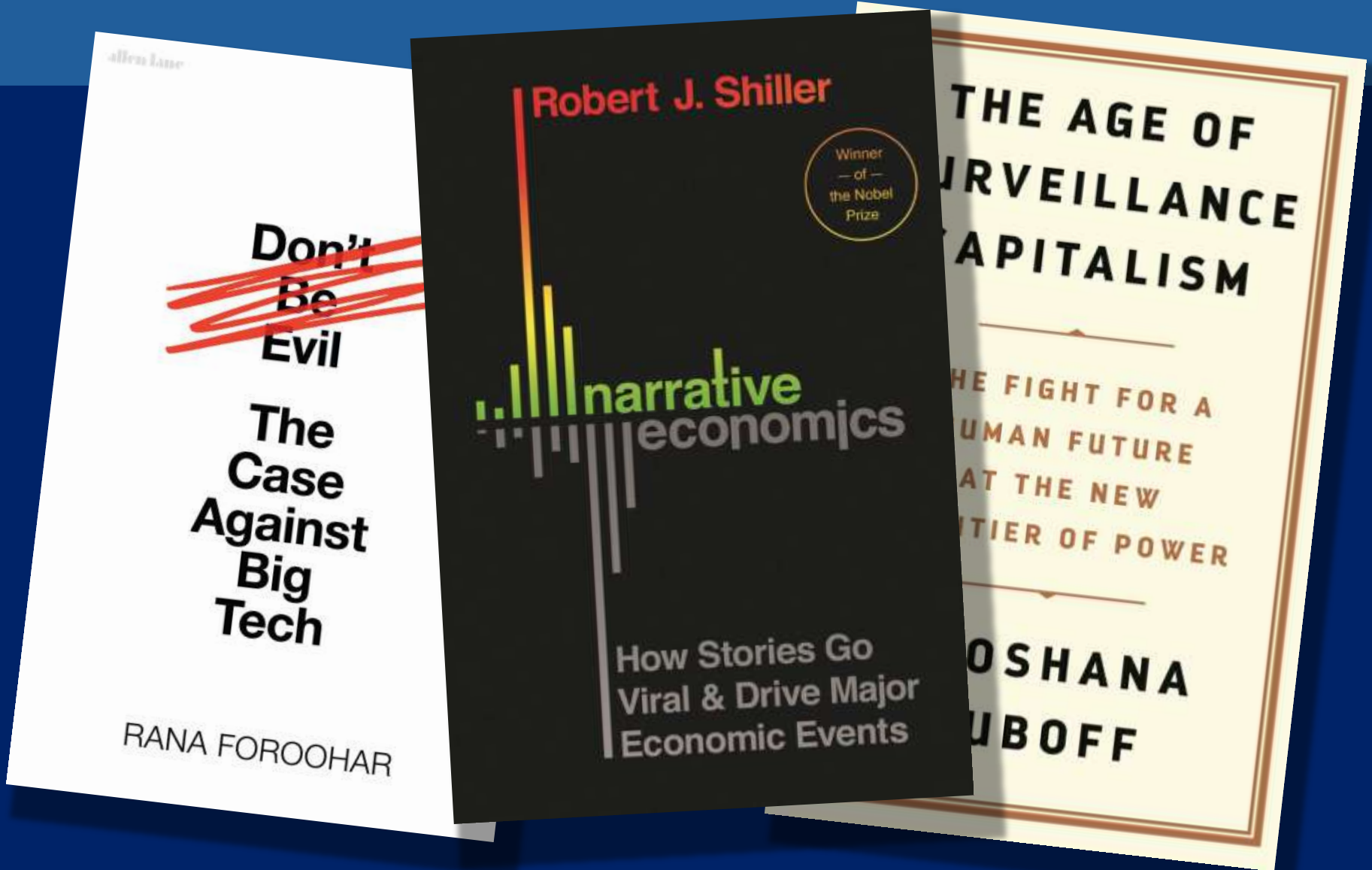
Fri 8 Nov 2019 06:00 GMT

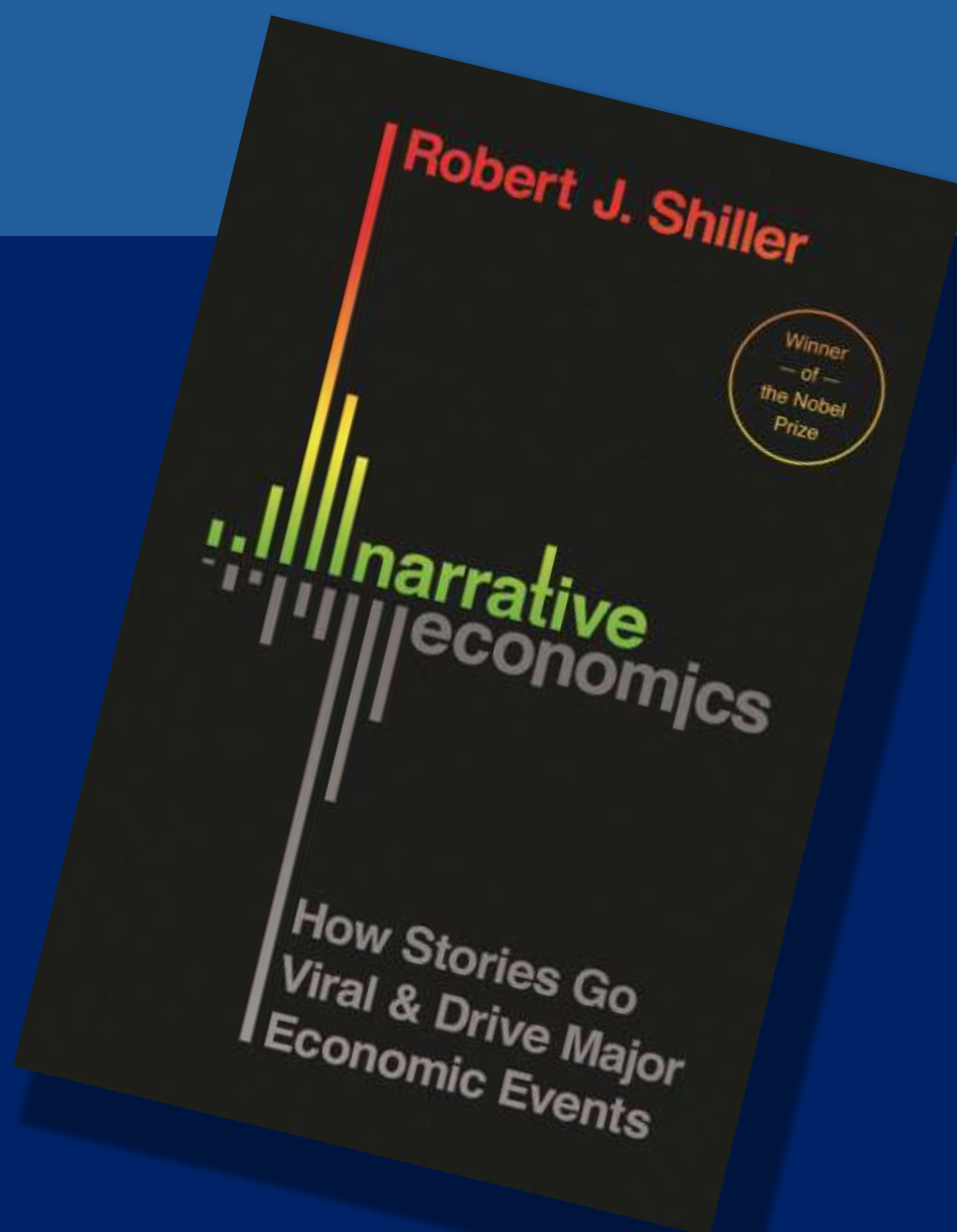


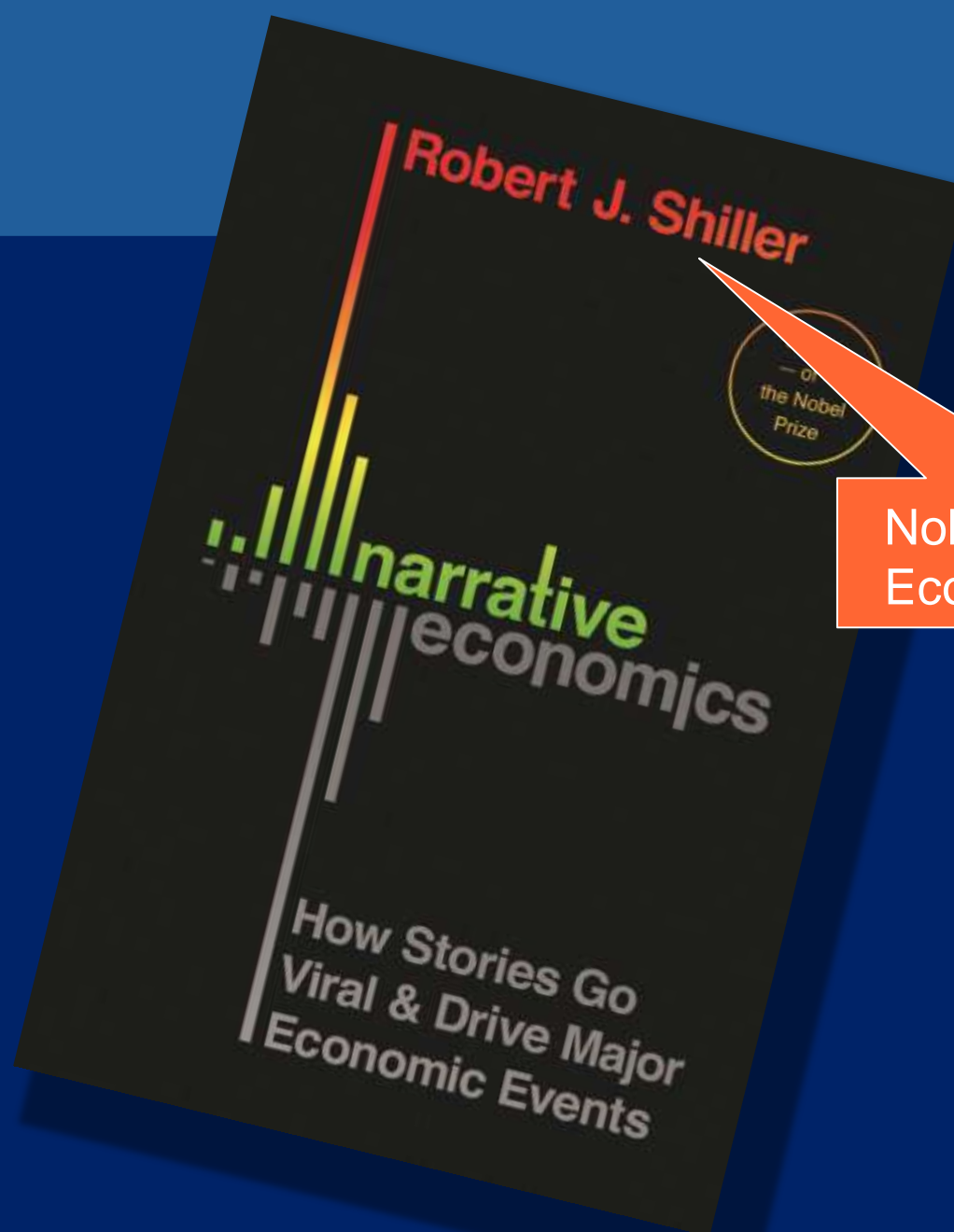
1,149

In every major economic downturn in US history, the ‘villains’ have been the ‘heroes’ during the preceding boom,” said the late, great management guru Peter Drucker. I cannot help but wonder if that might be the case over the next few years, as the United States (and possibly the world) heads toward its next big slowdown. Downturns historically come about once every decade, and it has

On to the books

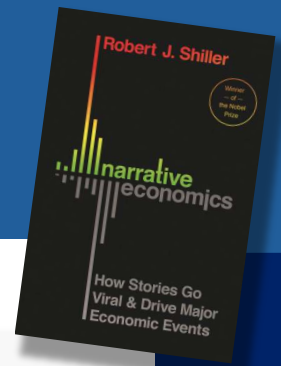






Nobel Prize in
Economics, 2013

Shiller in his own words



YouTube GB

shiller narrative economics

FILTER

Home

Trending

Subscriptions

Library

Robert Shiller on Narrative Economics
YaleCourses • 25K views • 2 months ago
In his new book, Narrative Economics: How Stories Go Viral and Drive Major Economic Events, Professor Robert Shiller explores ...
