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Digital Colonization: Development of Digital Platforms in the Context of a Pandemic

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Abstract: The Corona Virus Pandemic has promoted radical forms of digital transformation in all over the world; has exacerbated the problems associated with the colonization of economic and social space by digital platforms. The strengthening of digital platforms in the economies of countries leads to the monopolization of markets and limits the possibilities of traditional (non-platform) organizations. "Platform ideology" is becoming dominant for managerial systems at the macro and micro levels. This process will inevitably lead to acute political crises due to the destruction of the "institutionalized reciprocity" between business and population, business and government. Digital platforms are transforming people's daily lives and colonizing social space. Now, it is necessary to create such conditions and ways that in the post-pandemic world, the opinions and interests of citizens, traditional businesses, and public organizations are taken into account in the process of reviewing key rules of life.

Keywords: *digital platform; social control; digital technologies; social resistance; Corona Virus Pandemic; COVID 19.*

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Introduction

The Corona Virus Pandemic has become the joker contributing to the implementation of radical forms of digital transformation all over the world, exposing the key problems associated with the colonization of economic and social space by digital platforms.

The topic of digital platforms as a new economic actor that radically reshapes modern markets, strengthens the monopolization process in markets, as well as a new instance of social control is analyzed by experts in various scientific fields. This article attempts to focus on the key issues associated with the social and economic consequences of digital platforms, which have become more acute in the context of a global challenge. The pandemic has opened a "window of opportunity" for digital platforms to colonize the economic space and transfer various industries to the platform principle. Now, traditional (non-platform) organizations need a system of effective management decisions that can ensure their survival in the new economic realities. The worldwide threat of COVID 19 has contributed to an explosive growth in the use of information technology solutions in the implementation of control functions. Digital platforms are beginning to play a key role in this process. Large-scale deployment of new forms of digital control leads to the emergence of various forms of resistance. Total digital control leads to new tensions, contributes to the emergence of acute social conflicts in the systems of interaction between the state and citizens, the state and business, platform business and traditional one.

1. The social and economic impacts of digital platforms expansion in the context of a pandemic

Many cases on the development and penetration of digital platforms in the economic space, in the lives of citizens, in the sphere of public administration, allow us to identify and focus on several key issues.

The first issue concerns the role of digital platforms in the new economic model. The pandemic contributed to the mass, forced immersion of the population in the "digital": transfer of employees to remote work, functioning of educational systems in remote mode, building interaction with government agencies on digital platforms (for example, obtaining digital passes). Most of the citizens' everyday tasks (buying food, accessing the workplace, organizing leisure activities, or moving around the city) became impossible without access to digital resources. The introduction of restrictions on the work of traditional business organizations contributed to

the actual elimination of companies that did not join digital platforms from the system of interaction with consumers. Thus, external factors contributed to the strengthening of the role of digital platforms in the countries' economic systems. The development of platforms made the problem of limiting competition in the markets more urgent (up to complete monopolization of economic spaces). Besides, digital platforms radically change the nature of competition: they not only take it beyond the intra-industry struggle, but also fundamentally expand the market space, when traditional ways of solving problems that were outside the market space (family, friends, etc.) enter into competition with digital platforms (Montalban et al., 2019). The current situation confirms that the main vector of competition is moving from controlling resources to controlling access to resources. In this regard, there is a need to develop new competition research tools to form organizational strategies (many of the developed tools do not work in the current conditions), as well as to develop management initiatives of a preventive nature that limit the monopolization processes.

The second problem point is related to the transformation of political institutions and power under the influence of digital transformation. "Platform ideology" is taken up by the managerial elites of different countries, accepted as a doctrine and tool for the modernization of various spheres of activity (in the scientific literature, the term "silicolonisation" of public policies is used to refer to this process) (Sadin, 2016). However, behind the common facade of "effective technical solutions" (reducing costs, regulating industries by making them more competitive through innovation, subordinating social policy to the requirements of labor flexibility and competitiveness, etc.) lies a "fundamental libertarian way of thinking". Some managerial elites around the world support this ideology and promote the imposition of forms of libertarian politics and the rule of capital (Montalban et al., 2019; Morozov, 2013), the revision of the existing system of checks and developed "institutionalized compromises". Overall, this ideological penetration into the management system, the transformation of the "digital platform logic" into the dominant logic of managerial thinking can have a decisive impact on the formation of the image of the future economy, as well as lead to acute political crises due to the destruction of the "institutionalized reciprocity" between business and the population, business and government (Zuboff, 2015).

