Platform Capitalism, Big Data, and Data Ethics

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**ABSTRACT.** According to Marshall, “economic conditions are constantly changing, and each generation looks at its own problems in its own way” (Marshall, 1920/1946, p. v). Our generation’s most formidable problems are climate change and platform capitalism. While climate change is upon us now, platform capitalism is already reconceptualizing our economy, forcing us to rethink economics, and to redefine basic terms like the firm, industry, market, monopoly, etc., that most of the economics profession has long taken for granted. This essay explores the ramifications of platform capitalism, which like climate change, is causing a lot of angst about our rapidly changing economy and whether (and if) we can adjust fast enough, never mind control it. After defining platform capitalism, the essay discusses its main characteristics, and how it differs from traditional markets (and firms). It then proceeds to discuss the origins of platform capitalism and the various solutions that have been proffered, while also offering questions for discussion, especially for Islamic readers. The essay also touches upon the urgent and concomitant need to reform economics education in this regard.

**KEYWORDS:** Platforms, Platform capitalism, Capitalism, Islamic economics, Pluralism, Economics education, Rethinking economics, Power, Ethics.

**JEL CLASSIFICATION:** A10, A11, A22, D00, D26, D49

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1. Introduction

Alfred Marshall, in the preface to his *Principles of Economics*, wrote that “economic conditions are constantly changing, and each generation looks at its own problems in its own way” (Marshall, 1920/1946, p. v). From my perch as an editor and educator, I see two major problems (albeit with a host of myriad, minor, and interconnected ones): climate change, and platform capitalism. I have written a lot on climate change and sustainability, including a new principles of economics textbook (Reardon, Madi, & Cato, 2018) in order to reconceptualize economics education to comport it with United Nations’ 17 Sustainable Development Goals (SDGs); and a special IJPEE issue on teaching sustainability (IJPEE, vol. 10, no. 1, 2019). While climate change is upon us now, platform capitalism is already reconceptualizing our economy, forcing us to rethink economics, and to redefine basic terms like firm, industry, market, monopoly, etc., that most of the economics profession has long taken for granted.

This essay will explore the ramifications of platform capitalism, which like climate change is causing a lot of angst about our rapidly changing economy and whether (and if) we can adjust fast enough, never mind, control it. It is not the purpose of this paper to delve into the technical aspects of platform capitalism; rather, our concern is with understanding the broader picture so that we can make sense of this development and offer constructive solutions. The topic of platform capitalism is far-reaching, posing myriad issues and points to analyze. Given my longstanding interest in economics education, my emphasis will be on how economics and economics education must change in order to understand platform capitalism and offer solutions.

Much has been written on capitalism. Specifically, whether it is on a collision course with the environment, and if it adequately provisions in an age of sustainability (see Mason, 2016; Rifkin, 2014; Reardon et al., 2018, pp. 332-336). Many of us reading this essay are interested in reforming capitalism and/or replacing it with a more caring and provisioning sustainable system. Nevertheless, our starting point for analyzing platform capitalism is capitalism itself, since platform capitalism has emerged within the confines of capitalism. Platform cannot be understood without understanding the nature of capitalism itself. It is part of capitalism and not another system, and most likely could not function in another system (at least as it is now). Thus, we must understand how platforms “function [within capitalism] and what can be done. Building a better future demands it” (Srnicek, 2017, p. 129).

Having said that, I would like to begin with a statement posed by John Stuart Mill, perhaps the most pluralist of the western classical economists, although indeed a tad conservative regarding the superiority of capitalism, as were most of his contemporary western economists. Nevertheless, he was thoughtfully concerned about the bigger picture and the ability of all to provision, including the plight of women, which was rare at the time. Here is Mill’s statement:

[T]he object to be principally aimed at in the present stage of human improvement, is not the subversion of the system of individual property, but the improvement of it, and the full participation of every member of the community in its benefits. (Mill, 1848/1965, Book II, Ch.1, p. 214)

Earlier in the same chapter he wrote,

The principle of private property has never yet had a fair trial in any country; and less so, perhaps, in this country than in some others. The social arrangements of modern Europe commenced from a distribution of property which was the result, not just of partition, or acquisition by industry, but of conquest and violence. (Mill, 1848/1965, Book II, Ch.1. p. 207)

These quotes force us to acknowledge that any serious attempt at reform must come to grips with the entrenched and powerful position of platforms.

