



This publication is an extract from [the second edition of the "Manuel d'intelligence économique"](#)¹.

United States and Google: a cooptation of powers

Digital technology is allowing a new geography of powers, transcending the traditional borders of nation states. Like the British Empire thalassocracy from the XVI century, Pierre Bellanger is referring today to an America "*internetocratie*"². The power, obtained before by the sea domination, is nowadays based on the control of cyberspace.

In her March 2013 report "*L'Union européenne, colonie du monde numérique?*"³ (The European Union, digital world colony?), the senator Catherine Morin-Dessailly drew the portrait of a vulnerable Europe in a new geopolitical environment. A few weeks later, Edward Snowden revelations attested to the world the extraordinary methods used by the United States for their conquest: massive and globalized spying of people and States, with the collaboration of the Internet giants (Google, Facebook, Apple, Amazon, Twitter, etc). The libertarian utopia of an Internet born from the willpower of secluded activists and entrepreneurs, who were then followed by the civil society adhesion, vanished with those revelations. There is now a favorable mindset, or even a more determined ambition, in digital matter, which is running in the United States since fifty years. It brings together the government, the army, universities and industries.

Until the beginning of the 2010's, it ensured the development of the Internet and its domination by the United States. Today, the Snowden scandal breaks through the reputation and the sturdiness of this alliance, questioning the ratio of power. Indeed, the American power is now battling, and this time private actors, like Google, are not giving up their conquest, with absolute power as the aim.

United States: a battling digital power

The development of the American digital power

The origin of the network of networks dates back to the DARPA (Defense Advanced Research Projects Agency) ARPANET project, in the 1960's. In the middle of the Cold War, its ambition was to be able to resist a nuclear attack, coming from the Russian enemy. Then, in the 1970's, this network was developed to the American universities, and the super computers in different American companies, in the 1980's. The network was renamed National Science Foundation Network (NSFN). This evolution is typical of the American system, which linked the army, universities and industries. Since the

¹ Sous la direction de Christian Harbulot, *Manuel d'intelligence économique, 2e édition mise à jour*, PUF, 08/2015

² Bellanger Pierre, *La souveraineté numérique*, Seuil, 2014.

³ Morin-Dessailly Catherine, *L'Union européenne, colonie du monde numérique ?*, Information report n° 443 (2012-2013) under the name of the European affairs commission, Sénat, mars 2013.



beginning of the 90's and the Internet development, reachable for everyone everywhere, the same logic is still there, in the interest of the United States.

The Internet network is governed by the ICANN (Internet Corporation for Assigned Names and Numbers). This organization provides domain names (such as .com, .fr, .org, .uk) and acts on the IP addresses⁴. Those competencies are therefore interesting for every actors of the Internet: States, companies, associations and individuals. But, the ICANN is a California private law association. Its missions are supervised by a contract signed, in 1998, with the United States Department of Commerce, which has a right of veto on the political decisions. According to Louis Pouzin, a French engineer and pioneer of the Internet, "the ICANN first mission is the fund-raising and its use to broaden the organization influence"⁵. Because each new domain name attribution is worth 185 000 dollars, the amount of money collected is important. Moreover, if there are claims from many players, an auction is organized. This system made it possible for the organization to gain 357 million of dollars in four months, when domain names were liberalized in 2012. Beyond those revenues, the United States authority on the ICANN allowed them to arrange the domain names market according to their interests, and use them for political purposes. For instance, only American universities or the government of the United States have first level domain names: "edu" and ".gov", without any geographical extension following (like .fr, .be, .es...). Also, when conflicts in Afghanistan and Iraq began, .af and .iq domain names were shut down by the ICANN, providing a strategical benefit for the United States.