The third. Digital platforms receive preferences in development, in the ability to create "new" rules, the acceptance or rejection of which will determine the possibility of the existence of traditional business structures. Besides, digital platforms create rules for consumers, defining what they

should learn, see, and when. And if the issue of increasing the degree of privacy control was a topic of scientific research and acute discussions within professional communities before the pandemic, the pandemic demonstrated to everyone in any corner of the world the opportunities that digital platforms have to control our daily lives. It is the external factor (the pandemic) that activated the activities of national states in using the advantages and means of digital control over the population. In fact, during several months of quarantine measures, both in so-called authoritarian countries and in countries of "developed democracy", the means to control the population, unprecedented in scope and universal in their technical solutions were deployed. In this regard, the forecast of the loss of control over the population by national states and the movement of the vector and the main controlling force in the management of human behavior to digital platforms (Zuboff, 2015, 2019) was not implemented. The pandemic contributed to the implementation of another scenario - digital platforms formed alliances with national states, acting as key actors for implementing management decisions not only to control the pandemic, but also to collect and aggregate information about the population and business organizations to develop management decisions on state support for individual population groups and/or individual industries. Thus, the resources of Russian digital platforms (Yandex, Sberbank, etc.) were simultaneously included in the expanded control system, first for patients and citizens under quarantine, and then for all other residents. The government tested the tools of a "total digital dictatorship" in a very short time.

It is interesting that prior to the beginning of a pandemic, the development of digital platforms, not only strengthening their role in the new economic system (the digital economy), but also claiming for the substitution of various state functions (in terms of population control and providing access to a variety of types of services) caused anxiety and concern of the regulatory institutions around the world. So, the Bank of Russia (2019, p. 19) actually accused Sberbank of creating an ecosystem that not only collects large amounts of the most important data about citizens, but also sets its own rules of operation, which lock citizens in the perimeter of the ecosystem, thereby replacing state institutions and having a significant impact on economic indicators." The closing of borders, the decline in economic activity and other factors amplified by the pandemic showed that states and digital platforms need each other, and their joint activities make it possible to effectively implement the key tasks facing these subjects and respond to global challenges. Invisibly, behind the scenes of the pandemic, the state and platforms are forming a new consensus in the division of

power and control over everyday life, forming and testing all the various forms of expanding the aggregation of personal information. In the context of developing solutions to prevent a pandemic, these actions are necessary and justified. But it is necessary to create such conditions and ways that in the post-pandemic world, the opinions and interests of citizens, traditional businesses, and public organizations are taken into account in the process of reviewing key rules of life.

2. Digital resistance: opportunities and limits in a post-pandemic world

It should be noted that the pandemic also significantly limited the possibility of using restrictive practices as a preventive tool for the expansion of digital platforms. Before the pandemic, there was a growing interest in such practices – abandoning the Internet, limiting media consumption, choosing "distraction" strategies, and increasing the number of users who use them. Examples of such strategies include attempts to relate to the offline elite ("I'm not the whole mass that can't live without round-the-clock media consumption"), the fashion for a "digital detox", the "TV turn" associated with the heyday of online video on all platforms, the rise of services like Netflix. Before COVID 19, "digital detox" was increasingly distributed among the educated youth audience, was included in fashionable self-improvement courses. The Internet was filled with offers to "reduce digital addiction" (note, "reduce", but not give up the Internet, mobile apps and gadgets). However, despite the popularity of such practices, even before the deployment of quarantine measures, which forced the population to completely immerse themselves in the digital, Russians realized the impossibility of abandoning digital immersion: according to research (VCIOM, 2020), "despite the fact that three-quarters of Internet users agree with the need for periodic rest from the Internet, not everyone is ready to live a holiday without access to the Net (73% vs. 43%)." At the moment, even users whose daily life is not so closely intertwined with the Internet, who are ready to resort to digital detox more often, also understand the limitations of such practices.

