

# A political economy of reorientation. New theory and policy for the recovery

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## **Abstract:**

**Aim:** The article aims at developing an economic theory of reorientation. As Western subjects are disoriented by long-time systematic commercial manipulation of their preferences, the theory focuses on new concepts of endogenous preferences and on the process of preference manipulation and its direct and indirect effects on the culture of Western societies. Applying this theory in a historical analysis leads to three radically democratic policy proposals for initiating and accelerating a process of reorientation.

**Design/ Research methods:** Critical analysis of professional publications within and outside the field of economics. Development of new concepts, analysis of (recent) historical developments and design of new policy instruments.

**Conclusions/ findings:** In order to achieve an economic concept of reorientation, three concepts of preferences are defined. First conclusion: without removing the commercial bias in preference manipulation no real reorientation is plausible. Therefore, the first policy proposal (The Sovereignty Fund) is a necessary condition for reorientation. It gives citizens a positive voice in determining the cultural development of their societies. The other proposals (House of Citizens; Big Data Claim) are fundamentally democratic instruments needed for facilitating the reorientation process. All three proposals can be implemented without removing or seriously disrupting existing institutions.

**Originality/ value of the article:** Original analysis of a new subject (reorientation) presenting concrete policy proposals, two of them being totally original, addressing topical issues. One of its limitations is its focus on Western democratic societies. The idea of “reorientation” may be interesting to anyone who is shocked by the pandemic or concerned in the state of our societies, our democracies or our climate.

**Keywords:** *endogenous preferences; manipulation; consumer sovereignty; advertising; big data; countervailing power; democracy; surveillance capitalism; neoliberalism*

**JEL:** *A13, D10, D70, M30, M37, P16*

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## 1. Introduction<sup>1</sup>

The COVID-19 pandemic did not only cause a serious recession. For many, lifestyles and values were shocked. The question *did we live a good life?* got new urgency. This could initiate a reorientation of economic and social behavior. The appeal of new phrases like “Building Back Better”<sup>2</sup> illustrates the momentum.

The shock of the pandemic came after a decennium of growing critique of neoliberalism and its destruction of community and even the climate.<sup>3</sup> The 2008 financial crisis shocked the confidence in financial markets and the pandemic affirmed once again that government is not only “the problem”, as Ronald Reagan famously stated at the start of the age of neoliberalism, but also an indispensable regulator and intervening force, in public health as well as in economic crisis management. However, at the same time societies are increasingly polarized and democracies are languishing (Freedom House 2021; Krugman 2021). So, the perspectives for “New Deals” and for a common enthusiasm for reconstruction are unfavorable. Reason to look for creative solutions?

This article aims to contribute new theoretical and political inspiration. It is based on an analysis of the deeper economic causes of the present impasse and it introduces new concepts for economic theory and new instruments for economic and social policy. It focuses on the manipulation of preferences and the profound direct and indirect cultural effects of that manipulation. It will show how decades of commercially biased manipulation produced disorienting effects and how these effects can be cured in order to enable a reorientation. It outlines an economic theory of reorientation and it will present three policy proposals.

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<sup>2</sup> This slogan of the Biden presidential campaign has been used by others as well. *The Great Reset*, the slogan which has been launched recently by the World Economic Forum, illustrates the momentum for reorientation even more explicitly.

<sup>3</sup> A special selection of that critique, focusing on the subject of this article, will be presented at the start of section 3.

## 2. Three concepts of preferences and the concept of reorientation

Although there are exceptions,<sup>4</sup> mainstream economic theory usually assumes preferences to be exogenous. Producers do not create wants and consumers are sovereign. That is not very realistic. As we shall see in more detail later, our preferences have been manipulated by professional marketing and advertising for already 150 years, in recent decades with ever more sophistication. There are good reasons to presume that the effects on our preferences, our democracies and our societies are immense.

In order to analyze these effects I will distinguish three concepts:

- Actual preferences
- Personal preferences
- Potential personal preferences

The reason for distinguishing these concepts is straightforward. Preferences are the product of nature and nurture.<sup>5</sup> Every human being has unique preferences, because she or he has unique genes and a unique personal history (unique parents; unique experiences). Culture implies manipulation because the existing culture shapes and cultivates every subject's preferences to a high degree (see Malabou

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<sup>4</sup> There are exceptions inside and outside the mainstream. Almost a century ago, Chamberlin, even preceded by Sraffa, wrote about the effect of advertising on the demand schedule in the context of monopolistic competition (Heimann 1964: 218). More than half a century ago Galbraith described the "creation of wants" and the "manipulation of consumer desire" (Galbraith [1958] 1998). Not much later Marxian economists Baran and Sweezy (1966) and more recently Harvey (2011) accentuated the 'unproductive' marketing outlays by monopolistic capitalism, aiming at enlarging demand, to counteract capitalism's tendency to chronic stagnation. Other exceptions are George (2001) who analyses how markets create desires we dislike, and Hanson and Kysar (1999a, 1999b) who are taking seriously the results from behavioral economics, studying the strong manipulability of consumers with a focus on product liability. A recent exception are Nobel laureates Akerlof and Schiller, who wrote about the economics of manipulation and deception in their book *Phishing for Phools* (2015). But the exceptions are scarce. Even Bowles's impressive stocktaking of research on endogenous preferences (Bowles 1998) ignores the manipulation of preferences by marketing and advertising. Hahnel and Albert (1990: 81) in developing a new welfare theory on endogenous preferences, explicitly exclude the effects of advertising from their analysis. As the vast recent literature about 'nudging', started by Thaler and Sunstein (2008), is not about the manipulation of preferences, but about choice architecture and exogenous preferences, we do not include that in the 'exceptions'.

<sup>5</sup> There is an immense literature on this. Some literature accentuated nurture (Laing 1960). More recently, neuroscience produced new insights in the role of nature (Damasio 2010; Swaab 2014). The French philosopher Catherine Malabou wrote an intriguing essay on the role of capitalism in the plasticity of the human brain (Malabou 2008).

[2008] and the literature of footnotes 3 and 4). In a pluralistic culture, subjects are manipulated in many directions, promoting very different values and ambitions. People with a predisposition for materialism will be stimulated to develop their materialistic preferences, but people with non-materialistic predispositions will not be carried away from their non-materialistic preferences because these will be stimulated as well. So, in a pluralistic culture most subjects can develop their preferences in accordance with their uniqueness. But in a culture which is dominated by strong restrictions – for instance imposed by an intolerant religion or by oppressive traditions – preferences are biasedly manipulated, because those preferences which are not tolerated by that religion or traditions will not be stimulated as well as tolerated preferences. Biased manipulation restricts subjects in the development of their preferences. So, they develop biasedly manipulated preferences. In a culture which is dominated by commercial manipulation, many more subjects will develop consumerist preferences than in a pluralistic culture. We will come back to that immediately in 2.1.

We define *actual preferences* as the preferences which result from actual manipulation and which determine the subject's actual behavior. *Personal preferences* are the preferences the human brain generates immediately after the actual manipulation stops. If the actual manipulation is biased, personal preferences reflect more of the individual's uniqueness than actual preferences. In the case of commercially biased manipulation the difference will be systematic in the sense that personal preferences are less consumerist than actual preferences. *Potential personal preferences* are the preferences which result after a transition process during which biased manipulation is durably absent. After explaining biased and unbiased manipulation further, the three concepts will be discussed successively.

## **2.1. Biased and unbiased manipulation**

By definition, manipulation is wielding power: the power to determine or influence another subject's behavior. A human community cannot exist without manipulation. Children are manipulated to learn the language and the rules of the community (and a lot of other things) and adults are disciplined to conform to these rules (and learn even more). Among the most relevant institutions are: families, the

educational system, the judicial system and the media. Through manipulation, each society's culture reproduces itself and develops further.

In modern societies, not everyone has the same power to manipulate. If the people with more power have other personal preferences than the people with less power, the cultural manipulation will be biased towards the preferences of the most powerful. This is what we see in the vast majority of contemporary societies. In contemporary Western societies large corporations have more power than small businesses, elites of political parties have more power than unorganized individuals, teachers have more power than cleaners, highly educated professionals often have more power than uneducated poor. Some of the most influential manipulations – like large scale advertising – are carried out by a tiny minority with big purchasing power and major commercial interests. In fact, our cultural development is not shaped democratically and our manipulation of preferences is commercially biased. We will illustrate this further in section 3.

In a strictly egalitarian society everyone formally has the same power to manipulate. Not at every moment: as a child one has less power than as an adult. In many (not all) cultures women have less power than men, but that does not necessarily mean that their manipulation is less effective. But who is born with the genes of a charismatic leader may become more influential than others. Therefore, perfectly egalitarian manipulation cannot exist. Even in an egalitarian society culture is not strictly egalitarian because humans are unique and they differ in the effectiveness of their manipulation. How a society handles those differences is part of the characteristics of its culture. This leads to our definition of unbiased manipulation.

Unbiased manipulation is not defined as: every member of society having the same power to manipulate. It is defined by the absence of structural differences in the power to manipulate. Positively formulated: the manipulation of preferences in a society is unbiased if there is equality of opportunity in the effective manipulation of preferences. If, for instance, people with materialistic preferences have the same opportunity to effectively manipulate as people with non-materialistic preferences, the manipulation is considered not to be biased to materialism or non-materialism. So, the concept of unbiased manipulation is fundamentally democratic. To a certain

extent, it is also pluralistic, because all unique citizens have the same opportunity – although not always the same effectiveness – to manipulate other unique citizens. The implication could be that, in a society with unbiased manipulation, most subjects can develop their preferences optimally in accordance with their uniqueness. In 2.5 we will elaborate on this.

In conclusion: biased manipulation occurs when the members of a society have unequal opportunities to effectively manipulate; unbiased manipulation occurs when the members of a society have equal opportunities to effectively manipulate.