The remainder of this article is structured as follows. Section two will define platform capitalism, its main characteristics, and how it differs from traditional markets (and firms). Section three will briefly discuss the origins of platform capitalism, while section four will discuss various solutions that have been proffered. In section five, the urgent need to reform economics education is discussed. Some questions for discussion, especially for Islamic readers, are presented in section six. Section seven concludes the paper.
2. Defining Platform Capitalism, and How It Differs from Traditional Markets

2.1 Defining Platform Capitalism

For starters, let’s dissect each term. First, ‘platform’, is derived from the old French ‘plate-forme’, meaning diagram. Its original meaning is appropriate given that platform capitalism gives us a new diagram for how capitalism will function, which is, needless to say, starkly different from the old. In addition, the term platform has myriad (and rich) historical uses including: an area raised above the surrounding area; a formal declaration of a group’s policy; and the specific hardware of a computer.

A platform, as the term is used today, is “a powerful new type of firm, … Often arising out of internal needs to handle data, platforms became an efficient way to monopolize, extract, analyze, and use the increasingly large amounts of data that were being recorded.” (Srnicek, 2017, pp. 42-43). More specifically, platforms are digital infrastructures that enable two or more groups to interact … [while acting as] intermediaries that bring together different users: customers, advertisers, service providers, producers, suppliers, and even physical objects. More often than not, these platforms also come with a series of tools that enable their users to build their own products, services, and marketplaces. (Srnicek, 2017, p. 43).

Sometimes it is not clearly stated in the literature if a platform is a firm, or if a platform is an arrangement used by a firm to achieve its objectives. I like Srnicek’s assertion that a platform is ‘a powerful, new type of firm’, but which uses a platform in order to achieve its objectives. For all practical purposes the platform is the firm as Srnicek further explains, Platforms, in sum, are a new type of firm; they are characterised by providing the infrastructure to intermediate between different user groups, by displaying monopoly tendencies driven by network effects, by employing cross-subsidisation to draw in different user groups, and by having a designed core architecture that governs the interaction possibilities. Platform ownership, in turn, is essentially ownership of software. … By providing a digital space for others to interact in, platforms position themselves so as to extract data from natural processes … production processes, … and from other businesses and users… They are an extractive apparatus for data. (Srnicek, 2017, p. 48).

Companies that are either platforms themselves or use/build platforms include: AIRBN, GE, Uber, Zipcar, Google, Facebook, Siemens, John Deere, AWS, Salesforce, Spotify, Monsanto, TaskRabbit and others, which together, needless to say, are restructuring markets and capitalism itself.

Turning to the second term, it is surprising that economists disagree over its nuanced definition. I like the definition of capitalism proffered by Hunt and Lautzenheiser:

Capitalism is characterized by four sets of institutional and behavioral arrangements: market-oriented commodity production; private ownership of the means of production; a large segment of the population that cannot exist unless it sells its labor power in the market; and individualistic, acquisitive, maximizing behavior by most individuals within the economic system. (2011, p. 4)

While some might object that ‘capitalism’ is redundant in the phrase ‘platform capitalism’, given that the present-day platform epitomizes each of these four characteristics, and that platforms are a creature of capitalism, I prefer to use it, given its prevalent use in the literature (Srnicek, 2017).

2.2 How Platform Capitalism Differs from Traditional Markets

Several differences exist:

- Whereas a traditional market is a venue to be accessed by producers and buyers, the platform is either the firm or an extension of it.
- No one owns a traditional market: it exists for anyone to use, including new and emergent firms; whereas a platform is owned by the firm, and for all practical purposes the firm is able to control who can access it, and on what terms.
- Whereas firms in the traditional market can be of any size depending on their life-cycle, platform firms are very large to begin with, and if successful will only grow larger. With a traditional industry, government controls the behavior and outcome of each firm by influencing industry structure; but the platform firm is a large, monopoly firm right off the bat, so how can this be controlled/regulated, at least in the traditional sense?
Unequal power is intrinsic with the platform firm given its large size and its ability to affect all stakeholders, especially its own employees.

The platform firm has access to large amounts of cash, and is able to cross-subsidize various constituent parts of the firm.

