HOW THE INTERNET GOT DONALD TRUMP ELECTED

The factors that combined to help elect the new US president have the internet as a common denominator, reckons **ELI NOAM** – and these factors are now inherent in an internet-based economy and society

Internet advocates have long taken credit for anything progressive that has been happening politically around the world. The Arab Spring. The Obama election. Popular rebellions against the regimes in Iran, Turkey, Hong Kong, and Myanmar. The Occupy Wall Street movement. And maybe China, next. Wherever one looks, it seems that the internet is a force for social progress.

Conversely, when something happens that runs counter to such progress it must be the result of leaders who are behind the times technologically and of followers who don't get it by reason of education or age. If they only had been connected, this would never have happened! Thus, the conventional wisdom is that the internet is good for democracy and for progressive politics. Sceptical voices have been rare.

It is therefore jarring to face the fact that it is not the absence of the internet that has led to the election victory of Donald Trump but rather its prevalence. How is that possible, one might ask, given that the candidate did not even have a computer until 2007, rarely uses email directly, and had a low-visibility online campaign outside of idiosyncratic Twitter bursts?

What are these internet-based factors that favoured Trump and led to his election? There are several inherent to the internet and independent of any particular candidate. Some of these factors have been around for a long time but have accelerated.

1 THE EMPLOYMENT IMPACTS OF THE INTERNET

The most obvious reason is the changing economy. The internet disrupts, but the disruptees don't just shuffle away; they vote. In the US, industrial blue collar jobs have disappeared at the rate of 350,000 industrial jobs each year for two decades now. With a multiplier effect on other employment, this adds up to a job loss of about half a million each year.[1]

Of course, many of these jobs would have disappeared anyway to low-wage countries, but more slowly. The internet has accelerated the outmigration of jobs by making it much easier and cheaper to transact and control production processes over large distances. The pace of a fundamental transition is important. A slower change gives people more time to adjust, retrain and relocate.

Next, the pink collar jobs in retailing and clerical staffs began to shrink as retailing moved online. In America, the drop in retail jobs since 2007 has been pronounced, with a reduction of 900,000 jobs in five years, a nearly 6% decline per year.[2] Similarly, service support jobs such as telemarketing or editorial work have been moving first out-of-house and then offshore. And major industries have been squeezed by the internet, including newspapers, publishing, travel agencies, stock brokerages and universities. Middle management levels have been cut as remote supervision and information exchange has become easier, thus reducing the need for intermediate levels of management.

Of course, new jobs are also created due to the internet. But those who get the new jobs are not the same people who have lost them, or who fear for them. To them the fact that the economy as a whole may become more efficient and dynamic is small comfort.

2 THE EQUALITY PROBLEMS OF THE INTERNET

The problem is not just the extent of job loss but that the losses have not been distributed equally. In the US, half the 7.5 million jobs lost during the Great Recession were in industries that pay middle-class wages. But only a tiny percentage of the jobs gained since the recession ended were in mid-pay industries. Nearly 70% of the new jobs were in low-pay industries, and only 29% in industries that pay well.[3] This 'hollowing out' of the middle-class workforce has a lot of implications. It means that the job mobility from lower to middle class, which had been the historic way to individual and generational progress, is becoming more difficult. It also means job opportunities at the low end, which are less attractive to Americans and create an opportunity for immigrants. Which, in turn, leads to backlash.

A second inequality accelerated by the internet is generational. The rapid change in knowledge and technologies means that the learning curve is shortened and that there is less value to experience. Now, the old become expensive, out of date and expendable. The same technological progress that enables society to keep old folks' bodies alive longer is also shortening the value of their minds.[4] And this is just at the time when life expectancies rise, when retirement systems become unaffordable to societies, and when companies find ways to avoid paying taxes to contribute to the pot by relocating offshore.