The American government has a huge impact on the progress of Web giants. Pierre Bellanger summarizes this situation, in a very illustrated way: "the famous Silicon Valley, idolized by techno-libertarian, would not be what it is without the non-stop capital injection from the army. Our *post-beatniks* friends smoke their joints on an aircraft carrier flight deck"⁶. For example, Apple received at its beginning, a 500 000 dollars public allocations; Google was provided, for cheap and for several years, with the NASA fuel oil used for its private planes. In terms of technologies, before being bought back in 2004 by the giant Mountain View, Google Earth was developed by Keyhole Inc., a company funded by In-Q-Tel, an investment fund created and supervised by the CIA. Moreover, in 2010, Google and In-Q-Tel invested together in the company Recorded Future, which developed a predictive search engine. This proximity can also be seen through poaching. Rob Painter, former *Director of Technology Assessment* at In-Q-Tel has been recruited by Google as *Senior Federal Manager*, in 2004.

Past that, the complicity with the intelligence field, with the NSA (National Security Agency), is especially strong. In fact, Google is the supplier of Intellipedia, the highly secured system of collaboration and information sharing, used by 37 000 employees of the American intelligence services. And, a cooperation agreement binds the NSA to Google. This agreement has been formalized in 2010, after a series of computer intrusions occurred in the company. China is allegedly the author. This agreement is of high secret level: in May 2012, the demand of an association in favor of the protection of

⁴ IP address is the identification number permanently or temporarily accredited to each device connected to the network.

⁵ Fayon David, *Géopolitique de l'Internet – Qui gouverne le monde ?*, Paris, Economica, 2013.

⁶ Bellanger Pierre, *La souveraineté numérique*, Seuil, 2014.



private life to have information about it, had been rejected by the Washington Court of Appeal.

For the years to come, this logic of united American digital power is a problematic well written on the national agenda. Cyber 2020, a document from the advisory office of Booz Allen Hamilton, explains that it is now time to reinforce the American leadership as a major player. The aim is in English in the text: “*to promote US economic interests and establish a cyber domain that is transparent, accessible, dynamic and secure*”⁷.

The United States well understood what is at stake and digital concerns became an economic power objective and a way of promoting its values. However, after the Snowden scandal, serious issues began to appear in this strategy.

To the end of the Internet governance by the United States?

The revelations of Edward Snowden, in the spring 2013, about massive and globalized spying on the Internet by the NSA revealed the means and methods used by the United States. Everywhere in the world, people were reacting against the spying of embassies, governmental institutions, heads of government and even of users of services like Google, Facebook or Skype.

Hereafter the declarations of intentions and verbal threats of leaders in the world against America, some ideas of progress are evaluated. Countries like Russia or China are in favor of a national Internet, allowing them to control it even more. Germany talked about a controversial idea on the technical development, which is a European Internet. Brazil, protecting its economic interests, tends to be the best in this battle and is at the initiative of the 2014 NetMundial Conference on the Internet governance.

Public discussions are mainly about the technical governance of the ICANN (*Internet Corporation for Assigned Names and Numbers*) by the United States. After the Snowden revelations, this huge power appears unbearable. The virtuous, open and transparent attitude of the United States was on a knife-edge. American was forced to make concessions. And so, in the middle of March 2014, the Department of Commerce announced its intention to operate a transition through “privatization” and “internationalization” of the ICANN. However, it might just be a delaying move. Indeed, parliamentary debates argued that the internationalization of the domain names system will be submitted *in fine* to the Congress vote. Fadi Chehadé, the ICANN president, declared in December 2013, that “the authorized transfer will not lead to a change in the Internet governance”⁸.

The place of those power relationships between nation states is not, in the digital field, similar to those that exist traditionally in diplomatic and geopolitical areas. Indeed, during the NetMundial Conference, like other inner circle such as the Forum sur la Gouvernance de l'Internet (The Internet Governance Forum), issues are debated on *multi-stakeholder* level, where are represented: civil society, private sector, academic

⁷ *Cyber 2020 - Asserting Global Leadership in the Cyber Domain*, 2010, Booz-Allen-Hamilton.

