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The growing reliance on computational infrastructures in public agencies fundamentally transforms what counts — and is counted — in government. This essay examines corporate capture as a critical feature of the datafied state to demonstrate how the political economy of data-driven technologies shapes statecraft in the digital age.

Corporate capture, in broad strokes, refers to how companies attempt to influence and control governance to advance their interests. This phenomenon, also known as regulatory capture, includes strategies such as lobbying, public relations campaigns, direct contributions, privatization, and policy interference.¹ Many industries use these methods to minimize state intervention, advocate for market-driven policymaking, and shape policy debates, often at the expense of the public interest.²

While corporate capture in the datafied state resembles regulatory capture in other sectors, the evolving ties between the state and the tech industry also introduce a range of novel techniques and meanings of corporate capture. In this essay, I discuss two types of capture to explain how the datafied state interfaces with tech companies.

The first type, corporate capture, refers to the ways tech firms exert economic and political influence over the state. I specifically focus on the narratives and modalities of influence taken up by contemporary tech companies to establish and sustain their sway over governments, which increasingly rely on data-driven techniques. The second type, capture corporations,

¹ Daniel Carpenter and David A. Moss, *Preventing Regulatory Capture: Special Interest Influence and How to Limit It* (Cambridge: Cambridge University Press, 2013).

² Anne L. Washington and Joanna Cheung, "Public Interest," in *Keywords of the Datafied State*, eds. Jenna Burrell, Ranjit Singh, and Patrick Davison (Data & Society, 2024).

describes how the industry's capture of the datafied state has created an entirely new market.³ I highlight the ways tech companies, small and large, build new businesses by capitalizing on captured public data and services, transforming them into new commodities. My empirical analysis focuses on cases originating from Silicon Valley and circulating in a Euro-Atlantic context, but I hope the conceptual discussion invites a conversation with scholars who trace capture practices in the global majority.

As the state undergoes datafication, I suggest that capture by the tech industry extends beyond safeguarding market interests. Companies assume responsibility for delivering public services, adopt state-like roles, and develop commercial ventures harnessing public datasets and services. These novel entanglements raise questions about accountability, equity, and democratic governance. They also fundamentally challenge state capacity, the concept of the public interest, and the prospects of political resistance. This essay aims to inform these critical questions by discussing the shifting practices and scope of corporate capture.

Corporate Capture and the Tech Industry

Tech companies, like their counterparts in other sectors, use lobbying, public relations campaigns, academic research, and industrial action to minimize state intervention and promote market-oriented policymaking. The industry is well-versed in using multiple strategies to shape the terms of policy debates and positioning its interests beyond the reach of regulation.⁴ Dating back to the 1990s, Silicon Valley's exponential growth, driven by ubiquitous data collection, has been facilitated by state subsidies and policymakers refraining from interference.⁵ Behind the facade of innovation and growth,

³ Thanks to Patrick Davison for coining “capture corporations” to distinguish these two types of capture in the datafied state.

⁴ Meredith Whittaker, “The Steep Cost of Capture,” *Interactions* 28, no. 6 (November 2021): 50–55, <https://doi.org/10.1145/3488666>; Wendy Y Li, “Regulatory Capture’s Third Face of Power,” *Socio-Economic Review* 21, no. 2 (April 2023): 1217–45, <https://doi.org/10.1093/ser/mwad002>.

⁵ Margaret O'Mara, *The Code: Silicon Valley and the Remaking of America* (New York: Penguin Publishing Group, 2019); Matthew Crain, *Profit over Privacy: How Surveillance Advertising Conquered the Internet* (Minneapolis: U of Minnesota Press, 2021); Safiya Noble, *Algorithms of Oppression: How Search Engines Reinforce Racism* (New York: NYU Press, 2018).

governments have consistently avoided intervening in the emerging tech industry, which has now evolved into the dominant big tech byword.⁶

The captive ties between government agencies and the industry deepened during the post-2008 austerity era. Faced with dwindling public funds and persistent criticisms of inefficiency within the state, policymakers turned to the tech industry's vast capital reserves and extensive computational infrastructure as potential solutions. Through initiatives like smart city programs, civic tech partnerships, or digital inclusion efforts, tech companies have increasingly partnered with local, state, regional, and national governments. Public agencies eagerly embraced the participation of the tech industry to help modernize governments' decaying information systems while testing work-in-progress, novel technologies that could upgrade public services. Tech companies welcomed this invitation to maintain friendly relationships with public agencies, bolster their interests, and seek new avenues of expansion and experimentation.