Paradoxically, a similar problem happens at the other end of the age spectrum. One would assume that, symmetrically, the internet is a great improvement in the opportunities of young people. If so, how come their standard of living today is lower than those of the preceding generation, and how come there is such huge youth unemployment in many advanced countries?[5] If the internet has done all these great things for the digitally native generation, and if it has made distance obsolete, how come they live more than ever with mum and dad?

There is a great illusion that since the internet has been creating young multi-billionaries such as Mark Zuckerberg, Sergei Brin and Larry Page, it must be good for an entire generation. But this does not prove anything for the average opportunities of the young generation. Here, another dynamic of inequality comes into play, that of the 'winner-takes-all' economy. Only a few firms make it to the top, and only a few people get to cash in on that success. Many of the others live off temporary freelancing jobs. Economic volatility is high.

Given such a high-risk, low-probability distribution of success one must compensate the players by a higher jackpot,[6] in contrast to 'safe' industries such as civil service or a Japanese lifetime employment company.

Why are internet companies risky? There is the technology risk of course, with innovation proceeding rapidly. But there are also strictly economic factors at work. These fundamental characteristics of the digital sector are high fixed costs, low marginal costs, and thus particularly high economies of scale, plus the network effects of being connected to many other people, and all this leads to highly concentrated markets with only a few dominant firms. They also led to a transformation of firms into 'networked companies' that outsource components and services to many other firms rather than produce them themselves. For many such companies, employees are temps and freelancers.

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Thus, the emerging unequal and unstable employment system is not the result of economic failure but of fundamental economics that restructure economies fundamentally. And because they are fundamental they are very hard to deal with through government policy. These characteristics are inherent to the digital economy. They lead to the loss of jobs by many people and to greater uncertainty for most others. It is natural that they feel threatened. And it is equally natural that they will favour candidates who promote a stabilisation and rollback of the negative effects of the digital revolution, and who seem sensitive to their fears.

3 THE IMPACT OF THE INTERNET ON GOVERNMENTAL GRIDLOCK

Again, how is that possible? Isn't the internet supposed to help deliver tele-medicine, e-learning, and m-government? All are useful but the problem is much deeper than the digitisation of service delivery and back offices. Technology does not operate in a vacuum. A truly fundamental technology progresses far beyond the abilities of society to absorb its impacts, and a growing disconnect occurs. No governmental institution or policy can change and progress at the exponential rate of Moore's Law, close to 50% a year. While stability and tradition are important, if the gap becomes too great it leads to blowups.

When in the 19th century technology proceeded at a rapid pace while societal institutions did not, the results were upheavals and revolutions. Today, again, the key elements of the information economy are progressing at a scorching rate, while public institutions and processes are not keeping up. Complexity rises but solutions lag.

It is actually even worse than that. The internet contributes to political gridlock and to a slowing down of the political process. Of course, the internet makes some political activity easier and cheaper. The early users of the internet experienced a gain in their effectiveness, and messianically extrapolated this to society at large. But this is a classic error of composition. The internet has made it easier for everyone to organise.

Soon, just about every group in society adopted the new ways to link and communicate, and many new groups formed, too. Mobilisation became easier and faster. As a result, it became easier for various single-issue stakeholder groups to resist, block and delay anything that affected them negatively. Civil society groups, similarly, found it easier to organise and get their message out, but they often have a purist's built-in problem with compromises and log-rolling that are part of the political process. The classic smoked-filled backroom of politics may be objectionable on various grounds but it is a relatively efficient way to strike deals.

The overall result has been a slowing down of the decision-making process of government while the issues raised by technological, economic and social change have been accelerating. This leads to a widespread disenchantment with the political system. It leads to a favouring of 'can-do' candidates from the outside who are not associated with the gridlocked system, and who offer hope to cut through its Gordian knot, such as by abolishing parts of the restrictions and institutions.