8:03

Robert J. Shiller: Narrative Economics Revisited
Columbia Business School • 5.2K views • 1 year ago
Robert J. Shiller, Nobel Laureate and Sterling Professor of Economics, Yale University presents "Narrative Economics Revisited" ...
36:37

Robert Shiller | Narrative Economics
Tony Blair Institute for Global Change • 3.1K views • 2 months ago
Nobel laureate and Yale Economics Professor, Robert S
How stories go viral and ...
1:02:00

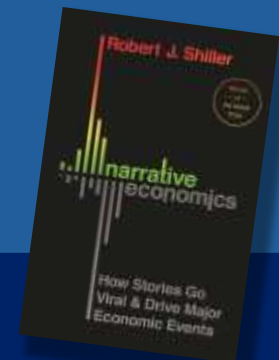
Robert J. Shiller, "Narrative Economics": Director's Lecture, January 26, 2017
Neubauer Collegium • 15K views • 2 years ago
Robert J. Shiller's Director's Lecture, "Narrative Economics," addressed narrative psychology in economics and its relation to ...
30:16

<https://www.youtube.com/watch?v=yLsG4R8FFDc>

CC

The Original Lecture
(1h30m16s)

Shiller in his own words



8m02s: <https://www.youtube.com/watch?v=yLsG4R8FFOc>



The 58-page 2017 paper that started this

- <https://cowles.yale.edu/sites/default/files/files/pub/d20/d2069.pdf>



Book Review in the *Financial Times*



- <https://www.ft.com/content/5ba0adf6-ec3c-11e9-85f4-d00e5018f061>

Economics books

+ Add to myFT

Narrative Economics by Robert Shiller – stories of value

The Nobel laureate explores why the tales we tell ourselves can be a potent force in economics



The closing of the New York Stock Exchange in midsummer 1914 © Hulton Archive/Getty Images

Rana Foroohar NOVEMBER 1 2019



Stories matter. It's a truism for journalists, but not so much for economists. [Robert Shiller](#), the Yale professor and Nobel laureate who predicted the housing crisis and also put behavioural economics on the map, aims to change that in a book dedicated to the thriving field of narrative economics.