The industry soon extended its influence into civic and academic initiatives as well, ultimately promoting a new model of government that acts like a platform.⁷ Particularly in the 2010s, many civic and academic organizations advocated for investment in open data infrastructures, fostering collaboration with technologists, and adopting a startup mindset within public agencies.⁸ Public officials often boasted about fully embracing new technologies and treating government operations akin to entrepreneurial ventures. With data-driven technologies integrating into state capacity, tech companies have started claiming a stake in governance.

While proponents argue that the emerging partnerships between firms and government are win-win, it is apparent that many are established on unequal terms. The tech industry's capital dominance and monopolistic

6 Kean Birch and Kelly Bronson, "Big Tech," *Science as Culture* 31, no. 1 (January 2022): 1–14, <https://doi.org/10.1080/09505431.2022.2036118>.

7 Tim O'Reilly, "Government as a Platform," *Innovations: Technology, Governance, Globalization* 6, no. 1 (January 2011): 13–40, https://doi.org/10.1162/INOV_a_00056.

8 Burcu Baykurt and Christoph Raetzsch, "What Smartness Does in the Smart City: From Visions to Policy," *Convergence* 26, no. 4 (August 2020): 775–89, <https://doi.org/10.1177/1354856520913405>.

control over knowledge production underlie its asymmetrical relationship with governments.⁹ Tech companies also exploit the weakening of public administration,¹⁰ especially during the post-2008 austerity era, to assert their superiority. By highlighting the inefficiencies of government agencies, they present their prowess in computational infrastructures and data science as the epitome of expertise. This narrative, coupled with ongoing budget cuts and downsizing in public institutions, which set up government agencies to be incapable of delivering on their mandates, aims to infantilize governments and promote privatization. It also seeks to establish tech firms as indispensable partners or even substitutes in governance.

As a result, tech companies increasingly secure government contracts to streamline or deliver public services, while promising substantial cost savings. One example is fraud-detection systems, which use machine learning models as a means to detect fraud. Public agencies adopt these opaque systems without thoroughly reviewing how they make decisions. A few well-publicized scandals have already revealed that fraud-detection systems often falsely accuse people and perpetuate discrimination against minoritized groups.¹¹ Similar issues arise in risk assessment algorithms in criminal justice, predictive policing, or refugee flow forecasting. Despite high-profile scandals, tech companies and public agencies continue launching and experimenting with these algorithmic systems, often with insufficient public scrutiny.

In addition to being summoned by public agencies, tech companies leverage their perceived economic and epistemological superiority to position themselves as key actors in policy making. Take Google's Environmental Insights Explorer (EIE). In 2018, the tech giant launched a global data platform aimed at helping cities monitor their carbon emissions and develop

- 9 Amba Kak, Sarah Myers West, and Meredith Whittaker, "Make No Mistake — AI Is Owned by Big Tech," *MIT Technology Review*, December 5, 2023, <https://www.technologyreview.com/2023/12/05/1084393/make-no-mistake-ai-is-owned-by-big-tech/>.
- 10 Amina Abdu and Abigail Jacobs, "Public Administration," in *Keywords of the Datafied State*, eds. Jenna Burrell, Ranjit Singh, and Patrick Davison (Data & Society, 2024).
- 11 Morgan Meaker, "The Fraud-Detection Business Has a Dirty Secret," *Wired*, March 7, 2023, <https://www.wired.com/story/welfare-fraud-in-dustry/>; Gabriel Geiger et al., "Suspicion Machines," *Lighthouse Reports*, March 6, 2023, <https://www.lighthousereports.com/investigation/suspicion-machines/>.

climate action strategies.¹² Google promotes the EIE as an opportunity for cities to “access Google’s mapping data and ML [machine learning] capabilities” freely, thereby asserting itself as an indispensable partner to governments. However, besides greenwashing Google’s substantial contribution to global emissions, the EIE simplifies a complex climate action plan by framing it as a data issue. It tries to portray tech companies as having a supposedly vital role in policymaking as gatekeepers of data capabilities.¹³

In some ways, corporate capture in the datafied state is similar to regulatory capture in other sectors, wherein the industry cozies up to government agencies to safeguard its interests and evade regulation. What sets it apart is the growing transactional ties, where the tech industry deliberately exploits cash-strapped public institutions and asserts its superior expertise in data science. Especially since the 2010s, under the guise of public-private partnerships, tech companies have effectively turned the datafied state into a reliant client.¹⁴ In these so-called partnerships, companies feign a commitment to sharing the risks and responsibilities of modernizing the delivery of public services. However, the terms of the partnerships are rarely equal, and these initiatives do no more than facilitate the tech industry’s capture of the state.