⁸ Chiche Nathalie, « Internet, enjeu géopolitique majeur », *Le Monde*, 3 mars 2014.



world, technical community, international organizations ...So, the Web giants like Google or Apple, or civil society movements close to the Anonymous, Julian Assange or Edward Snowden, have the same rights to debate than States. Jérémie Zimmerman, founder of la Quadrature du Net (Squaring of the Net), sees it as an infringement of democracy, with a system in which big societies have “a right, just like citizens”, even though they do not have a “voting card”. He adds “the diversity of decision-makings, plus the diversity of players, makes it hard: it is difficult to do an objective situational analysis for the political field to be strong on this governance”⁹. The truth is, the space given to the Web giants on these discussions depicts the balance of power on the Internet. Vint Cerf, *Chief Internet evangelist* for Google, admits that “the role of the United States is unique in the domain name area”, but there are not the ones who are running the Internet. According to him, “those who decide what Internet can do are the engineers, those who write codes”¹⁰.

These engineers are not anymore organized as open communities where everyone can equally contribute to the global project. This utopia of the pioneers libertarian Internet passed away. The best developers on technologies are hired by mega-enterprises like Facebook, Apple, Amazon or Google. These new “super powers”¹¹, confident on their strength, are actually challenging States, including the Washington Administration. As an emphasize, according to Bernard Benhamou (former counselor to the French delegation during the United Nations summit on the information society, and former delegate to the use of Internet), the revelations of Edward Snowden “have for the first time, make a split inside the United States, between Internet economic players, for whom confidence is the main part in their activity, and intelligence agencies, with their natural tendency to always go further in the network monitoring”¹².

Thus, the measures taken by States only arguing the technical governance of the network by America, such as the NetMundial conference, do not seem to be able to be a global and durable answer to the challenges in presence. With Internet, the power, that is to say “the capacity to impose its will on other units”¹³ is not the exclusive privilege of States in international relations. It is also in the hands of those who are modeling, according to their own plans and rules, this new space. This power, obtain by “super powers” of a new level, willing to be emancipated from the guardianship of the United States, embodies a challenge of considerable power. In this logic, Google is the more ambitious example.

Google: a giant conquest to the absolute power

Google aim, as said by its co-founder and CEO in 2010, was to “organize the information of the world, not just a small part of it”¹⁴.

⁹ Zimmerman Jérémie, Audition, Comptes rendus de la MCI sur la gouvernance mondiale de l'Internet, Sénat, février 2014

¹⁰ « 'United States do not control the Internet', according to Google vice-president », AFP, 24 avril 2014.

¹¹ Ichbiah Daniel, *Les nouvelles super-puissances*, First Edition, octobre 2013.

¹² Benhamou Bernard, Comptes rendus de la MCI sur la gouvernance mondiale de l'Internet, Sénat, Janvier 2014

¹³ Aron Raymond, *Paix et Guerre entre les Nations*, Calmann-Lévy, Paris, 1962

¹⁴ « Google : 'Notre ambition est d'organiser toute l'information du monde, pas juste une partie' », Interview de Larry Page, *Le Monde*, 21 mai 2010.



An offensive international political player

Google is represented in the negotiations engaged in the Internet governance. However, its initiatives to control the cyberspace on the long term, unlike the discussions, have already been realized, which faced States, as well as companies and citizens, with fait accompli.

In 2012, the company began the project in the United States of Google Fiber: an Internet network construction plan using optic fiber. It plans on developing it worldwide. Moreover, in October 2013, Alliance for Affordable Web has been launched. It is a foundation supported by over thirty organizations and enterprises. Even though USAID¹⁵ supports it, Google is the main contributor; it also brings its presence, collaboration and international networks. The stated goal is to allow emerging countries populations to have access to Internet at an affordable price. In the same spirit, the project Google Loon¹⁶ has emerged. The real challenge, here for Google, is the “Next Billion” market, the next billion Internet users. In concrete terms, those initiatives let Google create new markets according to its vision and, therefore, make sure that it can “offers contents, services and advertisements to more billions of people”¹⁷ to sustain its growth.