Finally, given its large size, networks, and network effects are central to the large firm, i.e., the more users, the greater the ability to use the data, the more carefully constructed the algorithms will be, the greater the ability to extract more data, the greater the platform’s power, and the greater its ability to grow.

Big data, monopoly status, power, networks, and privacy define the platform firm, distinguishing it from the traditional market and firm. Take away any defining characteristic and we no longer have a platform firm. A platform firm is focused on making a profit and extending its growth. It produces value-added services, but how is this value distributed; which stakeholders benefit most and which benefits least? Although anecdotal evidence supports the logically apparent assertion that power is used to extract value and then usurp it, this merits empirical investigation.

3. Origins of Platform Capitalism

A defining feature of the historical development of capitalism is its ability to adapt and morph into something different, and its ability to survive,

Capitalism ... is a complex system, operating beyond the control of individuals, governments and even superpowers. It creates outcomes that are often contrary to people’s intentions, even when they are acting rationally. Capitalism is also a learning [emphasis deleted] organism: it adapts constantly, and not just in small increments. At major turning points, it morphs and mutates in response to danger, creating patterns and structures barely recognizable to the generation that came before. And its most basic survival instinct is to drive technological change. (Mason, 2016, p. xiii)

Srnicek concurs and suggests a ‘major turning point’ for the emergence of platforms was the coalescing of Big Data, the secular decline in manufacturing profitability, and the Great Recession of 2007-2009, with a long decline in manufacturing profitability, capitalism has turned to data as one way to maintain economic growth and vitality in the face of a sluggish production sector. In the twenty-first century, on the basis of changes in digital technologies, data have become increasingly central to firms and their relations with workers, customers, and other capitalists. The platform has emerged as a new business model, capable of extracting and controlling immense amounts of data, and with this shift we have seen the rise of large monopolistic firms. (Srnicek, 2017, p. 6)

Platform capitalism has not only resuscitated capitalism after the Great Recession, but has given it strength, and an ability to survive, while serving its own needs first and foremost. How we recognize and deal with platforms will determine how we transition and even our ability to do so. As discussed in the next section, the existence of platforms with their long monopolistic reach, is a formidable obstacle to any successful transition, at least one that comports with sustainability and provisioning for all. However, before we turn to the next section, it is important to mention the recently developed Big Data which has led to the Internet of Things (IoT), coined by Kevin Ash-ton in 1995 and nicely explained by Jeremy Rifkin:

The Internet of Things will connect everything with everyone in an integrated, global network. People, machines, natural resources, production lines, logistic networks, consumption habits, recycling flows, and virtually every other aspect of economic and social life will be linked via sensors and software to the IoT platform, continually feeding Big Data to every node – businesses, homes, vehicles... Big Data, in turn, will be processed with advanced analytics, transformed into predictive algorithms, and programmed into automated systems to improve thermodynamic efficiencies, dramatically increase productivity, and reduce the marginal cost of producing and delivering a full range of goods and services to near zero across the entire economy. (Rifkin, 2014, p. 11)

Big Data, the internet of things, and platforms are intricately related: three sides of the same coin, if you will.
4. Solutions

In one sense it might be too late to enact any solution to effectively control the power of the platform firm, ex post, but nevertheless, several suggestions have been proffered, none of which, at least from my perspective are either practical or viable:

- Dismantle the platform firm. Breaking up traditional firms was extremely rare, so I am not sure how we assume we can break up the platform firm, which is much larger and more pervasive. And even if we were to do so, what would happen to the broken-up segments? How would they respond/react/behave? The problem, however, here is that for the government to dismantle platforms, there must be a surge of public sentiment clamoring to do so, but that is not happening. Instead I see (at least here in the USA) nonchalant indifference (at best) especially among young people content with having a Uber, connecting with their friends on Facebook, and purchasing items on Amazon. No deeper questions asked.

- Some type of government regulation, perhaps as a natural monopoly. But is this really viable, given the government’s abysmal effort (at least here in the US) and its pitiful track record of co-opting? In addition, for this regulation to happen, there must be a burgeoning groundswell of support, but here in the US that is not happening. Yes, there are concerns about privacy as well as disgruntled workers who feel they are not receiving a fair wage, but at least from my perspective I don’t see widespread discontent among users; in fact, just the opposite, especially with young people, even discounting concerns over privacy.