In the datafied state, tech companies weave their commercial interests with governments while using public agencies as sites of experimentation for work-in-progress software. Public agencies often shy away from regulating the business model of the industry, have trouble enforcing contracts, and cannot thoroughly review the scope of data-sharing or ownership.¹⁵ Moreover, the industry’s solutions essentially transform the intent behind public services. Fraud-detection systems, for example, reframe a social security guarantee for the most vulnerable (welfare benefits) as a task of

12 See: <https://insights.sustainability.google/?hl=en-US>

13 Eric Nost and Emma Colven, “Earth for AI: A Political Ecology of Data-Driven Climate Initiatives,” *Geoforum* 130 (March 2022): 23–34, <https://doi.org/10.1016/j.geoforum.2022.01.016>.

14 Matthew Bui and Bianca Wylie, “Public-Private Partnership,” in *Keywords of the Datafied State*, eds. Jenna Burrell, Ranjit Singh, and Patrick Davison (Data & Society, 2024).

15 Burcu Baykurt, “Algorithmic Accountability in US Cities: Transparency, Impact, and Political Economy,” *Big Data & Society* 9, no. 2 (July 2022): 20539517221115426, <https://doi.org/10.1177/20539517221115426>; Lilly Irani and Cedric Deslandes Whitney, “Broken Promises of Civic Innovation: Technological, Organizational, Fiscal, and Equity Challenges of GE Current CityIQ,” *UC San Diego*, December 23, 2022, <https://escholarship.org/uc/item/96q771w6>.

optimizing public funds. Ultimately, tech companies become “public actors without public values” in governance.¹⁶ Their interests and techniques take precedence over the common good and fundamentally challenge the notion of the public interest.

A New Kind of Tech Capture: Capture Corporations

As the datafied state grows, corporate capture extends its reach and changes form. I suggest that a new type of capture has emerged in recent years, which I will call “capture corporations.” Capture corporations intend to transform the datafied state into a new frontier for the tech industry. Beyond privatization or outsourcing public services, capture corporations seek to build new businesses by commodifying captured government data and services for other industries such as logistics, health care, urban planning, or other governmental or intergovernmental agencies.

I turn to Philip Agre’s theorizing of capture to elucidate capture corporations.¹⁷ Though he initially talks about models of privacy, Agre’s discussion offers a helpful framework for thinking about data capitalism and state power.¹⁸ Drawing from computing practices, Agre defines capture as the process of restructuring human activities into a computer system’s languages. This parsing of human activities, he argues, is not a mere translation but an “active intervention in and reorganization of [human] activities.”¹⁹ He also suggests that given capture reduces transaction costs of economic actors, it may usher in a “trajectory toward an increasingly detailed reliance upon (or subjection to) market relations.”²⁰ Building on this, I suggest that

- 16** Linnet Taylor, “Public Actors Without Public Values: Legitimacy, Domination and the Regulation of the Technology Sector,” *Philosophy & Technology* 34, no. 4 (December 2021): 897–922, <https://doi.org/10.1007/s13347-020-00441-4>.
- 17** Philip E. Agre, “Surveillance and Capture: Two Models of Privacy,” *The Information Society* 10, no. 2 (1994):101–27, <https://doi.org/10.1080/01972243.1994.9960162>.
- 18** Alexander Galloway, “Agre > Zuboff,” November 10, 2022, <http://cultureandcommunication.org/galloway/agre-zuboff>.
- 19** Agre, “Surveillance and Capture,” 107.
- 20** Agre, “Surveillance and Capture,” 121.

tech companies' computational capture (i.e., grabbing and parsing) of vast amounts of government data and services over the last few decades has given rise to capture corporations, that is, new practices for market-making.

The shift in the business of computing toward a software as a service model has paved the way for capture corporations. The rise of cloud infrastructures creates new interdependencies between public institutions and big tech companies such as Amazon, Google, and Microsoft.²¹ Government agencies become prime targets for expanding the industry's new and often excessive capabilities. Capture corporations also exploit governments' adoption of behavioral approaches in policymaking and their desire to turn public spaces into sensor-driven environments.²² As a result, the nature of capture in the datafied state evolves from a transactional relationship into an extractive one. Tech giants and startups alike seek to grab more public data and services, repurpose them as new products, stake a claim in public revenues, or bind government agencies to new platforms or subscription services.

