

# **Triumph of the Oligarchs**

## Joel Kotkin

A new class of overlords are making their bid for world domination.

The Corona virus has trammled the prospects of [most Americans](#), particularly [low-income workers](#). But for one small group, the pandemic has proved something like manna from heaven. Already ascendant beforehand, the tech oligarchy—a relatively small number of companies, venture, and private equity funds—are riding the current crisis to unprecedented dominion over our ever-weakening Republic.

To be sure, some tech firms, including [Google](#), have taken a hit from the weakened advertising market. But [tech stock prices](#) generally have soared as most others have lagged. Undeterred by the downturn, tech moguls continue to increase their research spending in order to tighten their [already rapidly constricting stranglehold](#) on the economy. The shift to remote work has boosted firms that facilitate video conferencing and digital collaboration like Slack—[the fastest growing business application](#) on record—as well [Google](#) Hangouts, Zoom and Microsoft Teams.

No surprise then that the tech rich are simply getting richer: [seven of the ten richest Americans](#) come from the tech sector. [Apple](#), by some calculations, is now worth more than the entire oil and gas industry. The already obscenely rich have become richer still; Jeff Bezos alone has seen his net worth jump by an estimated 34.6 billion in the first two months of the pandemic.

## Oligarchy, American Style

For these ascendant overlords, [President Trump](#) represents an insultingly inconvenient barrier to such wish-list items as [HI-B visas](#) ([critical](#) to keeping labor costs down), [web censorship](#), and uninhibited trade with [their critical business partners n China](#). But with the Trump Administration clearly imploding, the oligarchs now have a chance to regain control of the national agenda and attain even greater political sway than that they enjoyed under [Barack Obama](#).

Long [a major source of Democratic Party funding](#), the tech industry will likely find a President Biden more favorably disposed toward off-shoring to [China](#), importing [temporary foreign labor](#), and consolidating tech firms (to which, in fairness, both parties have proven amenable). The steady [erosion in anti-trust enforcement](#), again under both parties, has left firms like [Facebook](#) and [Google](#) with almost unlimited power to acquire or crush competitors.

Consolidation has allowed oligarchs to gain dominant shares of key markets from search ([Google](#)) to social media ([Facebook](#)), to book sales ([Amazon](#)); [Google and Apple](#) together provide over 95% of operating software for mobile devices while [Microsoft](#) still accounts for over 80% of the software that runs personal computers around the world. In the process, the many small, feisty startups that have emerged all over the country increasingly have been reduced to virtual vassals. One [online publisher](#) uses a *Star Trek* analogy to describe his firm's status with Google: "It's a bit like being assimilated by the Borg. You get cool new powers. But having been assimilated, if your implants

were ever removed, you'd certainly die. That basically captures our relationship to Google."

## **The Rising American Surveillance State**

The pandemic has also boosted the prospects for [ever greater surveillance](#) following [the model of China](#). Even beforehand, the [tech giants](#), notably Google and Apple, made bold steps into capturing medical records as part of a drive to emulate what the British academic [David Lyon](#) describes as a "surveillance society."

China is increasingly a model for intensified digital snooping. Already [Google](#), [IBM](#), and [Apple](#) are assisting China's systematic use of digital technology to impose ever greater control over its citizens. Some in [our academic establishment](#) see the pandemic as proving that, in the "debate over freedom or control," China "was largely correct and the US was wrong." Liberal advocacy groups have even launched [an ad boycott](#) against Facebook for daring to allow something close to free speech—an unpardonable sin, it appears, in this politically correct age.

In China, with its lack of legal restraints, the threat comes largely from the government. But in America and the West generally, as [leftist Naomi Klein](#) has pointed out, the real danger comes from the oligarchs who dominate and profit from the surveillance economy. Jeff Bezos, whose Alexa has been caught [eavesdropping](#) on people's conversations, may see this monitoring as the "[beginning of a Golden Age](#)." But to most people it seems more like an attack on privacy and a harbinger of digital feudalism.

## **Cultural Dominion**

Perhaps the most terrifying development has been the tech elite's decision to move beyond profitable snooping toward [controlling content](#). Nearly two-thirds of U.S. adults now get their news through [social media](#) like Facebook or Google. This is even more true among [Millennials](#). As [the publishing industry](#) has shrunk—between 2001 and 2017 it lost 290,000 jobs or 40% of all its jobs—Facebook and Google dominate the only growth area, [online advertising](#).

The oligarchs have further expanded their domain by purchasing much of what is left of [the mainstream media](#), including the *New Republic*, the *Washington Post*, the *Atlantic*, and long-distressed *Time* magazine. Ownership of this media increases the oligarchs' ability to promote their own progressive views—on gender, race, and environmental issues, for example. But, curiously, they are somewhat less enthusiastic about challenges to the concentration of oligarchical power, as the [Washington Post's long-running conflict](#) with Bernie Sanders so amply illustrates.