## **2.2. Actual preferences**

There exists a long history of sophisticated commercial preference manipulation by suppliers. Many centuries ago quacks and churches made money by exploiting our fear of illness, death and hell, thus creating our wants for their medicines and indulgences. Around the middle of the nineteenth century advertising started to become a specialized profession (Wu 2017). Inciting preferences became an essential skill. A further stimulus came from the ‘science of public relations’ which grew out of the experience of successful government propaganda during World War I. Around 1920 marketing became a ‘science’ as well (Wu 2017: 51 ff.). Important issues were: inciting of wants, branding, and targeting of special groups.

Marketing and advertising have developed into a smart profession. Important sources of innovation were the development of mass media, psychology and neuroscience. Mass media brought the advertisements intrusively in everybody’s living room, issued sponsored content and created the celebrities whose performance in advertisements appeared very effective in raising sales. Large scale advertising in mass media created economies of scale which stimulated innovative research to increase its effectiveness. Modern psychology inspired the creation of effective advertisements as well as other marketing techniques like working with focus groups and the design of supermarkets and department stores. Sometimes, advertisements are tested in fMRI scans, monitoring your brain activity while you are exposed to a commercial. Some advertisements are even targeted at unborn children (Lindstrom 2012). Advertisements address our unconscious motives, fears, wants and values, now with much more sophistication than a century ago. Remote

from mainstream economics, the new ‘science’ of behavioral economics is beginning to discover that techniques of behavior manipulation, like those applied at scale in marketing and advertising, are very effective (Shermer 2008: 75-76; Lindstrom 2012; Verhoeven et al. 2018). We appear to behave much more irrational, gullible, emotional and impulsive than we are aware of, and we are much more susceptible to manipulation than we like to believe.

Modern psychology and neuroscience have shown that our behavior is directly initiated not by our conscious mind but by our unconscious (Damasio 2010; Dijksterhuis 2007; Schwaab 2014). The implication is that we do not know the motives for our behavior. Our conscious mind, as soon as the behavior comes to mind after it had been initiated, has to construct the motives in retrospect. It cannot establish the real motives because they are unconscious. So it constructs those motives that it considers the most plausible. Therefore, these constructed motives are in optimal harmony with how we see ourselves. Most of Western humans see themselves as fairly autonomous individuals who take responsibility for their behavior and their constructed motives tend to be consistent with that idea. The implication is that our conscious experience tends to be consistent with the neoliberal notion of the autonomous individual, fully responsible for her or his behavior. But, as neuroscience has demonstrated, this is an illusion. In reality, our motives are unknown and we are very vulnerable to manipulation of our preferences, especially if this manipulation addresses our unconscious motives. In short, we might think we are not effectively manipulated by marketers and advertisers, but that is an illusion.

The illusion of the autonomous individual is perfectly reflected in the assumption of the autonomous economic subject – the sovereign consumer – whose behavior reveals his preferences and who acts rationally in the maximization of his welfare. This assumption is far outdated. In fact the economic subject’s behavior reveals his manipulated preferences. His actual preferences are not genuinely his own because they are manipulated effectively.

In conclusion: actual preferences are the manipulated preferences that determine the economic subject’s actual behavior

### 2.3. Personal preferences

What will happen to a subject's actual preferences when the manipulation stops? His brain will produce preferences which are not actually manipulated. These preferences are her/his *personal preferences* because they reflect her/his personality as it developed during her/his lifetime. These preferences result from her/his unique genes and her/his unique personal history. Her/his personal history includes all manipulations of her/his preferences. If this historical manipulation had been biased towards consumerism, her/his personal preferences will be more consumerist than if the historical manipulation had been unbiased.

The difference between actual and personal preferences is the direct effect of actual manipulation. If the actual manipulation is biased towards consumerism, the actual preferences will be more consumerist than the personal preferences. This implies the assumption that actual manipulation is effective instantly; its direct effect on actual preferences manifests itself without a time lag. This does not mean that there are no effects occurring with time lags, but these effects are considered indirect effects in order to clearly distinguish between *personal preferences* and *potential personal preferences*. This distinction will appear to be essential in our analysis and we will come back to the indirect effects repeatedly.

Personal preferences are observable in a clinical context, not in the reality of daily life. After the subject is isolated from actual manipulation, his personal preferences can be assessed. They are studied in clinical research of behavioral economics and in marketing research. Think of the experiments in groups of students by Kahneman and Tversky or the well-known focus groups in marketing research. In those kinds of research, we appear to behave much more irrational, gullible, emotional and impulsive than we are aware of, and we are much more susceptible to manipulation than we like to believe. This suggests the possibility of substantial differences between personal and actual preferences.

In conclusion: personal preferences are the preferences that emerge when the subject is isolated from actual manipulation. These preferences are the product of nature and nurture, including historical manipulation.



## 2.4 Potential personal preferences

In a real community, manipulation never stops. Living together in a community means experiencing a common culture. Culture implies manipulation because the existing culture shapes and cultivates every subject's preferences to a high degree. Parents manipulate their children's preferences, teachers and leaders manipulate their pupil's or their follower's preferences. Contemporary societies created mass media like radio, television and social media. Nowadays, these are the main channels of cultural development. They are unrivalled manipulation machines.

In a sense, mass media are the product of advertising. Commercial radio, television and social media completely depend on the sales of advertisements. Advertisements are omnipresent and the sales of advertisements are a decisive factor in the programming and selection of content. A preference exists for sensationalist content because that attracts the biggest audiences and thus the biggest ad sales. This commercial bias has become dominant since the start of commercial mass media, many decades ago. It increased its dominance since other actors of cultural leadership (churches, political leaders and other authorities) became less influential, especially after the almost revolutionary cultural changes of round about 1968 which dethroned authority. The effect is, as we will see in more detail later, a many decades old and increasing commercial bias in cultural manipulation. This implied that our personal preferences are more consumerist that they would have been if the cultural manipulation had been unbiased. Could they become less consumerist again in a period without a commercial bias in manipulation?

We just defined personal preferences as the subject's preferences immediately after he is isolated from actual manipulation. These preferences differ from the actual preferences by the direct effect of actual manipulation. But if we ask the question about the effects of a long period of unbiased cultural manipulation, we have to consider the indirect effects as well. Because, after biased manipulation stops, a dynamic transition process will start with second and higher order effects.

The first order effect of stopping biased manipulation in a society is that most people will approximate their personal preferences closer than before. They will then – as a second order effect – influence or manipulate other members of the society in a less biased way, which has its – third order – effects on the preferences

of these other members and – as a fourth order effect – on how they manipulate. This dynamic process will go on infinitely. Higher order effects may be smaller than lower order effects but that is not sure. Cultural changes usually take a lot of time; even minor changes often take generations. But sometimes remarkable accelerations occur, like around 1968, when cultural changes took on revolutionary proportions and ‘imagination came into power’. This indicates the possibility that higher order effects can suddenly reinforce themselves and we will come back to that in 3.3. This makes the dynamic process difficult to predict. In a dynamic society, manipulation will never reach a final equilibrium. So, the question about how much less consumerist our preferences will become after a long period of unbiased manipulation will not get one quantified answer.

Therefore, our concept of *potential personal preferences* is not an absolute concept. It is a relative concept which has to be specified concretely in order to be determined. For instance, what could our potential personal preferences be in year  $t+x$  if, starting from our actual preferences in year  $t$ , our society would generate unbiased manipulation during all  $x$  years to come?

In the introduction of this section, we defined potential personal preferences as: the preferences that emerge after a period of unbiased manipulation. Therefore, it is not a strictly individualistic concept because it depends on the society the person lives in. What makes this concept relevant?

In a context of neoclassical welfare economics the concept may become relevant as soon as the unrealistic assumption is relaxed that preferences are exogenous. If the manipulation of preferences is included in the economic analysis, new optimizations of welfare can be determined. Then it may be analyzed under which circumstances it is plausible that, at a certain level of income, welfare will be higher when subjects behave according to their potential personal preferences than if they behave according to their actual preferences. This could lead to results like a conclusion that commercially biased manipulation *ceteris paribus* leads to a welfare loss in comparison with unbiased manipulation, but such results are the product of

complex and disputable analyses depending on often rigorous assumptions.<sup>6</sup> In this article we will not elaborate further on this.

In political economy, be it Galbraithian institutional economics or Marxist economics, the concept of potential personal preferences may be particularly useful. Because it provides a point of reference, opposed to the actual economic and social developments which are determined by commercially biased manipulation of preferences. In this context the concept of potential personal preferences indicates the reorientation which is attainable if power relations can be changed. Later in this article, we will see that this leads to a new kind of economic policy and to new policy instruments.

In conclusion: potential personal preferences are the preferences subjects can develop in a society during a period of unbiased manipulation. In contemporary Western societies, this concept indicates the reorientation which is possible after many decades of commercial dominance in cultural manipulation.

## **2.5. Reorientation**

Are potential personal preferences “better” preferences than actual preferences? Although this article will quote participants in that discourse, it will try to avoid it. Its essential proposition will be that in contemporary Western societies actual preferences bring more disorientation than potential personal preferences and this subsection starts explaining why.

As we saw at the start of section 2, in a pluralistic culture subjects are manipulated in many directions, promoting very different values and ambitions. Therefore, in a pluralistic culture most subjects can develop their preferences fully in accordance with their uniqueness. These subjects will not be estranged from their personal predispositions because their preferences will not be stimulated less than the preferences of people with other predispositions. The implication is that they will not be disoriented by the manipulation in that culture.

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<sup>6</sup> Among those assumptions: what concept of welfare do you adopt (only the result of market transactions? Or do you include external effects? Or even the perspectives for coming generations you perceive?) and what economic model do you apply (a general equilibrium model? Or do you assume secular stagnation after the commercial bias in manipulation is removed?).