One striking example of capture corporations is Amazon's agreement with the UK Health Service (NHS) in 2019, wherein Amazon gained free access to healthcare information collected by the NHS. The deal allowed the company to "create new products, applications, cloud-based services and/or distributed software" and share the information with third parties.²³ Critics rightly pointed out the lack of transparency in the process and the upholding of commercial interests over the public interest.²⁴ In response to public outcry, NHS officials stressed that no patient data were being shared and the information provided to Amazon was already available online.²⁵ But this case illustrates a tech giant's rapacious capture of a critical public infrastructure. It exemplifies how public agencies, under the guise of adapting to the

- 21 Seda Gurses and Joris van Hoboken, "Privacy after the Agile Turn," *SocArXiv*, May 2, 2017, <https://doi.org/10.31235/osf.io/9gy73>; Taylor, "Public Actors."
- 22 Marion Fourcade and Jeffrey Gordon, "Learning Like a State: Statecraft in the Digital Age," *Journal of Law and Political Economy* 1, no. 1 (2020), <https://doi.org/10.5070/LP61150258>.
- 23 Amy Walker, "NHS Gives Amazon Free Use of Health Data under Alexa Advice Deal," *The Guardian*, December 8, 2019, <https://www.theguardian.com/society/2019/dec/08/nhs-gives-amazon-free-use-of-health-data-under-alexa-advice-deal>.
- 24 Taylor, "Public Actors"; "Alexa, What Is Hidden behind Your Contract with the NHS?" *Privacy International*, June 7, 2023, <http://privacyinternational.org/node/3298>.
- 25 Elisabeth Mahase, "Government Hands Amazon Free Access to NHS Information," *BMJ* 367 (December 2019): l6901, <https://doi.org/10.1136/bmj.l6901>.

digital era, also underwrite tech giants' foray into new markets by giving away public information at no cost.

Public institutions also enter into new kinds of revenue-sharing or licensing agreements with capture corporations. The city of Toronto, for example, has partnered with PayIt, a cloud provider of digital payments for governments, to “streamline how residents pay their property taxes, parking tickets, and other municipal services.”²⁶ The deal ensures that PayIt receives a portion of each payment made through the platform. In other words, by becoming an intermediary between the city and residents, PayIt gains a share of the city's public revenues while establishing a lock-in situation on its platform for residents and local government. Similarly, in 2022, the Federal Communications Commission (FCC) in the United States contracted CostQuest to overhaul nationwide broadband maps, which are crucial in distributing federal funds for broadband deployment. Although the FCC and other government entities contributed to the creation of the CostQuest database, the final product, the FCC National Broadband Map, is considered proprietary. Access to the map is only possible through a licensing fee for public and private institutions.²⁷ Both of these cases exemplify how capture corporations increasingly seize public information and turn it into proprietary products while fostering dependencies for government agencies.

The growth of capture corporations has ultimately spurred a new market known as GovTech.²⁸ Several small to midsize startups now compete to transform public services and data into new business ventures. These firms specialize in various areas, such as optimizing utility management, regulating curbs and parking spaces, and providing data analytics services to government agencies and private companies. GovTech, still a nascent and somewhat ambiguous market, illustrates the ambition of the industry to

²⁶ Samantha Beattie, “Toronto Council Approves \$20M Deal with U.S. Tech Company PayIt, but Some Competitors Crying Foul,” *CBC*, May 5, 2021, <https://www.cbc.ca/news/canada/toronto/toronto-council-approves-20m-deal-with-u-s-tech-company-payit-but-some-competitors-crying-foul-1.6015431>.

²⁷ Christopher Ali, “Where the Market Dares Not Tread: Mapping Rural Broadband in the United States,” in: *Media Rurality*, eds. Patrick Brodie and Darrin Barney (Durham: Duke University Press, forthcoming); David B. McGarry, “Panelists at Broadband Breakfast Event Urge the FCC Mapping Fabric Be Made Public,” *Broadband Breakfast*, September 23, 2022, <https://broadbandbreakfast.com/2022/09/panelists-at-broadband-breakfast-event-urge-the-fcc-mapping-fabric-be-made-public/>.