[Thought control](#) on the part of [tech giants](#) is proceeding with astonishing speed. Rather than being directed by party cadres, our media is increasingly controlled by staffers at [Google](#), Facebook, and [Twitter](#) who seek to “curate” content on their sites. This usually means [eliminating conservative views](#), according to [former employees](#). These firms increasingly use algorithms intended to screen out “hate groups,” but the [programmers](#) often have trouble distinguishing between “hate groups” and those who might simply express [views that conflict](#) with the dominant progressive culture of Silicon Valley activists.

## **Sans-Culottes in Lululemon**

In the short run, the biggest challenge to the oligarchs may come not from the Right, but from further to the Left. There was a time when Silicon Valley was viewed, in the words of progressive [David Callahan](#), as a kind of “benign plutocracy” in contrast to those who built their fortunes on resource extraction, manufacturing, and material consumption. Indeed, leaders at the [Occupy Wall Street](#) protests in 2011 held moments of silence and prayer for the memory of Steve Jobs, a particularly aggressive capitalist.

Yet it is increasingly clear that there is a natural conflict between the ever more radical egalitarian dreams of the progressive Left and the views, not to mention the interests, of the tech oligarchs. [Author Gregory Ferenstein](#), who has interviewed 147 digital company founders, reports these bosses do expect their workers to achieve more independence by starting their own companies or even owning houses. Most are convinced, Ferenstein reports, that an “increasingly greater share of economic wealth will be generated by a smaller slice of very talented or original people. Everyone else will come to subsist on some combination of part-time entrepreneurial ‘gig work’ and government aid.”

Having dismissed economic aspiration, the tech titans naturally prefer to emphasize issues like climate change, racism, immigration and gender-related issues rather than thornier issues of class and income distribution. The oligarchs [overwhelmingly back Biden](#), but the key emerging constituencies of the party—notably [Latinos](#) and [voters under 30](#)—embraced [Bernie Sanders](#) or [Elizabeth Warren](#), both harsh critics of the tech industry during the primaries.

## **Socialism in Silicon Valley**

Rather than seeing them as “benign” or even counter-cultural heroes, many progressives now label the tech oligarchs as just the latest purveyors of “[predatory capitalism](#)” and a mounting threat to democracy. This includes increasingly part of their own their own workforces, where they confront a [growing socialist movement](#) among tech employees in Silicon Valley who have little chance of replicating the wealth accumulation enjoyed by prior generations in the Bay Area.

The oligarchs may see themselves as exemplars of enlightened capitalism, but many who work for them see Silicon Valley as a place where the ultra-rich flourish, the middle class wanes, and the poor live in poverty that is becoming unshakeable. Indeed, according to a 2018 [U.C.-Santa Cruz study](#), nine out of ten jobs in the Valley now pay *less* than 20 years ago, adjusted for inflation. This is in part a product of declining manufacturing and offshoring of activities, largely to Asia. During the boom of the last decade, [cost-adjusted wages](#) dropped for middle-class workers, Latinos, and African Americans in Silicon Valley. Nearly [30% of Silicon Valley’s residents](#) rely on public or private financial assistance.

These realities provide schools for radicalization. San Francisco and Seattle represented [three of the top six zip codes](#) which sent money to socialist Bernie Sanders. Despite opposition from the oligarchs, Sanders defeated Biden handily in the three key tech counties of [Santa Clara](#), [San Mateo](#), and [San Francisco](#), where Sanders and Warren combined to win 53% of the vote. The young leftists of this new cohort have already challenged their bosses on policies such as climate change, minority hiring, and gender issues. Although likely to vote for Biden in November, it is

probable they will not be satisfied by a restoration of Clinton- or even Obama-era policies.

### **Total Power or the Guillotine?**

With the departure of Donald Trump, the toxic glue that now unites them in opposition, progressives and oligarchs will likely emerge more into the open. Oligarchs and their [overwhelmingly white and Asian leadership](#) actually have little in common with the proudly [Marxist-oriented](#) Black Lives Matter movement to which they are currently [pledging allegiance](#). This uneasy peace will not last long between captains of industry and a revolutionary movement which proposes [socialist economics](#) as an antidote to what [its founders](#) see as "[racial capitalism](#)."

Some leftists openly seek to seize the oligarch s' wealth and commandeer their technology to create "[fully automated luxury communism](#)" and a "post-work society." At very least they could be under pressure by [fiscally challenged governments](#), as is already happening in Europe, to fork over more of their profits to the state.

In order to protect their assets from such seizures some tech oligarchs—[Mark Zuckerberg](#), Pierre Omidyar (founder of eBay), Elon Musk, and [Sam Altman](#) (founder of leading startup accelerator Y Combinator)—have endorsed the idea of having the government provide a "guaranteed wage," likely with funds taken from the shrinking middle classes. This could be seen as "oligarchical socialism." But if amelioratives fail, some tech titans are already making [emergency escape plans](#) in case of civil unrest.



These are choices that we as a society should not have to make. Americans should not be forced to accept lifetime serf status or control from the self-appointed digital betters. Instead, the tech oligarchs need to be challenged by both Right and Left—by anyone disturbed at the prospect of a hierarchical, socially stagnant, centrally programmed future. To revive our tired republic, resisting technocracy is the great imperative of our time.