4 THE IMPACT OF THE INTERNET ON SOCIETAL FRAGMENTATION

Sure, the internet makes it easier to connect with people from all around the world. But there is a flip side to this. As one connects in new ways, one also disconnects the old ways. As the internet links with new and far-away people, it also reduces relations with neighbours and neighbourhoods. Democracy has historically been based on community. Traditionally, such communities have been territorial – electoral districts, states and towns. 'Community' and 'to communicate' – the terms are related: community is shaped by the ability of its members to communicate with each other. If the underlying communications system changes, the communities are affected.

Thus, the internet facilitates and creates electronically linked new types of community. But these are different from traditional communities. They have less of the averaging that characterises physical communities, that throw together the butcher, the baker, the candlestick maker. Instead, these new communities are more stratified along some common dimension, such as business, politics or hobbies. These groups therefore tend to be issue-driven, narrow, narrow-minded, ideological, and sometimes more extreme, as like-minded people reinforce each other's views.

Liberals link up with other liberals and read liberal information.

> **"How do societies handle cultural acceleration? Badly, if the past is a guide."**

Conservatives, tea-party adherents, and 'alt-rights' do the same with their peers. In their respective echo chambers they receive less non-conforming and more confirming information. In addition to being parochial this can also be self-defeating. Liberals thus largely missed or dismissed the extent of populist dissatisfaction, because they largely spoke to each other only, read the same narrow news analyses of the same newspapers, and congregated in enclaves that benefited from the digital economy.

Thus, there is less of a shared culture than before. The old mass media system was accused of aiming at the 'lowest common denominator', but at least it was common. Now, the individualisation of information, the ability to target recipients, to select favourite push content, and to share with others, do create increasingly disparate sub-cultures inhabiting the same country.

What makes these disagreements harsher than in the past is a 'cultural acceleration' that is driven by the exponential technological trends. More content creation, more content innovation, shorter life-cycles. How do societies handle this? Badly, if the past is a guide. Cultural conservatism is deeply ingrained. Most individuals like the foods we grew up with, the music we courted to, and the ideas we encountered at home or in college. Societies are even more conservative, extolling its classic heroes of literature, poetry, arts and music. Cultural change was accepted but it had to be gradual rather than jarring.

But now the pace is accelerating, this creates inevitably cultural conflicts. In the 1960s we encountered similar cultural dissonances when 'youth culture' broke out of the somnambulant culture of the 1950s, creating conflicts that are still reverberating 50 years later. Then, the change was precipitated by the emerging broadcast TV medium with which that generation had grown up with, and with the music that broke out of the parental styles.

Today we observe the culture wars accelerated by the internet, with moral traditionalists on one side and young people comfortable with gay marriage, abortion, multi-racial friendships, feminism, atheism, environmentalism, and legalised drugs. With cultural acceleration these culture wars will intensify. This is even a greater problem in traditional societies and countries where the forces of traditionalism had a stronger hold and the change is more abrupt and disruptive. And it is reflected in electoral behaviour.

5 THE INTERNET'S WEAKENING OF INTERMEDIATING MEDIA INSTITUTIONS

One of the characteristics of the internet is disintermediation. For politics, disintermediation of information is a mixed bag. True, gatekeeping by 'mainstream media' is bad, but so is disinformation. When information comes unfiltered, it leads to the creation of stories with a weak factual base, with

mistakes, outright distortions, fabrications, rumours, and last minute political ambush. It enables the intervention from the outside in the political process. In this particular election it might have been Russia. But there is no reason why other countries or domestic interest groups and vigilantes could not do the same. This kind of intervention starts with high-minded appeals to 'transparency' by making confidential information public, and soon moves to manipulation and sabotage.

The weakening of trusted central news institutions means a weakening of the curating function of media, which includes the evaluation of credibility of information and exposing false information. Once that function is weakened, anything goes. Reality is always a subjective cultural construct, as postmodernism argues, and political extremists on both sides have embraced this notion with a vengeance. News then moves from being fact-based, at least in concept, to one of opinion, then to wishful thinking, and soon to manufactured information – fake news, 'truthiness', 'post-fact' information.