²⁸ Nitesh Bharosa, “The Rise of GovTech: Trojan Horse or Blessing in Disguise? A Research Agenda,” *Government Information Quarterly* 39, no. 3 (July 2022): 101692, <https://doi.org/10.1016/j.giq.2022.101692>.

capitalize on the datafied state as a profitable domain. Particularly in the United States, it exploits the image of a slow and cumbersome government bureaucracy and claims legitimacy via the widely accepted practice of contracting public services out to private companies in the name of efficiency.²⁹ But instead of selling software and data to the public sector, these firms extract value from government services and data, creating new avenues for profit. GovTech deeply intertwines the datafied state and the tech industry, surpassing the realm of regulatory capture.

It is difficult to anticipate whether these changes will strengthen or weaken state capabilities and what kind of counteract measures public agencies and counterpublics³⁰ may develop against capture corporations. Thus far, it appears public officials rarely consider the consequences of expanding capture corporations beyond their initial purpose, potentially becoming intermediaries for a broader range of transactions and interactions.³¹ There is not enough discussion about whether GovTech firms — and the profitability of government services and datasets — might dictate how public officials define or prioritize social problems. Nor is there a conversation about where to draw the line when it comes to embedding these firms in public governance.³² In addition to undermining accountability and corrupting public agencies, capture corporations may compromise civic capacity too. The abundance and accessibility of data,³³ driven by their lucrative prospects, might shape the trajectory of data publics.³⁴

Conclusion

Corporate capture in the datafied state comes in many forms and degrees. This essay intended to offer conceptual clarity on the shifting practices and extent of capture. I have discussed that tech companies solidify their

²⁹ Jennifer Raso and Victoria Adelmant, "Bureaucracy," in *Keywords of the Datafied State*, eds. Jenna Burrell, Ranjit Singh, and Patrick Davison (Data & Society, 2024); Since the Federal Activities Inventory Reform (FAIR) Act of 1998, US federal government agencies have been pushed to carry out their functions by procuring from and partnering with private companies. See: <https://www.govexec.com/federal-news/1998/10/clinton-signs-privatization-bill/4725/>.

³⁰ Seyi Olojo, "Counterdata," in *Keywords of the Datafied State*, eds. Jenna Burrell, Ranjit Singh, and Patrick Davison (Data & Society, 2024); Vanessa Massaro, Darakhshan J. Mir, Terrell Mosley, and Nathan C. Ryan "Counterdata," in *Keywords of the Datafied State*, eds. Jenna Burrell, Ranjit Singh, and Patrick Davison (Data & Society, 2024).

³¹ Matthew Claudel and Bianca Wylie, "Technology Procurement: Shaping Future Public Value," *Open North*, February 1, 2021, <https://opennorth.ca/resources/technology-procurement-shaping-future-public-value/>.

³² Hannah Bloch-Wehba, "A Public Technology Option" *Law & Contemporary Problems* 86 No. 3, (forthcoming): 23-41, <https://ssrn.com/abstract=4509051>.

³³ Fleur Johns, "Governance by Data," *Annual Review of Law and Social Science* 17 no. 1, (October 2021): 53-71, <https://doi.org/10.1146/annurev-lawsocsci-120920-085138>.

³⁴ Youngrim Kim, "Data Publics," in *Keywords of the Datafied State*, eds. Jenna Burrell, Ranjit Singh, and Patrick Davison (Data & Society, 2024).

influence over the state through increased lobbying, seizure of public resources, and emphasis on computational competence. Government agencies outsource public services to tech firms, implement automated administrative tools, and enter data- and revenue-sharing agreements. The tech industry further infiltrates the state by creating new dependencies via cloud computing infrastructures and data analytics tools.

This intensifying dependence on technology companies and digital infrastructures indeed undermines the regulatory capacity of public agencies, impeding their ability to regulate the entrenched power of the industry and hold tech companies accountable. As data capitalism and state capacity continue to blend, often seamlessly, we need more on-the-ground documentation of how these captive ties reshape state capacity, perpetuate harms and social stratification, and obstruct the public interest.³⁵ The techniques and implications of corporate capture may vary in different policy areas (e.g., tax, privacy, or algorithmic accountability); across authoritarian and democratic datafied states; and at local, national, or international levels of policymaking. However, what remains constant is the pressing need to fight against this increasingly concentrated power of the tech industry, demand robust regulatory action from governments, and radically rethink digital infrastructures, especially within the datafied state, in a way that centers the interests of publics.

35 The Institute for Technology in the Public Interest, "Infrables: The Cloud is not an Option," (May 2022), <https://titipi.org/pub/Infrables.pdf>.