- Allow the firm to continue operating as it is, but regulate the access and control of data, and its dissemination. This at least addresses a major area of concern: that of privacy; but then again, at the same time, I am not sure how this could happen given the innate intricacies between Big Data, Platforms, and the IoT.

- Construct a public platform (as opposed to a private platform), which as Srnicek explains, [would be] owned and controlled by the people. (And, importantly, independent of the surveillance state apparatus.) This would mean investing the state’s vast resources into the technology necessary to support these platforms and offering them as public utilities. More radically, we can push for post-capitalist platforms that make use of the data collected by these platforms in order to distribute resources, enable democratic participation, and generate further technological development. Perhaps today we must collectivise the platforms. (Srnicek, 2017, p. 128).

Is this pie-in-the-sky wishful thinking or can a public platform be equitably constructed? Although interesting and worth pursuing, I am not sure how to effectuate this, especially given the existence already of large-scale private platforms. A legitimate question: can private and public platforms co-exist? How can we ensure the equitable control of platform capitalism (private or public) to ensure adequate provisioning for all? Is control even the best word? This is one area (amongst many) where Islamic economics can help, especially with the idea of sharing, moving forward with new technology, and adequate provisioning for all. But several vexing questions persist: How would a public platform be constructed? How would the government support it (both financially and technically)? Would the public firm be required to construct its own platform, or use that of the private firm? And perhaps, most importantly, would the existing private platforms allow the construction of public platforms, as potential competitors?

- Doing nothing, or perhaps more accurately, to ignore the problem, and continue teaching economics as if platforms did not exist, as if firms and industries were structured as they were in the early 19th century. This is the modus operandi of neoclassical economics. Given the importance of economics education and its palpable failure, I will discuss this separately in the next section.

While these proposed solutions are ex post, are there any ex ante solutions? Or is it too late within the current system of capitalism? Perhaps this is an area where Islamic economics can help.
5. The Urgent Need to Revamp Economics and Economics Education

A lot has been written on the urgent need to reform economics education. It is mired in the 19th century, while its anti-historical, anti-empirical, highly-ideological pedagogy not only obfuscates an adequate understanding of today’s economy, but offers a 19th map for studying 21st century problems. Formed and then ossified in the late 19th century, it hasn’t adapted to the ongoing and rapidly changing economy.

Had you lived from, say, 1880 to 1910, and confined your reading entirely to the works of neoclassical economists, you would never have suspected that the world was undergoing the most rapid processes of social, economic, cultural, political, and technological change in history; or that the world was in tumult (and shouting). The bigwigs of economics sailed placidly – and all too often arrogantly – on their way, living in another world. (Dowd, 2004, p. 81)

The exact same criticism can be lodged today. It is a pity, a tragedy, and a crime that today’s students, are receiving much the same instruction about how firms set prices as did their counterparts at the end of the nineteenth century. … Think of the many revolutions in our understanding of the physical world which have occurred in the twentieth century: from Newtonian to Einsteinian physics; from Mendelian genetics to DNA and the human genome; from determinism to chaos theory. Any scientist from the nineteenth century would be bewildered by what is commonplace today in his discipline – save an economist. (Keen, 2011, pp. 168-169)

Indeed, Jeremy Rifkin, and Paul Mason, two distinguished authors quoted in this essay, each from different sides of the ideological spectrum, both agree that economics is ill-equipped to understand today’s economy – quite an indictment! This is forcing many of us to look outside the discipline for a cogent and prescient analysis. However, I believe that economics, if reconstituted and reconceptualized, can adequately help solve the problems of our generation, for as Thomas Malthus quipped, “there are few branches of human knowledge where false views may do more harm, or just views more good” (1820/1839, p. 9).

Here in the USA I worry about the college student who only takes a semester or two of introductory economics in which, more than likely, Mankiw’s best-selling principles of economics text is used. How can such a student intelligently vote when the existence of power is swept under the rug, and when platforms and sustainability are barely mentioned? How can we galvanize support for regulating or dismantling existing private platforms (or constructing public platforms) if our university students aren’t even taught their existence, or the conditions that lead to their development?