In 2.1. we developed the concept of unbiased manipulation. Unbiased manipulation is not necessarily pluralistic. If the existing culture in a society is far from pluralistic, some members of that society may be disoriented by its unbiased manipulation. Imagine a society where the vast majority is intolerantly homophobic. Homosexual people will be disoriented by its unbiased manipulation because that manipulation is homophobic.

Every society consists of unique subjects. If every subject has the same power to manipulate, the manipulation may be expected to be more pluralistic than if a few subjects dominate the manipulation. Because in the last case the manipulation will be dominated by the preferences of a few powerful. Only if the preferences of the powerful are more pluralistic than those of the powerless majority, the actual manipulation can be more pluralistic than unbiased manipulation would have been. Think of a society with a powerless intolerantly homophobic majority and a powerful sexually tolerant elite. Thus, biased manipulation is not necessarily more disorienting than unbiased manipulation. Certainly not for minorities.

But for majorities it is rather unlikely that biased manipulation will be less disorienting than unbiased manipulation. Because in unbiased manipulation the preferences of subjects belonging to the majority, in all their variety, will have a fair chance of being effectively propagated. Biased manipulation is likely to reduce the plurality represented in the majority. If, in the case of the homophobic majority, the manipulation is dominated by a tolerant elite, the majority's homophobic preferences will be ignored in the manipulation. Why should the variety of other preferences in the majority be better represented in the manipulation by the elite? In the case that the majority is narrow-minded in every respect and the elite is generally tolerant and enlightened, the manipulation by the elite may be more pluralistic, but at the same time it will be more disorienting in the majority. For the moment, we may conclude that it is likely that, for majorities in a society, biased manipulation is more disorienting than unbiased manipulation.

In the case of commercially biased manipulation, disorientation is very likely. All marketing and advertising aims at increased spending. People with a predisposition for materialism will be stimulated to further develop their materialistic preferences and increase their spending. But people with non-

materialistic predispositions will be carried away from their non-materialistic preferences in order to increase their spending as well. So, commercially biased manipulation will reduce the number of subjects who will be able to develop their preferences in full accordance with their uniqueness. Therefore, it will increase the number of subjects who can get disoriented by the manipulation. Section 3 will elaborate on this.

If subjects can become disoriented by biased manipulation, one can hope that they can get less disoriented during a period of unbiased manipulation. Concretely, one can hope that disorientation in Western societies can be diminished by removing the commercial bias in manipulation. As we saw before, removing actual manipulation enables *personal preferences* to come through. Obviously, personal preferences are closer to a subject's uniqueness than actual preferences. Therefore, the direct effect of removing the commercial bias in manipulation could be a first step to reorientation. But will a process in which actual preferences develop towards *potential personal preferences* lead to reorientation? This boils down to asking: do potential personal preferences come closer to the subject's uniqueness than actual preferences? That is likely in the case of contemporary Western societies, as the discussion above suggests, and it will be demonstrated more comprehensively in the remaining part of this article.

In conclusion: reorientation is the process of developing preferences which are increasingly in accordance with the subject's uniqueness. Will this process happen in contemporary Western societies during a substantial period of unbiased manipulation? Will approaching potential personal preferences implicate reorientation? That is what we are exploring in this article.

### **3. Effects of preference manipulation**

The effects of marketing and advertising on ourselves and on our societies may be immense. This manipulation transforms our desires into absolute indispensability's (Harvey 2011), creates desires we do not wish to entertain (George 2001), alienates us from ourselves (Hamilton 2004), stimulates obesity (The

Elephant in the Room 2003), makes us impatient and undermines our trust (Offer 2006), makes us behave like fools (Akerlof, Schiller 2015), leads us to underestimate risks (Hanson, Kysar 1999a, 1999 b) and to competition in greed (Frank, Cook 1996; Schor 1998), depression and social anguish (Verhaeghe 2010), infantilism (Barber 2007) and resentment (Sloterdijk 2006). It spoils children (Schor 2004; Barber 2007) and it commercializes social relations (Hirsch 1976; Sandel 2012), undermines the fundamentals of our societies (Marglin 2008) as well as the public cause (Galbraith [1958] 1998) and ‘swallows citizens whole’ (Barber 2007). The list of authors could be longer, the list of troubles also.

How did this happen? Could all these troubles really be caused by commercial manipulation? We will explore these questions looking to various effects of preference manipulation: effects on preferences, effects on societies, cumulative effects, surveillance capitalism and total outcomes.

### **3.1. Effects on preferences**

The USA spends two percent of GNP on advertising, other Western economies spend one percent (Offer 2006: 122-124).<sup>7</sup> It has been estimated that the average American sees or hears – mostly unconsciously – more than three thousand advertising messages a day (Dijksterhuis 2007: 52; Rushkoff 2010: 113); the average European probably more than one thousand. So much money spent on so massive smart manipulation, year after year since many decades, should not be too little to produce the effects mentioned in the introduction to this section. So, why should we be surprised that we have become consumerists?<sup>8</sup> Let us explore some theories on that, not aiming to be exhaustive.

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<sup>7</sup> Global advertising adds up to more than \$ 600 billion (MarketLine 2019). At other kinds of marketing also immense amounts of money are spent, perhaps in almost the same order of magnitude as advertising. Think of: sly design of supermarkets and warehouses, sponsoring and creation of sponsored content, frequent redesign of models in order to increase sales, et cetera.

<sup>8</sup> Estimates of the effects of advertising campaigns on sales have very big margins of error (Lewis, Rao 2013, later also published as Lewis, Rao 2015). The effectiveness of advertising in social media seems even more difficult to assess (Martijn, Frederik 2019). Principals often have no sound idea about the increase in sales generated by their advertisements. So, in theory, it is possible that many advertisements are wasted money. However, that does not imply that those advertisements do not influence us or our culture. Even if they do not generate extra sales, they can change our behavior, our media and our culture. Recent research (Verhoeven et al. 2018) concluded that warnings for unhealthy food can be effective, but only when no food-associated stimuli are present. If there is any ad, be it only

One theory on how marketing and advertising manipulate our preferences focuses on impulsivity. Triggering impulsive buying is a well-known marketing strategy. If we are manipulated to impulsively focus on our individual consumption, our attention to our co-citizens and our involvement in the public cause will be less. If our impulsivity is effectively stimulated, we will reflect less on the common good and our social behavior hardens. This theory explicitly underpins the analysis by Barber, mentioned above, that commercial manipulation creates infantilism and “swallows citizens whole”, because – since Sigmund Freud – impulsivity is associated with childhood and reflectivity with adulthood. That is why children are extremely vulnerable to advertising (and our governments regulate that more or less) as Schor (2004) has analyzed. But, as Schor has analyzed earlier (1998) among others, impulse purchasing has filled the garages of many adult overspent consumers. A lot of effects mentioned by other authors, summed up at the start of section 3, can be explained by this theory on impulsivity.

Another theory, which is a prominent feature of marketing textbooks, is derived from Abraham Maslow’s theory on motivation (1954). It states that you can persuade a subject to buy elementary goods, like food or drink, by suggesting that these goods will satisfy ‘higher needs’. That is why beer commercials show lively groups of friends, suggesting that buying the beer will satisfy your need for friendship. For the same reason celebrities appear in commercials for ordinary things. They suggest that buying these things will satisfy your need for esteem, because you will feel to belong to the world of celebrities. If we look at these marketing techniques from the viewpoint of the later Maslow ([1962] 2010), we must conclude that they make us psychologically less healthy. Because Maslow found that psychologically healthy people do not care very much for ‘lower needs’, which he called ‘deficiency needs’; healthy people concentrate on ‘growth needs’, in particular the need for self-actualization. Marketing lets you do the opposite and so it makes you psychologically unhealthy.

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the logo “M” that is associated with cheeseburgers, the effect of health warnings disappears. This suggests that advertising – in all its irrationality – is more effective than rational arguments about unhealthy food. It strongly influences our behavior and our culture; in the example given, our eating culture.

A third theory focuses on imitation. It is a second explanation why celebrities are so effective in commercials. The basic idea behind this theory is that human preferences are formed through imitation. René Girard founded his influential theory of culture<sup>9</sup> on this idea. Simply drawing a subject's attention to somebody who possesses an object, can create a desire for that object. So, marketers incite 'keeping up with the Joneses next door' and keeping up with higher earners known from the workplace or, increasingly, the media. This theory explains why products that did not even exist a few years ago now are absolute indispensability's. And it explains how competition in greed develops. Very simple commercials can create urgent desires because of our vulgar jealousy which is so easily incited.

Another group of theories opposes commercial preferences to more authentic preferences. History shows that cultures with non-commercial preferences have existed. In some cultures human dignity prevailed, a strong preference for what is seen as 'good' or just and earns pride or honor. Commercial manipulation creates more concentration on desire, and less on dignity. Therefore, the contemporary German philosopher Peter Sloterdijk (2006: 31-32) speaks of "buying off human dignity in exchange for material benefits". This necessarily leads to resentment because material benefits are so unequally distributed. The late anthropologist David Graeber's historical analysis (2011) showed that in the last 5000 years, periods of 'human economies' have been succeeded by periods with 'commercial economies' and vice versa. In human economies debt relations provided the basic structure of cohesion in society; debtors who could not redeem were not expelled from society. But in commercial economies, using money instead of debt,<sup>10</sup> debtors who failed to pay off were enslaved or imprisoned. In short, the preference for money created inhuman relations. In both theories – Sloterdijk's as well as Graeber's – effective commercial manipulation will lead to social outcasts. In the first theory, people's commercial preferences make them furious with vested interests and ruling classes, leading them to feeling and behaving like outcasts. In the second theory, people's

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<sup>9</sup> In this theory, human needs are not instinctively given. Humans differ from animals in that they learn by imitating all kinds of animals as well as other humans. Even their desire stems from imitation: humans learn to desire the object possessed by their peer. This leads not only to jealousy (Girard speaks of *mimesis*), but to competition and often to violence as well (Girard 1978, summarized in Achterhuis [1988] 2003: 42).