While many economists are still busy creating mathematical formulas to decode and contextualise our supposedly "rational" behaviour, people's actions

Book Review in *Nature*

- <https://www.nature.com/articles/d41586-019-03081-7>



Books & arts



A technician monitors cryptocurrency-mining rigs at a Bitfarms facility in Saint-Hyacinthe, Canada.

The storied state of economics

Robert Shiller's study probes how social behaviour supersedes statistics in determining the fate of economies. **By Tim Jackson**

Economists are tellers of stories and makers of poems," wrote the economic historian Deldre McCloskey in 1990. It's a curious observation for a profession that prides itself on hard-nosed, quantitative analysis and strives continually for predictive power. The Nobel-prizewinning economist Robert Shiller goes even further.

Stories are more powerful than statistics, he claims. The irrationality inherent in financial exuberance (and despair) defies the neat territory of numbers and demands a deeper excursion into the decidedly unruly world of narratives. That is the declared aim of his book *Narrative Economics*.

It's a compelling hypothesis. Since the 1960s, we have known that science is socially constructed. Since the 1980s, sociologists have

of risk – in which people are drawn inexorably towards stories of disaster or triumph (rather than statistics or probabilities) as the lodestone for the perceptions of risk that guide their everyday decisions. Around the same time, philanthropist George Soros adapted the concept of reflexivity to explain how investors' perceptions affect the social environment, which, in turn, informs their perceptions.

This feedback loop allows speculative

bubbles to arise with alarming speed, and then collapse again. The phenomenon reached its apotheosis in a now infamous remark from Citibank chief executive Chuck Prince that "when the music stops, in terms of liquidity, things will be complicated. But as long as the music is playing, you've got to get up and dance." His prophetic words came just months before the 2007–08 financial crisis struck.

Shiller elevates these insights into a full-blown exploration of the multiple ways in which narratives influence economic behaviour. Much as he tracked the rise and fall of asset prices in his Nobel-prizewinning work, he now charts the flux of narrative memes using Google's Ngram Viewer – which allows users to track the frequency of words and phrases in text over time – and Proquest's database of newspaper citations. It's a fine device, and there's



Narrative Economics: How Stories Go Viral and Drive Major Economic Events
Robert J. Shiller
Princeton University Press (2019)

Narrative Economics: Summary



- Shiller proposes that the human brain is highly tuned toward narratives (i.e., stories) to justify actions, even fundamental economic actions such as spending or investing, and compelling narratives can affect people's economic activity, i.e. causing them to change their spending or investing activity.
- Compelling narratives can "go viral" and contagiously spread throughout a population in a manner that is comparable to the spread of an epidemic, and this then affects the economic activity in that population. Shiller argues that the popularity of Bitcoin, which has no intrinsic economic value, is primarily driven by narratives about the cryptocurrency, and yet at peak Bitcoin added \$300 billion of "value" to the global economy – roughly the 2019 GDP of mid-ranked countries such as Egypt, Pakistan, Finland, or the Czech Republic.
- Shiller argues for the development of better quantitative methods to track and understand the impact of narratives on the economy. In particular he advocates for the use of statistical analysis and semantic search of texts, where the texts could be spoken or written responses to questions posed by economists, or unsolicited posts from social media.

THE AGE OF SURVEILLANCE CAPITALISM

**THE FIGHT FOR A
HUMAN FUTURE
AT THE NEW
FRONTIER OF POWER**

**SHOSHANA
ZUBOFF**

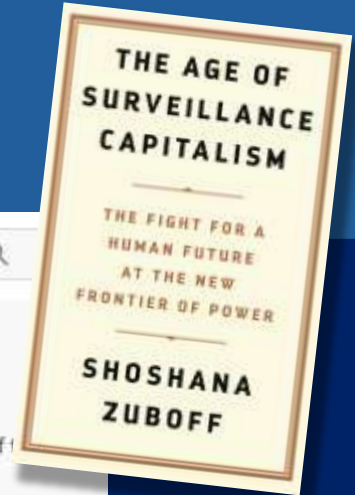
+ Add to myFT

Business Book of the Year Award 2019 – the shortlist

Data privacy and bias against women are among the themes explored in this year's annual prize



Zuboff in her own words



YouTube GB

shoshana zuboff surveillance capitalism

Home

Trending

Subscriptions

Library

The new world of 'surveillance capitalism'

Channel 4 News • 32K views • 2 months ago • 39:21

Shoshana Zuboff on 'surveillance capitalism' and how tech companies are always watching us

She's a Harvard professor and celebrated scholar who has been described as "the true prophet of the information age."