In terms of online contents, Google, like other Web giants, is challenging the public authorities, especially on individual liberties, intellectual property and taxation. With their terms and conditions of use, they supervised and conditioned the internet users’ behaviors. Their rules prevail in the management of personal data. Twitter, Facebook or Apple are also applying political censorship on questions they think are, on their own opinion, sensitives. There is no possible recourse and it affects, for example: drawings judged as inappropriate or profiles shut down because of the use of pseudonym. In this context, citizens do not have any responsible resort institutions, “able to give stable and predictable mediation, as well as having a democratic legitimacy”¹⁸. Moreover, acting in a space without borders, these rules are making it difficult for States to respect their laws and raising tax. For instance, in 2011, Google France might have only declared 138 million euros of revenue in France and paid 5.4 million euros of corporate tax. All that, for a turnover, in practice, estimated to 1.3 billion euros. With such practices, the capacity of States “to practice their sovereignty in an effective way”¹⁹ is reconsidered.

And when Google’s interests appears to be threaten by a government or a Parliament, the company is seen as very active in lobbying actions. Generally speaking, the position defended is that of an Internet without censorship or monitoring, allowing it to go on with the development of innovations and new activities without any hindrance. Now, Google, and Facebook, are giving huge amount of money for the defense of interests in the American Congress, at Washington: more than 5 million dollars for the first term of

¹⁵ USAID (United States Agency for International Development) is the American agency to support the international development.

¹⁶ This name project, born in the Google secret X Lab directed by Google co-founder Sergey Brin, is a reference to the word “Loon”, diminutive of “balloon”, also synonym of “crazy”, “mad”. Each balloon, of 15 meters diameter, float to 20 km of altitude (two times more than an airliner) and allowed a connection until 40 km around it, with speed equal to 3G. (source: Wikipedia, 19 may 2014).

¹⁷ Pépin Guénaël, « Le père du Web et des géants d’Internet s’allient pour connecter les pays émergents », *Le Monde*, 7 octobre 2013.

¹⁸ ARSENE Séverine, « Vers une recomposition des pouvoirs : Internet et réseaux sociaux », *CERISCOPE Puissance*, 2013.

¹⁹ ARSENE Séverine, « Vers une recomposition des pouvoirs : Internet et réseaux sociaux », *CERISCOPE Puissance*, 2013.



2012²⁰. Besides, Eric Schmidt, executive president of Google, is a former informal counselor of the first campaign of Barack Obama, as well as a one of its main donator. He is now at the President Council of Advisors on Science and Technology. In Europe, Google is very offensive about proposals of regulations of personal data. It uses the direct way with a representation in Brussels, but also the indirect way with “front association”, such as “European Privacy Association (EPA)”²¹. In France, we are confronted to the “nimble lobbying of the Internet giant”²², which hired for its direction former high official and ministerial office members, with a good idea of the institutional national practices.

Google is able to use such means on the international political scene thanks to an extraordinary treasure, acquired during the last fifteen years.

An unusual economic power

Founded by two Stanford students, Sergey Brin and Larry Page, in the middle of the 90's in a garage, like many of the California start-ups, Google is today worth over 380 million euros in Wall Street.

The company grows so much and can deploy its strike force with the benefits of its advertising activities: creation of AdWords in 2002, AdSense in 2003, and Google bought back Double Click, for 3.1 billion dollars in 2008. AdWords offers sponsored links attached to key words on the search engine results page, and AdSense analyze website content to then suggest sponsored links for a fee, to the website owner. Double Click allows contextual advertisement banners, which match page content. With these services the company found a magic spell, and became a key figure in the online advertising field. Indeed, AdWords, which is worth two third of the global income, runs on an auction system between advertisers. The prices they ask for determine their position on the sponsored links in the results page of Google (at the top right corner). Those who are giving more money are in the top list, others followed, in accordance with the price they pay to Google. Like so, the competition between these advertisers is increasing the sum spent by each one of them, all that only for the benefit of the Mountain View giant. The search engine being the strongest (92% of the queries in France, 93% in Germany, up to 96% in Spain), the use of these sponsored links is almost inevitable for companies eager to develop their activities online.

As a result, in 2011, the number of AdWords advertisers was estimated to 2.6 million worldwide, including 170 000 in France. The daily sum spent on this budget, for a company like Amazon is worth 118 000 dollars, for Expedia it is 92 000 dollars and 70 000 dollars for eBay²³. Still in 2011, in France, Orange might have spent 2.5 million dollars in AdWords. In 2013, advertisement represented 93% of Google annual income, around 15.7 billion dollars. In the United States, more than 75% of online advertisement revenues are received by this giant.