<sup>10</sup> Graeber debunked economists' favorite theory that money replaced barter. In reality, it replaced debt.



commercial preferences make them dehumanize other people, literally casting them out.

Summing up, there is no scarcity of theories that can explain detrimental effects of commercial manipulation of preferences. Actual manipulation cannot cause all these effects immediately, but during a long period of commercial manipulation major changes in personal preferences can be expected. How huge these changes can grow, is illustrated by the last mentioned theories (Sloterdijk and Graeber).

### **3.2. Effects on societies**

If our preferences changed so much as we have just seen, our societies must have changed accordingly. If we are more focused on our impulsive individual consumption and on competition in greed and less focused on the public good, on our self-actualization or on our dignity, the culture of our societies will reflect that. Let us briefly explore how our societies changed.

The effects of decennia-long commercial manipulation on our preferences created a culture in which neo-liberal policies can flourish. In that culture, market values crowd out nonmarket values in almost every aspect of life (Sandel 2012). Competition is on the increase, solidarity on the decline. That culture fosters a few winners and neglects many losers (Frank, Cook 1996). Egocentric and harsh behaviors are on the increase, and even are admired by like-minded fellows, while tolerance and respect concerning less like-minded people are on the decline. Indeed, our consumerist society will then become a less cozy society as we can see happening in Western countries.

These tendencies are intensified through direct effects of commercial manipulation on our media and our politics. As only a small minority follows the quality press, the vast majority depends on media like tabloids, radio, television and social media. Commercial media are dependent on advertising. Their income from advertising depends on viewership; the higher the viewing figures the higher the sales of advertisements. In order to attract many viewers, listeners, readers or visitors, content needs to be sensational or entertaining, not highbrow or nuanced (see e.g. Tufekci 2016). Talk shows are for personal image-building and witty one-liners, not for sound arguments about our future society and nuanced discussions

about how we want to relate to each other, including minorities. Much excitement, little reflection or depth.

Nowadays, we see the effects. Our perception of reality is biased towards sensational news (Wijnberg 2019a). The nuanced debate on how to shape our future society is gone. What we have got instead is small talk and polarization, infuriated by misleading statements or fabricated ‘facts’. If a President of the USA lies frequently enough, his new lie outperforms in publicity the unmasking of the former one. In your favorite social media, the unmasking of your fellows nonsense not even penetrates your bubble. Social media, completely financed by advertising, increasingly demonstrate and invigorate the fragmentation of our societies. People are living in parallel worlds with different realities, believing in fantastic conspiracy theories, ignoring checked facts and scientific knowledge. Subsection 3.3. will elaborate further on social media.

Of course, our politics are strongly influenced by our consumerist culture and by our sketchy, sensationalist and in some cases even polarized media. There are indications that advertising directly undermines trust (Offer 2006: 125-129) but it seems plausible that the indirect effects on trust, through shaping sensationalist and biased media which create alternative facts and parallel worlds, are important anyway. Politicians accommodated, becoming more involved with populism, spin doctoring, image-building, polarization and ignoring visionary ideas. Trust in representatives and other politicians is low, voter turn-out decreased and elections lead to increasingly volatile results in European countries. Nowadays, one third of US voters believes the result of the last presidential election to be totally fraudulent. Our democracies do not flourish; populism and authoritarian leadership are on the rise (Freedom House 2021). The belief that we, citizens and politicians together, are creating a better society was much more widespread half a century ago than it is now.

Why did our societies not resist? Why did our democratic checks and balances not produce adequate counter forces? The reality is that in our societies, since the sixties of the last century, the influence of moral authorities, churches and civil organizations focused on a common future diminished or even vanished. Therefore, the cultural development was increasingly dominated by the only steady stream of

large-scale manipulation that was going on with ever more sophistication: the commercial manipulation of our preferences with its direct and indirect effects. As long as this systematic manipulation meets no substantial countervailing force, it will go on shaping the culture of our societies.

### **3.3. Cumulative effects**

As we have seen in section 2, culture is a major source of manipulation of preferences. Therefore, the sweeping changes seen in 3.2 will have caused radical changes in personal preferences. The troubles, listed at the start of section 3, may be produced not only by the effects of commercial manipulation discussed in 3.1., but also by the changed culture of societies. When culture changes so that competition becomes omnipresent, advertisements that stimulate keeping up with the Joneses will gain in effectiveness. In a culture that stimulates egocentric and harsh behaviors, advertisements that incite impulsivity will be more effective. In that way, the initial effect on preferences of commercially biased manipulation is reinforced by its effects on the culture of societies. In the long run, when commercially biased manipulation continues during several generations, these cumulative effects may produce major changes in personal preferences.

There is another category of cumulative effects with a major impact on preferences. The advertising stimulated a sensationalist bias in the news from the mass media, as we saw in 3.2. This is not an effect on the culture of societies which originated in effects on personal preferences. It is a direct effect on the behavior of media which depend on the sales of advertisements. But this changed behavior of the media may have affected our personal preferences. When, as we saw, there is “much excitement, little reflection or depth” in mass media, this may create preferences for more impulsivity and less reflection and will increase the effectiveness of advertisements which try to incite impulsive buying. Such a change in preferences is perfectly reflected in social media.

Tech giants like Google and Facebook could only grow so quickly to the level of top five biggest world corporations because they could attract much advertising. Advertisements in social media or in web browsers are expected to be extremely effective because they can be targeted precisely to the most likely buyers at the

moment that they are most vulnerable. So, the share of tech giants in the advertising market grew enormously: it took less than 15 years of internet advertising to exceed total television advertising (Martijn, Frederik 2019). The tech giant's superior targeting was made possible by their big data capture: the storage of all traces the users of their internet services leave behind. We will come back to their big data in 3.4. For now we concentrate on social media like Facebook as examples of cumulative effects of preference manipulation.

Social media produce communication services for free, but they harvest all information which is exchanged. They analyze these data, using artificial intelligence and applying deep machine learning, just to produce detailed profiles of their users. These profiles enable the sophisticated targeting by advertisements we just mentioned. In order to harvest as much data as possible, social media do two things: they maximize the number of users by producing seducing communication services and they seduce users to maximize the time they spend on the medium. Therefore, social media are designed to be even more enslaving than mass media, stimulate consumerism more targeted, display hardened social behavior less censored, favor condensed and emotional communication and discourage nuanced and cautious communication. Fabricated facts, which were already common in biased mass media like talk radio and Fox News, appear in social media with increased frequency and extremism. Polarization is displayed more explicitly and more frequently, suggesting a more fragmented society, and undermining trust and democracy further. We see much more explicit racism, conspiracy thinking and extremism in the internet. These trends reflect the preferences of the many users of social media and so they illustrate how our personal preferences have evolved. On the other hand, these trends reflect a changed culture which in its turn will shape the preferences of future users of social media. This cumulative effect is especially relevant because the younger generations tend to focus their media attention on social media, YouTube et cetera.

In conclusion: cumulative effects of the commercially biased manipulation of preferences originate from the feedback from culture to preferences. There are two types of cumulative effects:

- Originating from manipulated preferences

- Originating from the direct effects of commercial manipulation on culture, especially on media. A special case of these effects is the recently emerged surveillance capitalism, to be discussed below.

### 3.4. Surveillance capitalism

In her monumental book *The Age of Surveillance Capitalism* (2019), Shoshana Zuboff presents a comprehensive documentation of the motives and practices of big data operations by tech giants, like Google, Facebook, Amazon, Microsoft and recently Apple as well, and she develops a multidisciplinary theory on these practices.<sup>11</sup> The tech giant's exploitation of an immense quantity of data about our behavior is unprecedented. Even the spying of last century's communist states on their citizens was – in terms of quantity – a trifle in comparison to this tech giant's behavioral data. In modern China, the state is creating an unprecedented surveillance system using big data. In Western countries the surveillance system is in the hands of a few semi-monopolists.<sup>12</sup> As we saw in 3.3., these tech giants create that system because they can make an immense lot of money by selling data on our behavior to advertisers. But, for Zuboff there is more at stake. The unprecedented use of behavioral data requires a completely new theory.

Tech giants seduce us to increasingly leave private information on the internet. This is very successful and a growing majority of us spend hours a day touching online screens; youngsters often many hours. This produces a tremendous quantity of data on our behavior, but that is not enough for the tech giants. They invest big money in other systems that harvest behavioral data: digital assistants, location

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<sup>11</sup> She presented an update, including recent developments, in Zuboff (2021)

<sup>12</sup> The word “semi-monopolist” is used because the well-known terminology from mainstream economic theory – like monopolistic competition, oligopoly, duopoly or monopoly – does not describe the complexity of the tech giants. For instance, Google and Facebook compete with each other (and other media) in attracting money from online advertising, but they are (almost) monopolists in web searching (Google) or social media (Facebook). Sometimes, they are called “duopolists” (Perrin 2019) because together they attract 60% of online advertising. But the share of Amazon in that market is growing to 9% and online advertising strongly competes with other forms of advertising. Furthermore, using the word “duopolists” for characterizing Google and Facebook is confusing as soon as it is reminded that their main activities – web searching versus social media – differ completely. At the same time, Amazon, being relatively small in the market of online advertising, attracts 40% of all online shopping in the USA (Hyken 2017) which could at least qualify for “monopolistic competitor”. It may be concluded that the existing economic terminology is not very helpful in characterizing the tech giants.

systems, smart gadgets, smart household machinery, car electronics, the Internet of Things. So they can add a lot of behavioral information to the data you left behind with your phone, tablet or laptop. And they also invested a lot in big data processing, in machine learning and in artificial intelligence, not only for making their online services more sophisticated and seductive, but especially to use all their big data for predicting our behavior.<sup>13</sup> Because as they can predict our behavior more accurately, they can make more money by selling that behavioral information, mostly to advertisers. And, as Zuboff shows, they even manipulate our behavior in order to perfect its prediction. Because their profits can be maximized at unprecedented levels when there is (almost) certainty about our behavior.