How to reconceptualize economics and economics education so both become useful to solving our myriad and interconnected problems, is now my life’s work. While I have extensively written about this elsewhere, here I can briefly outline what minimally must be done, in order to understand platforms and other phenomena:

- Even if neoclassical economics was prescient and able to successfully conceptualize the problems of our generation with an up-to-the-minute map, I would still argue for complete pluralism along each of its multi-level dimensions, (i.e., methodological, pedagogical, ontological, etc.) since, no paradigm or theoretical perspective can claim universal applicability, i.e., usefulness for all kinds of problems. Each paradigm or theoretical perspective may have something to offer and preference for one theoretical perspective over another is… partly a matter of ideology. (Söderbaum, 2008, pp. 9-10)

To be pluralist doesn’t mean that we agree with everyone, or anything and everything goes. Only that we respectively listen and acknowledge the legitimacy of other views (for an extended discussion, see Reardon, in press).

- However, it is not sufficient for economics to become pluralist within the discipline (although this is a much-needed first step), but economics must also become interdisciplinary and transdisciplinary pluralist (Reardon, in press). Inter-disciplinary integrates cooperating theories, while trans-disciplinary combines the theory of one discipline with the empirical evidence of another, effectively forming a new
discipline. Our problems are too complex to assume they can only be adequately conceptualized from the vantage of one discipline, and only one ideology to boot. A logical transdisciplinary candidate, and one that will help us provide effective solutions for the two pressing problems mentioned at the beginning of this essay (climate change and the growing presence of platforms) is combining Islamic economics with the best of western economics.

- It is imperative to re-examine every term and concept used in economics such as the firm, industry, markets, monopoly, industry structure, power, competition, capitalism, property rights, etc., to ascertain if they are currently well-equipped to assist us in reconceptualizing our economic problems, and especially able to help us understand climate change and platforms. We don’t have to invent a new language, but rather, use the old terms to remap our discipline with more up-to-date definitions, similar to what Einstein did in re-mapping physics, by providing a new and more accurate definition of gravity. He used the same terms as Newton including force, mass, acceleration, and gravity, but redefined them and their relationships with each other; and in so doing, not only reconceptualized how the universe works, but enabled the development of many of the accoutrements of modern life that we today take for granted. Redefining basic terms is another area where western economics and Islam can fruitfully combine.

- And speaking of the sciences, a key difference between the social sciences and the sciences, as currently conceptualized, is how we conceptualize goods.

In economics we conceptualize goods or resources as demarcatable items – that is, as commodities. The natural sciences tell us, however, that the physical world is strongly characterized by processes and interrelated flows of matter and energy. This establishes important physical interconnections between individuals and groups. (Vant, 2005, p. 9; emphasis in original)

This reconceptualization is critical for reconstituting a new language, and must become part of a revamped economics education, which in turn is necessary for redrawing more accurate maps. While inroads are being made, especially within complexity economics, a lot more work needs to be done at all levels of economics.

- A sad commentary on economics pedagogy is that “some economists do not believe that it is fruitful to define distinctly different economic systems at all; they believe in a historical continuity in which the same general principles suffice to understand all economic arrangements” (Hunt and Lautzenheiser, 2005, p. 3).

The term capitalism first appeared in Werner Sombart’s book Modern Capitalism (1) (1902), but capitalism has morphed and evolved so much that today it is much different. But what is capitalism now and how has its meaning changed given the quasi-permanent presence of platforms? Central to the definition of capitalism is the concept of property rights, which is also absent in economics education. Western economics, and especially neoclassical economics, is tied strongly to the Lockean notion, which has long provided excuses to exploit one’s fellow creatures, both human and non-human. A useful, catch-all definition of a property right which we can use as a starting point is: “a relationship between the rights holder [emphasis deleted] and the rights regarding [emphasis deleted] under a specific authority structure [emphasis deleted] like the state granting legitimacy and security to a specific resource or benefit stream” (Vant, 2005, p. 254). The key point here is that a property right is a social relation which has to be “defined and defended through socio-political processes” (Vant, 2005, p. 254). And, I would add: a right that must be channeled through the disciplines of economics, political science, and sociology. How is the presence of platforms changing the conception of property and property rights? How can the state equitably intervene on behalf of all stakeholders, and can it effectively act in the public interest? Since the platform is owned by the private sector, and with defining property rights socially granted,

(1) For a discussion of this book, see Schumpeter (1954, pp. 816-817).
how should the state control/regulate this important entity? Or is it too late ex post, given the immense size and sprawling effectiveness of platforms?