A 'long tail' of content also means a long tail of truthfulness, all the way from careful journalistic standards to pure fabrications aimed to generate profitable clicks. Accuracy is as incidental as in a docudrama. Before we mount a high horse, though, consider that mainstream media, too, favour a coverage of candidates and issues that generate high ratings and click rates. The result is that the internet lowers the credibility of information. Access to information is indeed helpful, which is why the internet undermines totalitarianism. But it undermines pretty much everything else, too, including political parties and stability.

Perhaps, the value of information to peace and harmony is overrated. Civil war situations are not typically based on a lack of information. The problems of Germany's Weimar Republic were not the lack of media information. Instead, the internet provides an avalanche of information, and for any of it to receive attention it must be structured with a 'marketing' approach. Thus, the information abundance provided by the internet leads to disinformation clutter. It becomes necessary for any message to get louder.

Political information, therefore, will inevitably become distorted, shrill and simplistic. And that is what has been happening in recent elections. Even more than before, it favours candidates who are able to distil their message – and their personalities – into several simple but galvanising concepts.

6 THE IMPACT OF THE INTERNET ON DIRECT COMMUNICATION OF A CANDIDATE WITH THE ELECTORATE

The weakening of the intermediating function of trusted media leads to their leapfrogging by candidates themselves. Donald Trump was highly effective in doing so. His use of social media, in particular of Twitter, created a rapid channel for direct reach to voters. It invariably became amplified by being picked up as a news story and dutifully reported by other media. This form of communication proved much more effective in punching through the clutter of information, and its headline message format was vastly more effective than Hillary Clinton's sober position papers and policy proposals. It also proved more effective than the Clinton campaign's elaborate individualised and targeted messaging because it seemed much more genuine.

The direct and rapid link with the electorate made it possible for the candidate to be hard-hitting without the delay and editing by news media and even of campaign staff. For example, Trump took on Pope Francis's criticism of a proposed wall to Mexico with: "For a religious leader to question a person's faith is disgraceful." Not surprisingly, this dominated the news. Even people who disagreed with Trump felt this kind of response was more candid and gutsy than one vetted through focus groups.

The internet as a platform for relentless marketing has made voters leery of overly slick campaigns. It was a major accomplishment of the Trump campaign that it seemed authentic at the same time that it used a sophisticated data analysis and campaign operation. The internet makes it possible to run an active campaign below the radar to keep the opposition complacent and the snoopy press off scent. An advanced, campaign back-office data operation was quietly built up by son-in-law Jared Kushner in San Antonio, Texas, with a staff of over 100. it became an effective machine for message tailoring, fundraising with machine learning, prioritisation of campaign efforts, data mining, and operational planning.

The effects of this direct connection of a candidate with the electorate facilitated by the internet-based technology is not only the weakening of gatekeeper media but also of another intermediate institution, that of political parties. Trump was thus able to bypass the Republican Party and win against the party establishment in the primaries and go on to win the general election despite its tepid support. The party, too, was out of the loop.

Beyond this particular election, there is no reason to assume that this will not become a pattern for the future: an effective communicator reaching out directly to the public, personally or through a staff of hired professionals or committed volunteers. Now that this has proven possible, what is the function of major party nominations, when a candidate can go directly to the electorate, whether on the national or the state or regional level? This suggests a further weakening not only of the political parties but also of the two-party system.

CONCLUSION

It is necessary for the internet community, staunchly internationalist and multi-cultural by outlook, background and voting, to forthrightly face the question whether the changes and disruptions it has brought to America have contributed to an economy, society, politics and campaign tools that made the Trump candidacy successful. And, whether the same dynamics will be at work in other countries and lead to similar politics. The factors that enabled Donald Trump's success are inherent in an internet-based economy and society.

Therefore, this election, far from being an outlier, will be a precursor of politics to come, and a lesson to campaigns from both the right and the left.

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