Zuboff's theory explains why tech giants want to accumulate and analyze all imaginable information about everybody in the world. The more certainty about our behavior, the more convenience for everybody and the higher profit for the giants. In producing that certainty, they produce what Zuboff calls "a division of learning". The giants learn everything about everybody, and about the artificial intelligence that produces that information, but that knowledge is not available to us. This tremendous asymmetry of information will reduce us to second-rate citizens. Our behavior is permanently observed, it is predicted and manipulated and our knowledge is inferior. Zuboff describes the totalitarian 'Utopia of Certainty' in which machines learn faster than humans and we are pressed to live like machines and our social relations will be like in a hive.

The future elite will consist of the people at the top of the tech giants and their circles. They own tremendous wealth, power, knowledge and freedom and they have access to the life changing innovations of space travel and biotechnology; not we. Their investments in those innovations tell us about their elitist dreams of colonizing space and eternal life. In that future we will be irrelevant like domestic animals (Harari 2017).

According to Zuboff, a completely new general theory on surveillance capitalism is needed to come to grips with these unprecedented developments. This has been criticized by Morozow (2019). The central question Morozow asks is: are

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<sup>13</sup> For some economists, artificial intelligence is all about prediction. See Agrawal et al. (2018). On page 221 it seems that they even see a revival of the rational and informed *homo economicus* in economic theory, because artificial intelligence is rational and informed by big data.

the data extraction and behavior manipulation by tech giants to be considered occasional consequences of capitalist competition, or are they the underlying causes of the emergence of the new economic order? My answer to this question, like Morozow's, is that surveillance capitalism does not require a completely new general theory. It can be understood as part of a more general theory on capitalistic manipulation. A general theory of manipulation can explain the main developments, just as well as it did concerning the era of mass media when the new techniques of radio and television enabled new kinds of effective preference manipulation. So, Zuboff's theory can be considered a special theory concerning tech giants which is consistent with the general theory of manipulation. But there is at least one extremely relevant new feature: the information asymmetry. As long as tech giants are allowed to monopolize the harvested and processed big data about our behavior, this asymmetry is indeed a relevant and unprecedented phenomenon which is dealt with in Zuboff's theory of surveillance capitalism. This is a fundamentally new extension of the theory of manipulation. Therefore, special attention has to be paid to the information asymmetry and we will come back to that, especially in 5.3.

In this section surveillance capitalism is understood as a cumulative effect of the commercially biased manipulation of preferences. The existing manipulation created the opportunity for the tech giants, by applying the new technology of big data operations and its economies of scale, to develop manipulation into unprecedented perfection. This seriously threatens our dignity and humanity, as Harari, Zuboff and an increasing number of other authors<sup>14</sup> have observed.

### **3.5. Total outcomes**

At the end of this section on effects of preference manipulation, it may be clear that this manipulation can explain the troubles, listed at the start of this section.<sup>15</sup> The commercially biased manipulation shaped our preferences and our culture during generations. The list of troubles is going to grow longer, for instance by

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<sup>14</sup> See for instance Foer (2017) or Taplin (2017).

<sup>15</sup> That commercially biased manipulation can explain these troubles is not to say that this manipulation is the only cause for all evils of contemporary Western societies. Let us hope that, in the future, historians will be able to attribute these evils to their genuine causes and to assess the role of commercially biased manipulation more definitely than we can do now.

further dehumanization in the present era of surveillance capitalism. What are the implications? Three outcomes will be summarized.

Firstly, the distance between our personal preferences and our potential personal preferences may have grown big. On average, our personal preferences may have become strongly biased to impulsivity, materialism, competition and egocentrism. It is plausible that in our potential personal preferences reflection, humanity, solidarity and dignity will rate higher. This indicates the direction of our possible reorientation during a period of unbiased manipulation. If unbiased manipulation prevails during generations, the reorientation could probably yield immense effects: much less troubles, much more humanity.<sup>16</sup>

Secondly, our societies have become fragmented and our democracies are languishing. Given our present culture and media, these are major obstacles. Any process of reorientation will be seriously impeded, if not made impossible, by these bottlenecks.<sup>17</sup> The fact that they may be caused by commercially biased manipulation does not imply that they will automatically disappear as soon as biased manipulation stops. If the reorientation process has to yield secure and quick results, these obstacles will have to be removed or bypassed.

Thirdly, surveillance capitalism created an information asymmetry that threatens our dignity and humanity and thus our potential for reorientation. Mainstream economists will tend to propose to cure this trouble by applying standard antitrust and monopoly regulations in order to dismantle tech giant's monopolistic power. There is much merit to this and politicians are starting to realize that. But it will be a long way to go and, as it does not focus on the information asymmetry itself, it cannot be expected to really solve this problem effectively.<sup>18</sup>

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<sup>16</sup> The reader who is too pessimistic about human nature to believe in the possibility of reorientation, is advised to read Bregman (2019).

<sup>17</sup> That institutions may "fail to translate the will of the people into effective policies" (Beer 1983: 797) has been demonstrated in a cybernetic analysis by Beer (1974, 1983). Already in 1974, Beer comes close to some of our conclusions: "Society, in the form of its own institutions, public and private, is making bold use of science now – not to redesign, but to reinforce itself in what may turn out to be its most oppressive aspects. Conspicuous consumption is an oppressive cause ... Not only does television serve the cause of spurious growth; it has become little short of optical imperialism." (Beer 1974: 94). This was written several decades before tech giants started their 'surveillance capitalism'.

<sup>18</sup> According to Zuboff (2019: 486) and, among others, Robert Frank (2021) the problems with tech giants cannot be solved through antitrust measures as long as their business model – generating revenue



In conclusion: this section described an economic history of disorientation. Many decades of commercially biased manipulation may have profoundly changed our preferences and our societies. Now, our dignity and humanity (and even our climate) are in serious danger. Can we reverse the disorientation?

#### **4. Towards unbiased manipulation: the Sovereignty Fund**

The manipulation of preferences by marketers and advertisers is an assault on consumer sovereignty. Consumers are manipulated to optimize supplier's sales or profits, not their own welfare. This should be an urgent reason for economists to analyze this topic, but mainstream economists ignore it (Van Tuinen 2011). As we have seen, it is plausible that commercially biased manipulation caused serious troubles and a malign development of our societies and democracies. As long as this manipulation continues to dominate the development of our society's culture and of our actual preferences, a reorientation leading to a healthier society is implausible.

Many decennia of commercially biased manipulation must have led to a major difference between our actual preferences and our potential personal preferences. The first are biased to impulsivity, materialism, competition and egocentrism. The latter include a higher rating of reflection, humanity, solidarity and dignity. The obvious way to develop those potential personal preferences leads through a long period of unbiased manipulation. As we proceed in developing those potential personal preferences, we can expect our society to become healthier. Can we create unbiased manipulation?

Subsection 2.1. concluded that unbiased manipulation occurs when the members of a society have equal opportunities to effectively manipulate citizens' preferences. In contemporary Western societies these opportunities are not evenly distributed. Large corporations with huge marketing budgets have an immense power to manipulate whole populations while most citizens only have limited power to manipulate a few family members and peers. Therefore, the development of our

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by using detailed behavioral information to direct advertisements to individual users – is not fundamentally changed.

societies' culture is far from democratic. How to reduce the differences in the power to manipulate?

#### 4.1. Restoring consumer sovereignty

In theory, consumer sovereignty can be restored by banning the manipulation of preferences by marketers and advertisers. In practice, that would be very disruptive and would meet extremely powerful opposition. No politician will have the courage or the power to successfully initiate it. Many politicians, especially in the USA, are enslaved to advertising themselves. As forbidding advertising will only be fully effective when applied internationally, this way to unbiased manipulation is impracticable.

If commercial manipulation of preferences is ineradicable, there is only one way to unbiased manipulation: countervailing manipulation.<sup>19</sup> In order to neutralize effects of commercial manipulation, we need manipulation that yields opposite effects on our preferences and our culture.

The countervailing manipulation must be as effective as the commercial manipulation. Because the commercial manipulation has become very sophisticated, targeting our unconscious motives slyly, the anti-commercial manipulation must be sophisticated and sly as well. Because the commercial manipulation has grown as big as one or two percent of GNP, the anti-commercial manipulation has to be big as well.<sup>20</sup> Conclusion: we need large scale state-of-the-art advertising for anti-commercial purposes.

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<sup>19</sup> Some economists proposed to diminish the manipulation by taxing advertising (see e.g. Skidelski, Skidelski 2012: 211; Romer 2019). Ovide (2021) gives an overview of recent initiatives at state level in the USA. We doubt the effectiveness and practicability of these proposals. Even if they are effective, the result will be not more than a slight reduction in the commercially biased manipulation. Not a big deal for the purpose of this article.

<sup>20</sup> Has the anti-commercial manipulation to grow as big as nowadays' commercial manipulation? Probably not. An important part of commercial advertising neutralizes itself: advertising for brand A at the cost of brand B. Another part is not targeted at consumers. Therefore, what has to be neutralized by anti-commercial manipulation is much less than total commercial advertising. Furthermore, there are reasons why the returns to commercial advertising will decrease as soon as anti-commercial manipulation is issued at scale. Imagine, for instance, seeing the well-known advertisements featuring highly excited people shopping in a supermarket just after you saw a sly ad showing healthy relaxing people spending their time in a happy non-consumerist atmosphere, implicitly ridiculing the shopping hype. The effectiveness of the commercial advertisement will severely suffer from the anti-commercial one. It is easy to find a lot of such examples of crowding out commercial advertisements after reading

This leads to the proposal to create the Sovereignty Fund (SF). This fund is established and financed<sup>21</sup> by the national or federal government and its budget is allowed to grow to the level of at least 25% of the estimated domestic expenditure on commercial consumer advertising. The purpose of the Sovereignty Fund (SF) is to finance anti-commercial advertising by organizations of citizens with the goal of contributing to a balance of unbiased manipulation. This will attract citizens who are unhappy with our consumerist, competitive and harsh society and who wish to propagate other values and behaviors. It will stimulate these citizens to form organizations which can contract professional advertising agencies to transform their ideals into publicity projects eligible to financing by the SF.