- Need for an ethics overhaul. A quick (but unscientific) perusal through the indices of various (neoclassical) economics textbooks reveals a surprising (and disturbing) lack of discussion on ethics and morals. Today’s dearth of ethical concern would surprise the classical economists, especially Adam Smith, which is ironic given his *Theory of Moral Sentiments*, with its central message that we must be concerned morally with how we live our lives; a book which predates *The Wealth of Nations* by almost 25 years. A healthy discussion of ethics instills respect for others, and can be (and often is) the first step toward pluralism. Instead, the discipline, in an effort to emulate the sciences, in the 19th century steadily moved away from messy concerns with ethics in favor of more scientific investigations (regardless how subjective and ideological they were). Walras stated it best,

> science which lays down no rules, gives no advice and formulates no precepts, but... simply observes and explains. [The economist sees a clear distinction between moral values and science]... the distinguishing characteristic of a science is the complete indifference to consequences, good or bad, with which it carries on in the pursuit of pure truth... the primary concern of the economist is... to pursue and master purely scientific truths. (Walras, 1874/1954, p. 58, and p. 52).

According to *The Encyclopedia of Philosophy*, the term ‘ethics’ (sometimes called moral philosophy) is used in three different but related ways: “(1) a general pattern or ‘way of life’; (2) a set of rules of conduct or ‘moral code’; and (3) inquiry *about* ways of life and rules of conduct” (Abelson & Nielsen, 1967, pp. 81-82). Not surprising, what ethics ... is, and at best ought to be, has always been variously conceived by philosophers. There is no uncontroversial Archimedean point from which ethics can be characterized, for the nature and proper office of ethics is itself a hotly disputed philosophical problem. (Nielsen, 1967, p. 117)

While we can easily debate the nuts and bolts of ethics without ever agreeing on a definition, a rudimentary and workable framework for conceptualizing ethics is: “what to do, what to seek, and how to treat others” (Nielsen, 1967, p. 117). This is usually augmented with a necessary concern of the individual for the greater and spiritual whole however that is defined, since the individual is not alone either in this world or in the economy. Ethics is indeed subjective and a universally accepted set of ethics is elusively impossible. Given this, how would we define and operationalize data ethics? What is its ‘moral code’? Who will determine its standards and its implementation? On what basis will this be done? How can Islamic economics contribute? And can Islamic economics and western economics combine in a truly trans-disciplinary fashion?

### 6. Questions for Discussion

The purpose of this essay is to raise questions and concerns about platform capitalism so that we can debate and propose effective solutions. I hope that readers can steer the debate and dialogue so that the ‘East and West’ can more clearly understand this pressing problem. In this section, I offer the following questions for discussion based on this essay:

- Power is central to any economic system. Studying the existing configurations of power will elucidate who benefits and loses; who is included and excluded; how actions by the powerful will affect others; how power is used; and how vested interests obstruct meaningful reform. Probably no issue illustrates power and its usage better than platform capitalism. What is the power configuration of platform capitalism, and how it is being used to restructure our economic system?

- While many have warned of the dangers associated with platform capitalism, such as increased surveillance, power, increased and concentrated wealth, inequality, and monopolization of data, can platform capitalism be used for the good of human kind? Perhaps to help provision for the well-being of all? If so, how can this happen? And what are the helpful guiding principles of Islamic economics?
- Paul Mason, in his book *Post-Capitalism: A Guide to Our Future* (2016), wrote enthusiastically: “We lie at a moment of possibility: of a controlled transition beyond the free market, beyond carbon, beyond compulsory work” (p. 290). Is this really so? And if so, what role will platform capitalism play? Will the traditional firm still play a role? How can platform capitalism be ‘controlled’ to construct an economic system that provisions for all? Here, Islamic economics is especially helpful, offering many fruitful suggestions for a better society.

- As I see it, two of our most pressing problems are climate change and big data. Are they related? Can one be used instrumentally to solve the other? More specifically, can platform capitalism be used attenuate the worst effects of climate change? If so, how could this occur? Then, for instance, in the current state of capitalism, a reformed version, or a new economic system altogether? In 2015, the United Nations issued the 17 Sustainable Development Goals as an urgent recipe for sustainable living. How does platform capitalism obstruct our ability to achieve any one of the specific goals?