²⁰ Rao Leena, « Google, Facebook Spent Record Amounts On D.C. Lobbying In Q1 2012 », *Techcrunch.com*, 22 avril 2012.

²¹ Lefebvre Jean-Sebastien, « Données personnelles, lobbying américain massif à Bruxelles », *Contexte.com*, 9 septembre 2013.

²² Ducourtieux Cécile, « Google Influences : le lobbying habile du géant d'Internet en France », *Le Monde*, 21 décembre 2012.

²³ Source : <http://www.info-ecommerce.fr/4404/les-plus-gros-budgets-adwords-au-monde>.



Thanks to its huge revenues, Google is always gathering an incredible treasury. At the end of 2013, it was estimated to roughly 58.7 billion dollars. With this, the company is free to engage in all kind of projects. On this basis, it develops activities and invests in:

- The Internet: advertising (AdWords, AdSense, Double Click), messaging service and social networks (Gmail, Google+, Picasa), videos (Youtube);
- Software: Google Earth, Chrome;
- Technology and telecommunications: Android, Nexus, Motorola;

In the majority of these fields, the giant quickly became the leader. Android is now on 80% of smartphones in the world and Youtube is also the leader in the online video service. Most of them are free for users. To strengthen its position, Google was able to create synergy between the different services, making users confined in a particular ecosystem. The more they use those services, the more information Google obtains and is capable of offering advertisements according to their personality, habits or geographical situation, and so increase its revenues. "Google is able to analyze and follow the Internet user, this in order to depict a high precision marketing profile. What sites does he visit? What does he like? On what add does he click? What does he buy?"²⁴

The American giant is looking for the expansion, in the real world, of this economic system creating value from users' data. Projects like Google Glass which would allow to be totally immersed in an augmented reality, or the Google Car, an autonomous car without driver, are great illustrations of this ambition. Result will be that users will not only be connected to Google when they are in front of their computer or using their smartphone, but also for their everyday activities. We will then see "of the real what Google want us to see, just like the company is showing us of the Internet what its algorithm wants to show us"²⁵.

But that is not all. Today, the goal of Google is not just the organization "of all the information in the world"²⁶, but also the construction of an "augmented humanity" including "machines to help people be better at things they are not good at"²⁷.

A demiurgic ambition

After a decade dedicated to create a hegemonic machine on the Internet, with huge profits, new ambitions are arising in Google's mind. In 2011, Eric Schmidt quits its CEO position after 10 years of service, and became executive president. With more experience in the business area, he has been hired to assume the management and strategy responsibilities. From now on, the two historical founders, Larry Page and Serguey Brin, are respectively CEO and director of the mysterious X Lab. This change illustrates the move to a new step, giving more space to the two mathematics and computer genius, and also artificial intelligence enthusiasts.

²⁴ Ichbiah Daniel, *Les nouvelles super-puissances*, First Edition, octobre 2013.

²⁵ De Lima Pascal, « Google ou la route de la servitude », *Le Monde*, 3 avril 2014.

²⁶ « Google : 'Notre ambition est d'organiser toute l'information du monde, pas juste une partie' », Interview de Larry Page, *Le Monde*, 21 mai 2010.

²⁷ Voir : Sadin Eric, *L'humanité augmentée*, Editions l'échappée, 2013.



A few years ago, Larry Page was already dreaming of “Google as a brain implant which will give you the answer when you think of a question”. As for the laboratory managed by Serguey Brin, its philosophy is to take the “big issues” of humanity and find a ten times better solutions than what exists now”²⁸. Their approach is part of the transhumanism, a school of thought from which its most famous thinker, Raymond Kurzweil, was hired by Google in 2012, as director of the engineering. This movement advocates the use of sciences and technologies to increase the human capabilities.