The (organizations of) citizens have to propose their advertising projects to the SF in a specified format. They have to mention the effects of commercial manipulation they wish to neutralize, the alternatives they wish to propagate and, of course, the complete publicity plan they developed. The SF will decide on the proposed projects independently, in conformity with the law under which the SF has been created. There is no political influencing other than through changing the law.

Economists will already have noticed that its budget will be high in absolute terms: 0.25% – 0.5% of GDP. But it is low in relation to the welfare losses caused by the cumulative effects of commercially biased manipulation discussed in section 3. To market-oriented economists who do not ignore preference manipulation, the SF proposal may have the virtue of enhancing the market. By restoring consumer sovereignty, it takes the real markets closer to the ideal in their theories. The SF will restore consumer sovereignty in two ways. First, it enables consumers to behave according to their personal preferences instead of biasedly manipulated actual preferences. Second, it enables them to develop their potential personal preferences in the long run.

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more, in subsection 4.2, about anti-commercial manipulation financed by the Sovereignty Fund. Diminishing returns to commercial advertising will lead to a lower volume of those advertisements. For this reason, in this article I implicitly assume that in the long run the total of commercial and anti-commercial advertising will not necessarily exceed the present level of commercial advertising.

<sup>21</sup> How does the government finance the SF? The best option is by taxing commercial advertising. But advertising is an international activity, especially online advertising, and it will be difficult to tax it effectively. Taxes can be evaded, especially by the biggest advertisers: corporations that operate in international markets. A second-best option would be a slight increase of taxes on consumer goods.

#### **4.2. INTERLUDE: The Sovereignty Fund in practice**

Let us imagine what might happen. As soon as the establishment of a SF is announced, advertising agencies will foresee a huge extension to their market. Many of their creative employees are enthusiastic because designing a publicity campaign for an idealistic purpose can be more fun than advertising for soap or candy.<sup>22</sup> First contacts are made with existing non-commercial organizations of all sorts. In order to attract poor organizations of citizens, advertising agencies develop models for publicity campaigns, to be sent to the SF by these organizations, on a no-cure-no-pay basis.

All advertisements financed by the SF show a logo “Sf”. After the first Sf advertisements appear on television, internet browsers and social media, citizens feel increasingly motivated to form organizations which can come to the SF for money to promote their ideals by means of advertisements. These organizations may start locally out of community activities or (inter)nationally in social media. New enthusiasm for positive action grows, because everyone understands that the SF does not finance resentment, conspiracy theories or lies, because in addition to the law on the SF the existing Code of Advertising Practice is applied to the Sf advertisements. As all the paperwork is done by the advertising agencies, these organizations of citizens can concentrate on discussing their ideals and the effects of commercial manipulation they wish to neutralize.

The quality of the Sf advertisements will be state-of-the-art. Inferior campaigns will not be financed by the SF, where publicity professionals will review the submitted advertising proposals. Advertising agencies are eager to do their utmost to ensure this important principal that their proposals are top quality. This will result in Sf campaigns attracting no less attention than the most effective commercial advertisements and being no less effective in manipulating preferences.

Within a few years, in most media used by the general public, one in three or four advertisements will be Sf advertisements. These Sf advertisements will

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<sup>22</sup> Schor (2004: 186-188) reports that designers of sophisticated marketing of commercial products feel conscientious objections, especially when the marketing is targeted to children. Lindstrom (2011) tells us, already on the first page of his Introduction, that he is not proud of all the campaigns he designed. Recently, advertising agencies signed a pledge to step away from oil and gas like they did before from tobacco (Hsu 2021).

effectively promote durability in contrast to wastefulness, reflection in contrast to impulsivity, humanity in contrast to materialism, solidarity in contrast to competition or dignity in contrast to egocentrism. They do that in many creative ways, triggering our unconscious as slyly as commercial advertisements do. Of course, viewers will feel the difference in atmosphere between Sf and commercial advertisements. This difference will provoke new discussions at home and increasingly in public, as people begin to realize what commercial advertisements do to them. Then, they will feel new potential for reorientation.

### **4.3. The Sovereignty Fund and the reorientation of societies**

As we have seen in section 3, the commercially biased manipulation of preferences influenced our societies profoundly. The manipulation may have shaped consumerist societies, hardened social behavior, sensationalist and biased media, diseased politics, failing democracies and information asymmetry (elites monopolizing advanced knowledge). Will the introduction of the SF cure these troubles?

As discussed earlier, the manipulation has been commercially biased for generations. This affected our preferences directly, and it also affected our culture. That gave rise to cumulative effects that reinforced the commercially biased manipulation as discussed in 3.3. and 3.4. Those cumulative effects increased the speed with which the distance between actual preferences and potential personal preferences could grow. During generations this distance has grown big. Can we expect similar cumulative effects, but in the reverse direction, after the introduction of the SF?

The present state of our societies gave rise to widespread nostalgia and resentment which are exploited at scale by populists. At the same time, it is clear that many people are disappointed because they prefer another kind of society. But they feel incapable to effectively propagate their ambitions about how to live together. The Sovereignty Fund gives them a voice. Not a negative voice of hate or resentment as infuriated by extremist populists and social media, but a positive voice because they are invited to propose ad campaigns to the SF for their values and ideals. This channeling of ambitions is in itself a valuable instrument in a society

where so many people feel not heard. It is likely that this will cause the society to become a bit less consumerist and a bit less competitive. It is also likely that this will give rise to a new gusto for nuanced and tolerant public discussion of how to live together; a discussion that almost disappeared.

It is possible that this will improve the culture in our media. When the public is more interested in constructive and nuanced ideas about how to live together, even commercial media could pay more serious and balanced attention to those ideas. But, as the total volume of advertising will not diminish (it may even increase substantially at the start of the SF) also the preference for sensationalist content at commercial media will not diminish. Therefore, it is an illusion that the culture of our media will substantially change in the short run. And because the cultural development of our contemporary societies is mainly shaped in our media, the social effects of the SF will be very limited in the short run. Even perverse effects are possible in polarized (social) media where extremists and commercial interests will be able to discredit the Sf advertisements and their impact.

What could be done? In countries with public media, like public broadcasting, these media could be made free of advertisements in order to reverse the perverse incentives originating from attracting advertising revenue. In many countries advertising is banned from public broadcasting and their number is still growing. France forbade it about ten years ago; The Netherlands is considering to do that in 2022, but only partly. However, in a world with commercial broadcasting it is difficult to reverse these perverse incentives. If public broadcasting becomes less sensationalist, will commercial broadcasting (and social media) attract more of their viewers or listeners? It seems unrealistic to assume the opposite, although many viewers and listeners would be happy to get rid of advertisements. In our present culture, it is plausible that only in a minority the attraction of sensationalist content is weaker than the distaste for advertisements. We may conclude that, although banning advertisements from public broadcasting is a good idea in itself, it will not really solve the problem of the dominant sensationalist culture in modern mass media.

As younger generations increasingly concentrate their attention on social media, YouTube and the like, they are even more confronted with the sensationalist culture,

including unchecked fabricated ‘facts’, hate and conspiracy theories. So, their reorientation will stay seriously obstructed, even during an extended period of unbiased manipulation of preferences. In the present era of surveillance capitalism, we are not only increasingly enslaved to the internet but the asymmetry of information will also foster our feelings of inferiority. That will undermine our dignity, and in the long run our humanity will be undermined further. In other words, our reorientation will be seriously hampered.

In conclusion: the Sovereignty Fund is a necessary but insufficient condition for an unhampered reorientation of our societies. Therefore, we have to look for supplementary instruments. These instruments will have to remove or bypass two obstacles for reorientation: the sensationalist culture in our media and the information asymmetry created by surveillance capitalism.

## **5. Towards unbiased manipulation: two supplementary instruments**

As economic history shows, modern Western economies could flourish when financial, human and social capital were sufficiently available. Social capital includes sufficient freedom of enterprise, maintaining property rights, strong supportive institutions and essential regulation, sufficient stability in social relations. Financial and human capital enormously increased during the last two centuries of economic growth, as did many elements of social capital.

At the end of section 3 we concluded that the commercially biased manipulation of preferences created an economic history of disorientation. The disorientation is apparent from: a big distance between actual and potential personal preferences; fragmentation of societies infuriated by a malign media culture which undermines our democracies; information asymmetry which threatens our humanity. These appearances of disorientation can be understood as shortages of social capital. These shortages strongly increased during the last half century.

For a flourishing economy of reorientation, social capital is of utmost importance. In section 4 we saw that a new institution – the Sovereignty Fund – is indispensable. We also concluded that the sensationalist culture in our media and the

information asymmetry have to be countered, because the process of reorientation will be seriously hampered by these shortages of social capital. We now will propose two other elements of social capital needed for a flourishing economy of reorientation.

### **5.1. Fragmentation without deliberation**

As the values and ambitions of the population are effectively promoted in the advertisements financed by the Sovereignty Fund, it is of utmost importance that they will shape the development of the culture of societies. Only then, our reorientation can take off. As discussed in 4.3., cumulative effects on preferences have to be created in order to reinforce and accelerate our reorientation. But it was immediately clear that these cumulative effects will not be generated in our media.