SHOSHANA ZUBOFF

Surveillance capitalism and democracy

2:07:05

WHAT IS SURVEILLANCE CAPITALISM?

3:13

What Is Surveillance Capitalism? | Shoshana Zuboff

The Lavin Agency Speakers Bureau • 4K views • 6 months ago

Learn more about Shoshana Zuboff: <http://www.thelavinagency.com/speakers/shoshana-zuboff> In her book The Age of ...

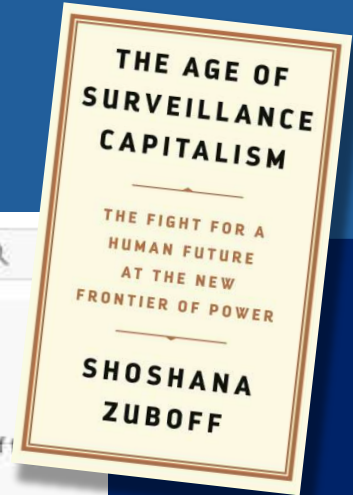
Shoshana Zuboff: Surveillance Capitalism and Our Democracy

WGBHForum • 27K views • 9 months ago • 1:23:09

Surveillance capitalism is the foundation of a new economic order. Firms compete on the manufacture of "prediction products" ...

Age of Surveillance Capitalism: "We Thought We Were Searching Google, But Google Was Searching Us"

Zuboff in her own words



YouTube GB

shoshana zuboff surveillance capitalism

Home

Trending

Subscriptions

Library

The new world of 'surveillance capitalism'
Channel 4 News
39:21

Shoshana Zuboff: Surveillance capitalism and democracy
Alexander von Humboldt
2:07:05

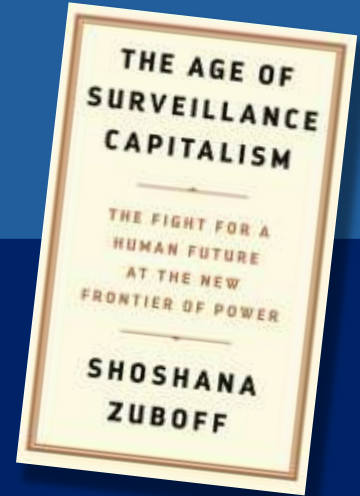
What Is Surveillance Capitalism?
The Lavin Agency
3:13

Shoshana Zuboff: Surveillance capitalism and democracy
WGBH Forum • 27K
1:23:09

Age of Surveillance Capitalism: "We Thought We Were Searching Google, But Google Was Searching Us"

Zuboff in her own words

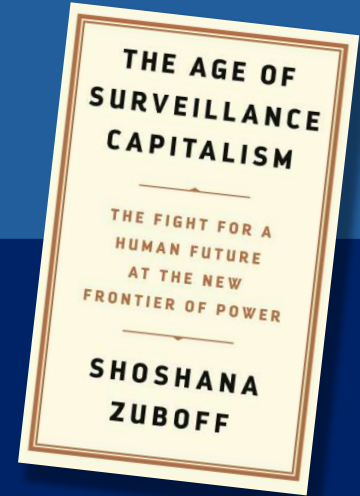
22m17s: <https://www.youtube.com/watch?v=XyQyZgqiokE&t=51s>
...second part of a 2-part interview, but starts with recap of Part I



Yikes that book
is very thick

Zuboff in her own words

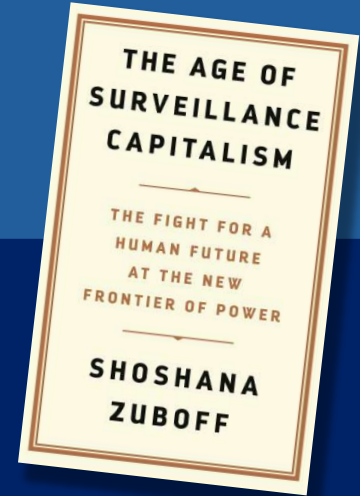
22m17s: <https://www.youtube.com/watch?v=XyQyZgqiokE&t=51s>
...second part of a 2-part interview, but starts with recap of Part I



This is Amy Goodman,
the
presenter/interviewer

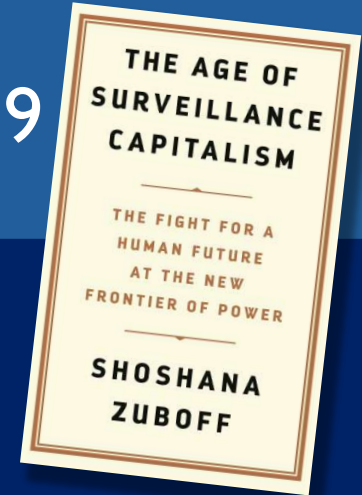
Zuboff in her own words

22m17s: <https://www.youtube.com/watch?v=XyQyZgqiokE&t=51s>
...second part of a 2-part interview, but starts with recap of Part I