“Transhumanists support a radical vision of human rights. For them, a citizen is an autonomous being who does not belong to anyone else, except himself, and who decides alone of modifications he wants to proceed on his brain, DNA or his body, following the science progress. They think diseases and aging are not inevitability. The appropriation of life to increase our capabilities is the main goal of transhumanists”²⁹.

The latest changes in the company, especially in the health and robotics sectors, show this commitment. Thus, Calico, founded in September 2013, as part of Google X Lab, has to objective to increase the life expectancy within 2035, or even attain immortality, by challenging the aging and its associated diseases. Deep Mind, a British start-up bought back in December 2013 for 400 million dollars, is aiming on building a generation of super robots able to think and feel like Humans. Finally, Boston Dynamics, which joined Google for an unknown sum, is specialized in robotic, and its main collaboration is with the DARPA (Defense advances research project agency), which is the Pentagon agency for the research and development of new military equipment. This enterprise distinguished itself for zoomorphic machines, recognized for their agility and exceptional speed³⁰. It should be pointed out that, few months earlier in the spring 2012, the director of the DARPA, Regina Dugan, joined the management team of Google. She is currently vice president of engineering, technology and projects development.

These new activities open disturbing perspectives where Google, after becoming an indispensable intermediary in the search of information, trade or advertising, could expand its empire to domain usually in the hands of States, such as the public health, education or defense.

What is at stake is close to sovereignty and freedom, because moves made by some leaders of a private company, without any representative legitimacy, are those which risk to determine values and rules being imposed without any resort, to billions of people, or even worse, the Humanity. Larry Page and Sergey Brin, “dictator apprentices”, are already playing with “the shareholder democracy principles”³¹.

Conclusion

²⁸ Picquard Alexandre, « Google, une certaine idéologie du progrès », *Le Monde*, 26 septembre 2013.

²⁹ Alexandre Laurent, « Google et les transhumanistes », *Le Monde*, 18 avril 2013.

³⁰ See videos of Boston Dynamics sur YouTube : <http://www.youtube.com/user/BostonDynamics>.

³¹ Jacquin Jean-Baptiste, Page et Brin, « Apprentis dictateurs chez Google », *Blog Pertes & Profits*, 4 avril 2014. URL : <http://ecobusiness.blog.lemonde.fr/2014/04/04/page-et-brin-apprentis-dictateurs-chez-google>.



From a cooperative company, born in the American system and at its service, Google slowly became a player in competition with the administration of Washington. With its economic power, its action of influence towards public authorities and its ambitions to change not only the world but also human beings, Google is now looking like a totalitarian empire establishing its rules and values. Coping with that, the American system excess on security and intelligence since September 11th2001 weakened it: illegitimate war, extra territorial laws, globalized monitoring, etc. This evolution of power relationship can make us think that even a crazy Google could not be stopped by the United States government. Since a few months, citizens and Congressmen movements are tackling the topic, without many results.

Seeing it, Europe, if it makes efforts, could impose itself as an alternative model. First numerical market in the world with 500 million consumers, very strict about personal data and human rights, it has enough strength to impose new standards to a company like Google. The first step would not be a big one, but it would be enough. In order to not becoming a colony ruled by Google, France and Europe will also need to learn how to add value to their educational and technological assets, in order to create efficient companies in this hyper connected world.

Septembre 2015

Spin Partners

55, rue du faubourg Montmartre - 75009 Paris
Tél. : + 33 1 40 16 07 07 - Fax : + 33 1 48 74 43 38
Email : info@spinpartners.fr – Site : www.spinpartners.fr

Bibliography

Bellanger Pierre, *La souveraineté numérique*, Seuil, 2014.

Fayon David, *Géopolitique de l'Internet – Qui gouverne le monde ?*, Paris, Economica, 2013.

Ichbiah Daniel, *Les nouvelles super-puissances*, First Edition, octobre 2013.

Morin-Desailly Catherine, *L'Union européenne, colonie du monde numérique ?*, Rapport d'information n° 443 (2012-2013) fait au nom de la commission des affaires européennes, Sénat, mars 2013.

Sadin Eric, *L'humanité augmentée*, Editions l'échappée, 2013.