An individual's fears about total control of digital technologies are often broken down by the principle of "simplicity, convenience and predictability" of various everyday practices. You can constantly hear the discontent of a large number of documents required for the implementation of a citizen's routine (passport, Individual Taxpayer Number, etc.). On such fertile soil, it is very easy to implement the idea of a "single document" that

replaces all others (this topic can be continued by the "fear of loss" of such a document and the ability, for example, of chipping the individual). An element of the digital economy and the emerging digital infrastructure is the so-called digital identity profile (a draft law on amendments to the law on Personal data is currently being considered in Russia). The Digital profile platform that will exchange data between the state, the population, as well as commercial and non-profit organizations will be created in Russia by 2023. The individual, as an object of control in the digital world, has a new digital name and identifier (with the introduction of digital passes for moving around the city, citizens will inevitably get used to control through codes, the adoption of such forms of control). This will eventually lead to a change in the model of relations between citizens, the state and business, to the transition to "transparent" online forms of data transmission. As a result, the digitized person's personal data may well become publicly available not only for government agencies, but also for commercial organizations (first banks will get access, and then other companies). The owners of digital platforms themselves are the most interested party in this process. Data is a resource and the basis for increasing the organization's capitalization in the digital world, which is especially important for those who own this data. The pandemic sharpened attention to this issue – a huge array of personal data of citizens has already been collected, and the array will only grow, but what will happen to this data and to the system of total control in general, after the removal of quarantine restrictions? Will the state refuse such a convenient tool for controlling and managing the population's behavior? A typical example is the policy of the Chinese authorities that remove quarantine restrictions, while maintaining total digital control over citizens: the introduction of a "health code", passes of different colors (depending on the degree of a person's "danger" to others), the division of cities into zones with restrictions on movement, stratification of citizens on a scale from "stay at home" to "free movement".

Some experts in the pre-pandemic period believed that the development of expert communities that develop software products and open source software can limit or at least contribute to the implementation of more constructive strategies for the development of digital platforms. It was assumed that such communities could compete with digital giants. In our previous research, we pointed out that they are limited in their influence on the course of digital transformation by several constraints: limited information access to the public and the need to resort to the services of digital platforms to convey their position, a small number of supporters of these initiatives, and the passivity of the majority of users (who exchange

freedom for convenience, speed and comfort) (Markeeva & Gavrilenko, 2019). Analysis of the current situation suggests that the influence of expert communities, as well as disparate users-activists (who are often considered as key actors of resistance) is extremely limited. A certain effect can be generated by organized movements of network activism (Anonymous, WikiLeaks, Occupy). Such network organizations are capable of collective coordination, self-organization and have experience in organizing informational events ("arrange events"). But in the current environment, the possibilities of their media policy are limited due to the increasing power of digital platforms over the media space.

Conclusions

Paradoxically, the expansion of digital platforms has shown that one of the key threats to their development is their key resource (data). Rather, the ability of the digital platform not just to accumulate data, but to translate it into new solutions. Today, experts are actively talking about the approach of the so-called "data peak", a certain point at which data extraction will reach its limit. "The data peak is the moment when the giants of the Internet industry already know everything about you, and some additional details will upset the delicate balance and lead to the collapse of the entire political economic regime based on the data" (Lovink, 2019, p. 15).

The pandemic allows us to crystallize two key strategies chosen by digital platforms to neutralize this threat. The first is to restrict the use of their operating systems, often under the guise of corporate social responsibility, "taking care of their customer" (for example, reminding the customer that it's time to go to bed, or loading more useful ads). For a digital platform, it is more important not just to collect more and more information, which contributes to entropy and the emergence of information rubbish, but it is more important to extract something valuable from the entire shaft of information. "Entropy is the main threat that automation brings. The system produces so much data that either everyone is under suspicion, or no one is. Information production, once defined as the creation of meaningful differences, has reached the point where it does a somersault and tends to zero – the system overload" (Lovink, 2019, p. 17).

The second strategy is related to the fact that a number of digital platforms is beginning to develop not due to the effective use of the obtained data, but due to the extraction of rents from the monopolized infrastructure. Digital platforms help to create the environment where transactions for users outside of the closed digital infrastructure become

more complex and costly. Thus, it is noted that "platforms "colonize" and commodify not the users' interaction with each other or the digital environment, but simply assign the space on which this interaction unfolds, receiving rent for using the platform's functionality and "site" (Khumaryan, 2019, p. 174).

It is interesting that in some cases it is the existing institutional conditions of the countries that allow for a number of digital platforms (either with the state's active participation, or, conversely, a strategy of connivance on the part of state authorities) to implement a strategy of "enforcement to use", becoming a crucial condition for creating a digital ecosystem.

Are we not witnessing the accelerated consolidation of a new political and economic regime that is given unprecedented opportunities and a legitimate alibi by the pandemic? Are events developing according to the logic of establishing a neoliberal regime as a hegemonic one (Klein 2009)? In a situation of radical uncertainty and lack of data and fundamental openness of the future, we will nevertheless allow ourselves to make this assumption.

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