This is
Shoshana Zuboff

Interview + Review in The Observer, Jan 2019



- <https://www.theguardian.com/technology/2019/jan/20/shoshana-zuboff-age-of-surveillance-capitalism-google-facebook>

The Observer
Technology

'The goal is to automate us': welcome to the age of surveillance capitalism

John Naughton
Sun 20 Jan 2019 03:00 GMT

12,519 1,055



▲ 'Technology is the puppet, but surveillance capitalism is the puppet master' Photograph: Getty Images

Shoshana Zuboff's new book is a chilling exposé of the business model that underpins the digital world. Observer tech columnist John Naughton explains the importance of Zuboff's work and asks the author 10 key questions

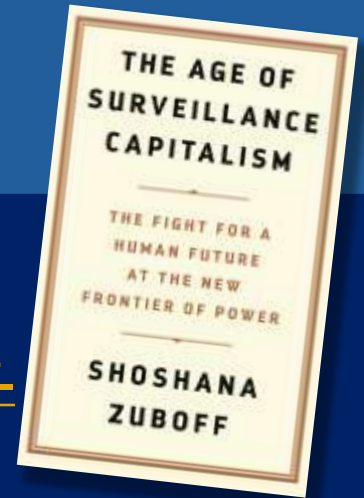
We're living through the most profound transformation in our information environment since Johannes Gutenberg's invention of printing in circa 1439. And the problem with living

Advertisement

Cyber Monday
View Offers

Interview in The Guardian, Oct 2019

- <https://www.theguardian.com/books/2019/oct/04/shoshana-zuboff-surveillance-capitalism-assault-human-autonomy-digital-privacy>



Society books

Interview

Shoshana Zuboff: 'Surveillance capitalism is an assault on human autonomy'

Joanna Kavenna

What began as advertising is now a threat to freedom and democracy argues the author and scholar. Time to wake up - and fight for a different digital future

Fri 4 Oct 2019 11.00 BST

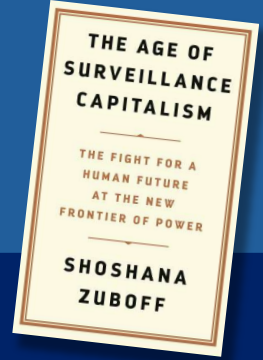
300



▲ Defending privacy ... Shoshana Zuboff analyses the digital era in her book *The Age of Surveillance Capitalism*. Photograph: David Levene/The Guardian

It's a beautiful day on Hampstead Heath, the last weekend of summer - parliament is still prorogued. In a festival tent at the HowtheLightGetsIn festival, Professor Shoshana Zuboff is talking about

Surveillance Capitalism: Summary



- Zuboff uses the phrase "Surveillance Capitalism" (SC) to refer to the process by which major global internet/tech companies such as Google and Facebook persuade their users to freely supply some of their private data in return for the convenience of being provided with services such as internet search, social networking, email, and messaging.
- Personal information that has been gathered by (or via) these companies has then been used as sources of data by others (companies and government agencies) to monitor and predict customer's behaviour, and also to determine ways that people's behaviour can be influenced or modified.
- Zuboff argues that this has had, or will soon have, very bad consequences for democracy and freedom. Zuboff sees the huge wealth built from customer data by the tech companies as evidence of the power of "surveillance capitalism", which she says should be dealt with or constrained by regulation.

allen lane

~~Don't
Be
Evil~~

**The
Case
Against
Big
Tech**

RANA FOROOHAR

Foroohar in her own words

~~Don't
Be
Evil~~
The
Case
Against
Big
Tech

RANA FOROOHAR

The screenshot shows a YouTube search results page for the query "rana foroohar dont be evil". The left sidebar contains navigation links: Home, Trending, Subscriptions, Library, History, Watch later, Liked videos, SUBSCRIPTIONS (Kaleidoscope Orc..., 3Blue1Brown, Browse channels), and MORE FROM YOUTUBE (YouTube Premium, Movies & Shows, Gaming). The search bar at the top contains the text "rana foroohar dont be evil". The main content area displays three video results:

- Don't Be Evil. Rana Foroohar on Big Tech.**
New Economic Thinking • 2.4K views • 2 weeks ago
INET President Rob Johnson talks with the Financial Times' Rana Foroohar about her new book, Don't Be Evil: How Big Tech ...
CC
- "Don't Be Evil" author on the power of Big Tech**
CBS News • 2.1K views • 3 weeks ago
Google was founded with the corporate motto: "Don't be evil." Now that phrase serves as the title of a new book that explores how ...
- Don't be evil: What went wrong with big tech and how can we fix it?**
Resolution Foundation • 74 views • Streamed 1 week ago
Book launch for 'Don't Be Evil' by Rana Foroohar ~ When Google adopted their "Don't be evil" motto in the late 1990s, many ...