Any attempt to revive reflection, humanity, solidarity and dignity will fail in our media where shallowness, harshness, competitive profiling, egotripping and spreading fabricated ‘facts’ are flourishing. In our sensationalist media the constructive ideas cannot be discussed in a context of respectful listening, nuanced argumentation, inclusion of minorities, common reflection before dismissing an argument, et cetera. Therefore, we need to find a relevant forum for discussing the values and ambitions of the population which functions independently of our media. Its process must be kept unharmed by interventions through the media. This is not easy to achieve in our mediatized society, but it is an essential condition.

A second condition is that the forum is too relevant to be neglected. The conclusions the forum draws from its discussions, must have clear consequences for the lives of all citizens. They must be implemented one way or another, ultimately with the power of law. The implication is that the forum must occupy a powerful position in our political systems. That makes it complicated.

Politicians fitted in with modern media. Now we have politicians who can profile in talk shows, speak in one-liners, navigate interruptions and cherry pick convenient facts and occasionally ‘alternative facts’. Too many of them ignore science and propagate lies. But our politicians cannot realize grand visions. The well-known exceptions are the populists with reactionary ‘visions’. So, contemporary politicians are not the people we need as participants in our forum.



This is nothing new. Even the inventors of democracy, the Greeks of around 400 BC, knew that politicians are focused on their personal power and their re-election and that they have elitist leanings. For the Greeks, democracy was about deliberation of citizens themselves and their democratic institutions were designed to include all citizens,<sup>23</sup> although – for practical reasons – not always all during the same day or year. Nowadays, we do something like that when we form juries to do justice. We do that because we obviously believe that serious deliberations by citizens will arrive at the best possible conclusions.

During the last 200 years, we have grown accustomed to the idea that democracy is about elections and parliaments consisting of representatives. But, as Van Reybrouck (2016) shows, the founders of our parliamentary system had elitist instead of democratic leanings. Their main concern was that the country should be governed by the most competent leaders, not by the people. There should be deliberation of competent leaders, not of the people. Nowadays, we can conclude that this system of representative ‘democracy’ is obsolete. We seldom see deliberation of visionary leaders. What we see is political bickering, polarization instead of deliberation, the power of money and lobbying instead of really effective one-man-one-vote, spin doctoring and misleading the people. Political parties are polarizing people even while these people agree on most issues (Wijnberg 2019b). Almost half of the US population feels exhausted by politics (Jilani 2020). As we noted in preceding sections, most citizens feel not heard.

We have to conclude that our politics and our languishing ‘democracies’ do not provide any credible perspective on effective democratic deliberation. So, our forum for discussing and implementing the values and ambitions of the population, promoted with the help of the Sovereignty Fund, cannot be organized within our present systems of representative democracy. That leads to the proposal to create an additional element in our democratic systems: the House of Citizens (HoC).

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<sup>23</sup> The Greek ‘citizens’ excluded women, slaves and foreigners. So, their democracy did not involve all inhabitants, but in quite another way than our modern representative ‘democracy’.

## 5.2. The House of Citizens

The HoC functions in the parliamentary system like the jury in the judicial system. The HoC consists of citizens who are assigned by lot.<sup>24</sup> They serve during a fixed period, e.g. two years, and then return to the position in society they occupied before their term. They form a representative sample of the electorate. The main function of the HoC is to serve as a forum for democratic deliberation. The details of its tasks and competences depend on the constitutional and parliamentary systems it has to complement, but in all cases it will have rights of veto in the legislative process. No law will acquire its force if the majority of the HoC spoke against it. Furthermore, the HoC can order other chambers of parliament to place a topic on their agenda's for public discussion.

The HoC meets the two conditions mentioned at the end of the preceding subsection: the deliberation is organized outside the modern media and it has considerable power. Its deliberations are extremely relevant and they can be organized professionally by a well-equipped office of the clerk. This office will foster transparency and keep lobbyists at bay. The HoC decides its own agenda, selects the new bills it wishes to discuss, which hearings it wishes to organize and which informants it wishes to hear. It is likely that the HoC will look more open-minded to expert advice than contemporary politicians who are lobbied or even financed by vested interests. Because its deliberations are seriously concentrated on the topics, without any other loyalty than citizenship, open discussions can develop in which listening to arguments and reflection on minorities' considerations are as important as promoting one's own ideas.

Introducing a HoC in an existing parliamentary system can be done in two ways: as an addition without fundamentally changing the rest of the system or as a substitute for an existing chamber,<sup>25</sup> preferably the most elitist. Much more can be

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<sup>24</sup> In most Western countries, national Statistical Institutes are excellently equipped to draw a random sample of the population. Not only because that belongs to their core business, but also because they are respected for their independence and their integrity.

<sup>25</sup> Barnett and Carty (2008) proposed to substitute a HoC – they call it “House of Peers” – for the existing House of Lords in the United Kingdom. I proposed to substitute a HoC for the existing senate (“Eerste Kamer der Staten-Generaal”) in The Netherlands (unpublished; text available in Dutch). Other proposals are summarized in Van Reybrouck (2016). Van Reybrouck describes a French proposal for a third *Assemblée* in addition to the existing two.

said about the institutional arrangements and the procedures of the HoC. But, the above paragraphs may be sufficient for this article.

We are not alone in suggesting a citizens' forum to repair our broken democracies. In the UK, where the Brexit saga – among other debacles – clearly illustrated that the existing political system was not able to get real problems fixed properly, The Guardian editors recently promoted a “citizens' assembly” to fix the system (The Guardian Editorial 2019). Similar arrangements concerning temporary citizens' forums are applied and proposed in many countries and cities, often because existing politics fail. The OECD (2020) recently produced an overview of experiences with citizens forums and recommendations for organizing them.<sup>26</sup> Temporary forums with special tasks are less threatening to politicians who fear to lose power. But we think that only a standing HoC, with the powers suggested above, will really repair our political culture and facilitate an economy of reorientation. The fact that citizens are assigned by lot, makes the HoC a perfect pillar of unbiased manipulation, because it embodies the condition of subsection 2.1., that the members of a society have equal opportunities to effectively manipulate.

The HoC's serious discussions, in common language, about the concerns of common men and women, including minorities, will be a relief. Most spin doctoring, fake news and fabricated facts will be quickly unmasked. Politicians who speak ambiguously or shy away, will not be taken seriously or will even be asked to return when they are able to be clear. Populists, who treat minorities as scapegoats, will be grilled in plain language and polarization will be contrasted to the inclusive deliberation in the HoC. Our political culture may quickly accommodate to this new context.

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<sup>26</sup> Part of the summary of OECD (2020) reads: “Deliberative processes take many forms and have been executed at all government levels: local (52%); regional (30%); national (15%), and international/supranational (3%). They have addressed many policy questions, from urban planning (43 processes), health (32 processes), environment (29 processes), infrastructure (28 processes), strategic planning (26 processes), and others. Generally, they are well suited to addressing: values-based dilemmas, complex problems that involve trade-offs, and long-term issues.” In other words: they are well suited to solve the kind of problems that contemporary politics tends to avoid or to leave unsolved because of paralysis or polarization, also when they urgently need a solution.

If the reader has ever seen a movie showing discussions in a jury trying to do justice, she or he will remember the excitement. Therefore, it will not be difficult to stimulate public broadcasting to produce exciting reporting about the HoC's deliberations. This will attract many viewers or listeners, not only because it is entertaining, but also because it leads to results which are extremely relevant to citizens. The trust in politics will be restored when people see how citizens like themselves come to important conclusions after careful discussions in plain language. There are good reasons to expect these conclusions often to reflect unexpected consensus. While our media and politics increasingly cultivate polarization, in reality the consensus among citizens has grown significantly (Wijnberg 2019b; Jilani 2020). We need the HoC to discover that – in our pluralistic societies – we are social beings, able to agree or compromise on major issues.

The question remains whether ruling politicians are willing to establish a HoC. Their fear for losing power will certainly keep them – as well as their mighty sponsors and lobbyists – reserved. But there are other serious threats to their power, as the volatile election results and the data on trust in politics show. Rational politicians, sooner or later, will conclude that a HoC is not as big a threat to them as are extremist populism and growing resentment. Benevolent politicians will welcome the improvement of political culture the HoC will bring about, because it will make their job more intrinsically rewarding.

### **5.3. Information asymmetry**

At the end of his bestseller *Homo Deus*, the historian Yuval Noah Harari predicts Homo Sapiens' extinction, substituted by algorithms, and he foresees that we will be treated as domestic animals by the new elites (Harari 2017). Although she uses other words, Shoshana Zuboff (2019, 2021) developed a theoretical foundation for this dystopia. In her theory, summarized in subsection 3.4., surveillance capitalism leads to information asymmetry. This information asymmetry is growing as tech giants cumulate and monopolize behavioral information. They process the information by applying machine learning and artificial intelligence. That enables them to manipulate and predict our behavior with increasing accuracy. Tech giants, and the elites connected with them, will exploit

this information and the rest of our society will have inferior knowledge and will be reduced to second-rate citizens.

Harari and Zuboff are not alone in predicting this dystopia in which we are pressed to live like machines and our social relations will be like in a hive. There is a growing wave of criticism concerning tech giants and there are proposals to curb their power through regulation, to splitting them up or to redistribute their immense profits by taxing (Romer 2019) or by urging them to pay for the information they extract from us (Posner, Weyl 2018).

The last mentioned proposal, payment for the information they extract from us, seems to be more directly targeted at the problem of information asymmetry than the other proposals. But, like the other proposals, we may expect that it will not really solve the problem of information asymmetry unless the payments are so unrealistically high that the exploitation of the information becomes unprofitable. Solving the problem of information asymmetry is not the purpose of this proposal by Posner and Weyl and it will not be its effect. Its main purposes are to create an income for internet users and to increase the efficiency of the digital economy (Posner, Weyl 2018: 246-249). There is a real possibility that their proposal could even worsen the problems of information asymmetry because people will be paid for supplying ever more information to the tech giants.