- In reading Nick Srnicek’s book, *Platform Capitalism*, one is struck by the changing conceptualization of terms that most economists have long taken for granted: firm, industry, competition, supply and demand, consumer and producer, market, surplus, monopoly, competition, etc. How can the language of economics be restructured in order to incorporate the study of platform capitalism? How can Islamic economics contribute?

- The term platform capitalism suggests that the two words are inextricably linked, but are they? Does platform capitalism need capitalism, and can platform capitalism function in an alternative economic system?

### 7. Conclusion

Given rapidly changing technology, Big Data, the ability to produce many goods at near zero marginal cost, and the ability to finally share rather than buy many goods, it is possible that,

> the capitalist era is passing… not quickly but inevitably. A new economic paradigm – the Collaborative Commons – is rising in its wake that will transform our way of life… As more and more of the goods and services that make up the economic life of society edge toward near zero marginal cost and become almost free, the capitalist market will continue to shrink into more narrow niches where profit-making enterprises survive only at the edges of the economy, relying on a diminishing consumer base for very specialized products and services … [and where] profit is defunct, property is meaningless, and the market is superfluous. (Rifkin, 2014, p. 1, and p. 5)

Given changing technology which is enabling more products to be produced at lower marginal costs, and enabling sharing of goods rather than actual purchasing, a new era is feasible, but perhaps Rifkin is prematurely optimistic. Perhaps he dismisses the formidable obstacles and vested interests blocking any such move, such as the huge, profit-seeking platforms. Indeed, “the capitalism of the high- and middle-income economies is increasingly dominated by these firms, and… the trend is only going to continue” (Srnicek, 2017, p. 6).

Carl Menger wrote that “[h]uman life is a process in which the course of future development is always influenced by previous development” (Menger, 1950, p. 154); and if he is correct, what will be the mark made by platforms on our future? And an even more basic question: will a transition to post-capitalism be even possible, given the entrenched position of platforms?

Rifkin is right that “we are… in the early stages of a game-changing transformation in economic paradigms” (Rifkin, 2014, p. 9), but unfortunately, not the one that he imagines; not of free sharing commons, but one that is fast becoming one of monopolization and exclusion. It is hoped that this essay will highlight the implications of platforms and stimulate discussion so that the East and West can transform our economic system so that it provisions for all.
References


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جاك ريردون
أستاذ الاقتصاد، جامعة هاملين، الولايات المتحدة الأمريكية

المستخلص. وفقًا لمارشال، فإن "الظروف الاقتصادية تتغير باستمرار، وكل جيل ينظر إلى مشاكله بطرق سلبية" (مارشال، 1947/1960، المقدمة، صفحة 5). إن من أعظم المسائل التي تواجهه جيلنا هي تغير المناخ ورأسمالية المنصات. أما تغير المناخ فإننا نواجهه حالياً، ولكن رأسمالية المنصات قد غير بالفعل تصوير اقتصادنا، مما يجعلنا على إعادة التفكير في الاقتصاد، وإعادة تحديد المصطلحات الأساسية مثل المنشأة، والصناعة، والسوق، والاحتكار، وحويا من المصطلحات التي تستخدمها الاقتصاديون منذ فترة طويلة من غير التفات ويعتبرونها من البديهيات. يستكشف هذا المقال تداعيات رأسمالية المنصات التي تسبب (كما مثل تغير المناخ) الكثير من القلق بشأن سرعة التغير في اقتصادنا وهل يمكننا التكيف معها بسرعة كافية، بله السيطرة عليها. بعد تعريف رأسمالية المنصات، يناقش المقال خصائصها الرئيسية، وكيف تختلف عن الأسواق والمنشآت التقليدية، ثم ينتقل لمناقشة نشأة رأسمالية المنصات والحلول المختلفة التي تم تقديمها، مع تقديم أسئلة للمناقشة، خاصةً للقراء الإسلاميين. وتناولت المقالة أيضًا الحاجة الملحة (والضرورة بطبيعة الحال) لإصلاح تعليم الاقتصاد في هذا الصدد.

الكلمات الدالة: المنصات، رأسمالية المنصات، الاقتصاد الإسلامي، التعليم، إعادة التفكير في الاقتصاد، القوة، الأخلاق.

A10, A11, A22, D00, D26, D49: JEL

H0, H33, T0: KAUJIE

التصنيف