Below these are two more video thumbnails from Channel 4 News:

- WAYS TO CHANGE THE WORLD** (Rana Foroohar)
- Don't be evil** (Book launch for 'Don't Be Evil' by Rana Foroohar)

Foroohar in her own words



19m32s: <https://www.youtube.com/watch?v=MA8hHseJ6ko>



Foroohar in her own words

7m01s: <https://www.youtube.com/watch?v=MKyG1TVfsHw>



“Long Read” article in The Guardian



- <https://www.theguardian.com/business/2019/nov/08/how-big-tech-is-dragging-us-towards-the-next-financial-crash>

The long read

How big tech is dragging us towards the next financial crash

▲ Illustration: Guardian Design/Christophe Gowans/Getty

Like the big banks, big tech uses its lobbying muscle to avoid regulation, and thinks it should play by different rules. And like the banks, it could be about to wreak financial havoc on us all. By [Rana Foroohar](#)

Fri 8 Nov 2019 06:00 GMT

f t e 1,149

In every major economic downturn in US history, the ‘villains’ have been the ‘heroes’ during the preceding boom,” said the late, great management guru Peter Drucker. I cannot help but wonder if that might be the case over the next few years, as the United States (and possibly the world) heads toward its next big slowdown. Downturns historically come about once every decade, and it has

Book review in The Observer (Book of the Week)



- <https://www.theguardian.com/books/2019/nov/03/dont-be-evil-review-rana-foroohar-tech-giants-too-big-to-fail>

Observer book of the week
Computing and the net books

John Naughton
Sun 3 Nov 2019 07:00 GMT

f t e 107 20

Don't Be Evil review - how the tech giants have become too big to fail

Rana Foroohar's masterly critique of the internet pioneers who now dominate our world

A photograph showing the Google founders at their company's Initial Public Offering (IPO) on the Nasdaq stock exchange in 2004. The founders, including Larry Page, Sergey Brin, and Eric Schmidt, are standing behind a podium with the Nasdaq logo, smiling and clapping. The Google logo is visible in the background.

▲ Google co-founder Larry Page, centre, at the company's flotation on the Nasdaq stock exchange in 2004.
Photograph: Getty Images

"Don't be evil" was the mantra of the co-founders of Google, Sergey Brin and Larry Page, the graduate students who, in the late 1990s, had invented a groundbreaking way of

Don't Be Evil: Summary



- Foroohar argues that tech giants such as Facebook, Apple, Amazon, Netflix, & Google (FAANG) have grown so large in terms of market dominance and financial reserves that they are similar to major investment banks prior to the 2007-08 global financial crisis: are they also “too big to fail”?
- Big tech companies spend **a lot** on political lobbying, shaping/avoiding regulation.
- E.g. USA’s December 2017 Tax Cuts & Jobs Act cut Corp. Tax from 35% to 21% (so tax bills went down 40%) freed up cash which FAANG (& many others) used for share buybacks – AAPL spent c.\$100bn on buybacks: increases shareprice and dividends: good for investors; does nothing for real economy or wealth inequality
- Foroohar argues that the winner-take all dominance of FAANG crushes innovation: who could possibly compete? Media & telecom companies going massively into debt to try to stay competitive wrt digital/streaming media etc, but past decade had **very** low interest rates: what happens to those companies when rates rise?
- Big profitable technology firms with large cash reserves can borrow money at very low interest rates because their bonds (debt certificates) are "high grade" investments.
- High-grade tech firms have been borrowing money at low rates and using it to buy higher-yield debt of other, lower-grade, firms -- to get a better rate of return: i.e, acting like banks.
- Tech firms play a major systemic role in financial stability: if they sell or downgrade their holdings, entire markets or national economies could topple.

Don't B

See

www.googletransparencyproject.org



- Farooohar argues that tech companies such as Facebook, Apple, Amazon, Netflix, & Google (FAANG) have grown large in terms of market dominance and financial reserves that they are similar to major investment banks prior to the 2007-08 global financial crisis: are they also “too big to fail”?
- Big tech companies spend **a lot** on political lobbying, shaping/avoiding regulation.
- E.g. USA’s December 2017 Tax Cuts & Jobs Act cut Corp. Tax from 35% to 21% (so tax bills went down 40%) freed up cash which FAANG (& many others) used for share buybacks – AAPL spent c.\$100bn on buybacks: increases shareprice and dividends: good for investors; does nothing for real economy or wealth inequality
- Forroohar argues that the winner-take all dominance of FAANG crushes innovation: who could possibly compete? Media & telecom companies going massively into debt to try to stay competitive wrt digital/sreaming media etc, but past decade had **very** low interest rates: what happens to those companies when rates rise?
- Big profitable technology firms with large cash reserves can borrow money at very low interest rates because their bonds (debt certificates) are "high grade" investments.
- High-grade tech firms have been borrowing money at low rates and using it to buy higher-yield debt of other, lower-grade, firms -- to get a better rate of return: i.e, acting like banks.
- Tech firms play a major systemic role in financial stability: if they sell or downgrade their holdings, entire markets or national economies could topple.