The problems of information asymmetry cannot be solved by some market mechanism because the core of the problem is the monopolization of information. We need an institutional arrangement, a new element of social capital, because it is about property rights. The tech giants appropriate the harvested information about our behavior and exploit it for their profitable purposes of facilitating the manipulation of our preferences through advertising. But why should they have the right to monopolistically exploit rich information about our behavior? Why should the information about our behavior not be our own – collective – property?

This leads to a new proposal which directly addresses the asymmetry itself. It is a variant upon an old arrangement. Let us call it the Big Data Claim (BDC), not because it is big but because it is about Big Data.

#### 5.4. The Big Data Claim

In most countries, big and small companies have to send detailed data on their activities and their exploitation to national statistical institutes. These legal obligations originate from long ago, often from the first half of the twentieth century. They were instituted because the society – including trade and industry, the state and the scientific community – needed reliable economic statistics. The national statistical institute (NSI) must keep the data on individual companies or persons secret, but it may use the data for all statistical purposes. My proposal is to bring the big data about our behavior under this legal obligation, at least in Western liberal democracies with independent statistical systems. If the tech giants are obliged to make all their information on our behavior available to our NSI's, could this really cure the information asymmetry?

Many NSI's have developed skills in the processing of huge data files. If they receive from the tech giants all big data on the behavior of all individuals living or travelling in their country, they will have to scale up. For instance, in The Netherlands the NSI already employs a system of files concerning all inhabitants (17 million) combining data on a lot of variables from many sources, administrative files and registrations as well as statistical surveys. Scaling up could be manageable within a few years if there is enough money for necessary investments. Furthermore, the Dutch NSI exploits, in cooperation with other organizations, a Center for Big Data Statistics, using already available Big Data. But are NSI's sufficiently equipped to exploit all tech giants' Big Data for all relevant purposes?

Many NSI's have developed cooperation with other research organizations, including universities and their research institutes. For instance, in The Netherlands the NSI arranged facilities for external research organizations to work on its microdata files without violating its legal obligation to prevent the disclosure of individual information (CBS 2019). So, by applying the existing rules of statistical information to the Big Data available at the tech giants, these data could be available to all bona fide research organizations, without creating any privacy issues. One of the conditions these organizations must meet, is the obligation to publish the results of their research; all results have to be available, without costs, to all interested

persons. In this way, all useful knowledge which can be derived from this Big Data will become available to everyone in our societies.

This proposal is no solution to the problem of the surveillance by tech giants. Nor is it a remedy against the targeted manipulation facilitated by them. This manipulation can be neutralized with the help of the Sovereignty Fund (SF) as sketched in section 4, because the anti-commercial advertisements, financed by the SF, can be issued as targeted as commercial advertisements. But, if the surveillance and the targeting are to be banned, and their wielding of monopolistic power is to be curbed, powerful regulation must be installed. The same holds if the detrimental effects on our culture have to be limited. But for solving the problem of information asymmetry, our proposal is adequate.

The Big Data Claim is not a disruptive arrangement and it is not a substitute for more disruptive arrangements like regulation or forcing tech giants to pay for the harvested data. But, unlike those disruptive arrangements, the BDC will really cure the information asymmetry that threatens our democracy and our humanity. It is relatively simple to implement a BDC in all countries with well-established statistical legislation. It will enable us to analyze all Big Data, mobilizing all scientific research institutes, and to produce and distribute all knowledge which can be derived from these data, in combination with all other available sources of knowledge. This knowledge will be available – like all information produced by National Statistical Institutes and publicly financed research organizations – to us all.

Putting the existing statistical legislation in effect on the tech giants' Big Data will meet their opposition. But this will have little effect on public opinion. These giants meet increasing criticism because their unlimited use of the data on our behavior never was our intention when we produced the information. So, there will be little sympathy for their monopolization of the use of our behavioral data. If the giants go to court, their chances will be seriously limited by the fact that the statistical legislation prevents the disclosure of individual data as well as the use of that data for other than statistical purposes. As in all other cases, the statistical legislation does not harm legitimate commercial interests and it serves an important public cause. In conclusion, executing the BDC will not be a risky political action.

## 6. Summary and conclusions

An increasing wave of criticism concerning the cultural effects of neoliberalism has emerged, concentrating on rising inequality, elitist power of tech giants, declining democracy, growing resentment, fragmentation and destruction of societies in Western countries. But we are lacking a clear strategy for tackling these obvious problems of our economic and social fabric. We seem to be in a state of disorientation, not seeing where to go. Even the existential threats of global warming did not immediately focus us on decisive and sufficient measures to safeguard the well-being of our grandchildren. Instead of 'safety first' our motivation seemed to be 'economy first' or 'business as usual'. However, recently the Covid-19 pandemic has rocked our preoccupation with the short term economic ups and downs. Is that creating an opportunity for reorientation?

What are the underlying reasons for our obvious disorientation? This article points out that a long history of commercially biased manipulation of our preferences offers a plausible explanation.

150 years ago, advertising became a professional occupation and since then the manipulation of our preferences has become increasingly sophisticated. We are not aware of the effects of that manipulation. It mainly affects the unconscious determinants of our behavior and our consciousness ignores that. The effects of the manipulation on our culture are produced gradually, without us noticing. We only notice the outcomes, long after the effects started to change our culture. We just mentioned some of those outcomes: rising inequality, elitist power of tech giants, declining democracy, growing resentment, fragmentation and destruction of societies. But the main outcome is our disorientation.

Marketing and advertising changed our preferences, making them biased to impulsivity, materialism, competition and egocentrism. Not only as a direct effect of the manipulation but also indirectly, by affecting our culture. Cumulative effects, resulting from the interplay of direct and indirect effects of manipulation, reinforced our disorientation. During the last half century, countervailing manipulations – e.g. by churches and other authorities – lost steam and the commercial manipulation became absolutely dominant. Our most popular media are financed by selling



advertisements and that put the commercial manipulation on steroids. In our actual preferences, reflection, humanity, solidarity and dignity rate lower than they would have rated if no commercially biased manipulation had dominated our cultural development during generations. Our societies display the symptoms: impulsiveness, harshness, fragmentation, parallel realities, resentment.

This article defined the concept of *potential personal preferences*: those preferences we would have after a period of unbiased manipulation. We can expect our potential personal preferences to be less biased to impulsiveness, materialism, competition and egocentrism; reflection, humanity, solidarity and dignity rating higher than in our actual preferences. This indicates the direction of our potential reorientation. That reorientation will help us to make the right decisions in handling the crises in the climate and in our economic and social fabric. But how to start a process of reorientation?

As long as the manipulation of our preferences continues to be commercially biased, our disorientation will be extended. Therefore, a necessary condition for our reorientation is the removal of the commercial bias in manipulation. This article proposes to institute a Sovereignty Fund for that purpose. It describes how the Sovereignty Fund will finance anti-commercial manipulation which neutralizes the existing commercial bias. This anti-commercial manipulation will mainly consist of promoting citizen's values and ambitions. It restores consumer sovereignty and it gives citizens a voice in determining the development of the culture of their society. Then, our reorientation should be able to take off, because the necessary condition – neutralizing commercial bias in manipulation – is fulfilled. But this condition is not sufficient because our reorientation will be seriously hampered by the cumulative effects of many decades of commercially biased manipulation.

The article presents two supplementary proposals which – together with the Sovereignty Fund – will enable our reorientation to take off. The first supplementary proposal is called the House of Citizens. It aims at instituting a powerful forum for democratic deliberation that will bypass and cure the sensationalist atmosphere in our societal and political communication in which polarization, spin doctoring, scapegoating, conspiracy theorizing and lying have crowded out respectful listening, honest arguing and reasonable compromising. The House of Citizens will be the

forum where the power of reasonable deliberation will be demonstrated and real democracy will be realized. It will also be the forum where the values and ambitions of the people, promoted in advertisements financed by the Sovereignty Fund, can be respectfully discussed and implemented.

The second supplementary proposal is called the Big Data Claim. It aims at recapturing the immense quantity of data on our behavior which is monopolized by the tech giants. It will enable us to use these data – produced by ourselves when visiting the internet – for our common purpose, enriching our scientific and practical knowledge about ourselves and our societies, without compromising our privacy. So reversing the growing elitist information asymmetry will avoid us to become second rate ‘humans’ in a dystopic world. This prevents our humanity to be ripped off us, which would have wrecked our reorientation.

In combination, these three arrangements will enable our reorientation. The Sovereignty Fund will neutralize the commercial bias in the actual manipulation of preferences and the supplementary proposals will compensate for the cumulative effects on our culture generated by the historical commercially biased manipulation. The three proposals have some important features in common. They do not remove or fundamentally change any existing institution<sup>27</sup> and they are fundamentally democratic. The implication is that they are relatively easy to implement by benevolent politicians.

Do we have enough benevolent politicians? That is a great question. But the obvious crisis of our economic and social fabric and of our languishing democracies cannot be solved without real “Building Back Better”. The most important feature of our proposals is that they do not require political leaders who charismatically convince the people of their visionary ideas. These days we have every reason to fear that kind of strong leadership. The only vision the benevolent politicians must display is their commitment to democracy. That commitment creates sufficient reason to institute a Sovereignty Fund, a House of Citizens and a Big Data Claim.

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<sup>27</sup> Many proposals for curing the crisis of our economic or social fabric include disruptive institutional changes. For instance: Posner and Weyl present most interesting proposals in their book *Radical Markets* (2018). These include a radical change of property rights. But as existing property rights are deeply rooted in our culture, radically changing them will not occur in the near future. Introducing that radical change would create extreme divisions in our societies with the likely outcome of paralysis.

And then, the preferences of citizens will evaluate towards reorientation. Developing our potential personal preferences will open new perspectives for our economies, our societies, ourselves and our grandchildren.

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