Don't B

See

www.farooharproject.org



- Faroohar argues that Big Tech (Facebook, Amazon, Netflix, & Google (FAANG)) has accumulated massive financial reserves over the past decade, particularly during the 2007-08 global financial crisis, and has used these funds to avoid regulation.
- Big tech companies have used their financial power to avoid regulation.
- E.g. USA's Dodd-Frank Act (2010) reduced corporate tax from 35% to 21% (so tax cuts for others) used for share buybacks and dividends: good for investors; but bad for workers.
- Foroohar argues that Big Tech (FAANG) crushes innovation: who can compete with them? Big Tech is spending massively into debt to try to stay competitive. Big Tech has had **very** low interest rates: because they can borrow money at very low interest rates and use it for "high grade" investments.
- Big profits, low rates and using it to buy higher-yield investments: i.e, acting like banks.
- High-growth, high-yield investments: if they sell or downgrade their investments, they can lose a lot of money.
- Tech firms play a major role in global financial markets, entire markets or national economies can be toppled.

Google's Media Takeover

Google Transparency Project
October 2019

CAMPAIGN FOR
ACCOUNTABILITY

Don't Buy What You See

Google Transparency Project | CAMPAIGN FOR ACCOUNTABILITY


Contact Us Get Involved Donate

Projects Articles Data About Us GTP in the News FOIA Archive

Start your search

Report

Google Academics Inc.



Click to view interactive chart

Google has paid scholars millions to produce hundreds of papers supporting its policy interests, following in the footsteps of national intelligence agencies, acting like banks.

...ity: if they sell or downgrade their ... and topple.

Don't Be Evil: Summary



- Faroohar identifies four major similarities between pre-crash big banks and current big tech firms:
 1. **Corporate Mythology:** “What’s good for us is good for the economy” (because we’re so big, too big to fail, and our benefits outweigh our costs) – really?
 2. **Opacity:** internal operations and processes are obscured from scrutiny and poorly understood by customers and even by managers within the companies: compares banks’ structured sub-prime credit derivatives to big-tech algorithmic manipulation of user data: risks and illicit uses are hidden; notes that advertisers increasingly just have to pay whatever Facebook or Google charges them.
 3. **Complexity:** mega-corporations can be difficult to keep in full control e.g. Facebook allowed AAPL & AMZN & MSFT to access sensitive user data, even when it was claiming to be protecting privacy – one unit within FB had agreed the data-sharing deal to increase traffic, grow the FB network. AAPL claimed that it did not even know it was in such a deal with FB.
 4. **Size:** winner-take-all outcomes mean successful pipeline/platform companies can exploit customers: “surge” pricing (a la Uber) in any market encourages rent-seeking (i.e. increase profit without increasing productivity – more money without more value).

Current Thinking: Summary

If you don't have time to read/listen to the whole of each of these three books, then do read the reviews/interviews to understand what these thinkers are saying.

These arguments are important, but your opinion of these arguments is what really matters: what do you think?

Eventually this stuff will find its way into textbooks, but textbooks are always written later.

What happens in this unit?

L01: The Big Picture (DC)

L02: Who wants to be a Billionaire? (DC)

L03, L04, L05, L06: Economics of the Internet I, II, III, & IV (JC)

L07, L08: Markets & Economic Agents I & II (DC)

L09, L10: FinTech/TechFin I & II (JC)

L11: Markets & Economic Agents III (DC)

L12: Empirical Methods (DC)

L13: Derivatives and Betting (DC)

L14: Gaming Economics (DC)

EXPLORE WEEK

L15: Sentiment Analysis (JC)

L16: Crowd Economics (JC)

L17, L18: Blockchain & Cryptocurrencies I & II (DC, JC)

L19: Malware Economics (DC)

L20: Current Thinking (DC)

REVISION WEEK

What happens in this unit?

L01: The Big Picture (DC)

L02: Who wants to be a Billionaire? (DC)

L03, L04, L05, L06: Economics of the Internet I, II, III, & IV (JC)

L07, L08: Markets & Economic Agents I & II (DC)

L09, L10: FinTech/TechFin I & II (JC)

L11: Markets & Economic Agents III (DC)

L12: Empirical Methods (DC)

L13: Derivatives and Betting (DC)

L14: Gaming Economics (DC)

EXPLORE WEEK

L15: Sentiment Analysis (JC)

L16: Crowd Economics (JC)

L17, L18: Blockchain & Cryptocurrencies I & II (DC, JC)

L19: Malware Economics (DC)

L20: Current Thinking (DC)

REVISION WEEK

The End