

# 5 Ways Mass Surveillance Is Destroying the US Economy

By [Washington's Blog](#)

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## Prosperity Requires Privacy

Privacy is a prerequisite for a prosperous economy. Even the White House [admits](#):

*People must have confidence that data will travel to its destination without disruption. **Assuring** the free flow of information, the security and **privacy** of data, and the integrity of the interconnected networks themselves are all **essential to American and global economic prosperity**, security, and the promotion of universal rights.*

Below, we discuss five ways that mass surveillance hurts our economy.

### 1. Foreigners Stop Buying American

Foreigners are starting to [shy away from U.S. Internet companies](#), due to the risk that American spooks will spy on them.

American tech companies – including [Verizon](#), [Cisco](#), [IBM](#) and others – are [getting hammered](#) for cooperating with the NSA and failing to protect privacy. The costs to the U.S. economy have been estimated to be in the [hundreds of billions of dollars](#). And see [this](#) and [this](#).

That doesn't even take into account the just-revealed NSA program of infecting [virtually all popular Western hard drives](#) with spyware. This will cause huge markets like China to insist that locally-produced hard drives be used, to make it harder for the NSA to hack into them.

So the NSA's shenanigans are hurting dual pillars of the U.S. tech sector: computers and Internet. (The sale of mobile devices [might not be](#) far behind.)

### 2. Trust and the Rule of Law - Two Main determinants of Prosperity - Are Undermined By Surveillance

[Trust is KEY for a prosperous economy](#). It's hard to trust when your government, your internet service provider and your favorite websites are [all spying on you](#).

The destruction of privacy by the NSA [directly harms internet companies, Silicon Valley, California ... and the entire U.S. economy](#) (Facebook lost [11 millions users](#) as of April mainly due to privacy concerns ... and that was *before* the Snowden revelations). If people don't trust the companies to keep their data private, they'll use foreign companies.

And destruction of trust in government and other institutions is [destroying our economy](#).

A top cyber security consultant [points out](#):

**If privacy is not protected** while performing mass surveillance for national security purposes, then **the people's level of trust in the government decreases**.

We [noted](#) in 2012:

Personal freedom and liberty - and freedom from the arbitrary exercise of government power - are **strongly correlated** with a healthy economy, but America is descending into tyranny.

Authoritarian actions by the government [interfere with the free market](#), and thus harm prosperity.

U.S. News and World Report [notes](#):

The Fraser Institute's latest Economic Freedom of the World Annual Report is out, and the news is not good for the United States. Ranked among the five freest countries in the world from 1975 through 2002, the United States has since dropped to 18th place.

The Cato institute [notes](#):

The United States has plummeted to 18th place in the ranked list, trailing such countries as Estonia, Taiwan, and Qatar.

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Actually, the decline began under President George W. Bush. For 20 years the U.S. had consistently ranked as one of the world's three freest economies, along with Hong Kong and Singapore. By the end of the Bush presidency, we were barely in the top ten.

And, as with so many disastrous legacies of the Bush era, Barack Obama took a bad thing and made it worse.

But the American government has shredded the constitution, by ... [spying on all Americans, and otherwise attacking our freedoms](#).

Indeed, rights won in 1215 - in the Magna Carta - are [being repealed](#).

Economic historian Niall Ferguson [notes](#), draconian national security laws are one of the main things undermining the rule of law:

We must pose the familiar question about how far our civil liberties have been eroded by the national security state - a process that in fact dates back almost a hundred years to the outbreak of the First World War and the passage of the 1914 Defence of the Realm Act. Recent debates about the protracted

detention of terrorist suspects are in no way new. Somehow it's always a choice between habeas corpus and hundreds of corpses.

Of course, many of this decades' national security measures have [not](#) been taken [to keep us safe](#) in the "post-9/11 world" ... indeed, [many of them](#) [including spying on Americans] started [before 9/11](#).

And America has been in a [continuous declared state of national emergency](#) since 9/11, and we are in a literally never-ending state of perpetual war. See [this](#), [this](#), [this](#) and [this](#).

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So lawlessness infringement of our liberty is destroying our prosperity.

Put another way, lack of privacy kills the ability to creatively criticize bad government policy ... and to demand enforcement of the rule of law. Indeed, [5,000 years of history shows](#) that mass surveillance is **always** carried out to crush dissent. In other words, mass surveillance is the *opposite* of the principle of the rule of law (in distinction to the rule of *men*) upon which America was founded.

Free speech and checks and balances on the power of government officials are [two of the main elements of justice](#) in any society. And a strong rule of law is - in turn - the [main determinant of GDP growth](#).

### **3. The Free Flow of Information Requires Privacy**

Moreover, surveillance [hampers the free flow of information](#) as many people begin to watch what they say. The free flow of information is a core requisite for a fast-moving economy ... especially an information economy, as opposed to economies focused on resource-extraction or manufacturing.

As quoted above, the White House [states](#):

**Assuring** the free flow of information [is] **essential to American and global economic prosperity**, security, and the promotion of universal rights.

Mass surveillance makes people more reluctant to share information ... and thus hurts the economy.

### **4. Mass Surveillance Hurts Productivity**

Top computer and internet experts say that NSA spying [breaks the functionality of our computers and of the Internet](#). It reduces functionality and reduces security by - for example - [creating backdoors that malicious hackers can get through](#).

Remember, American and British spy agencies have *intentionally* weakened security for [many decades](#). And it's getting worse and worse. For example, they plan to use automated programs to [infect millions of computers](#).

How much time and productivity have we lost in battling viruses let in because of the spies tinkering? How much have we lost because "their" computer programs conflict with "our"

programs?

Microsoft's general counsel [labels](#) government snooping an "advanced persistent threat," a term generally used to describe teams of hackers that coordinate cyberattacks for foreign governments. It is [well-known](#) among [IT and security professionals](#) that hacking [decreases employee productivity](#). While they're usually referring to hacking by *private* parties, the same is likely true for hacking by government agencies, as well.

And the spy agencies are already [collecting millions of webcam images](#) from our computers. THAT'S got to tie up our system resources ... so we can't get our work done as fast.

Moreover, the Snowden documents show that the American and British spy agencies [launched attacks to disrupt the computer networks](#) of "hacktivists" and others they don't like, and [tracked supporters](#) of groups such as Wikileaks.

Given that the spy agencies are [spying on everyone](#), capturing millions of screenshots, [intercepting laptop shipments](#), [creating fake versions of popular websites](#) to inject malware on people's computers, launching [offensive cyber-warfare operations](#) against folks they don't like, and that they may view [journalism, government criticism or even thinking for one's self](#) as terrorism - and tend to [re-label "dissidents" as "terrorists"](#) - it's not unreasonable to assume that *all of us* are being adversely effected to one degree or another by spy agency operations.

Bill Binney - the high-level NSA executive who *created* the agency's mass surveillance program for digital information, a 32-year NSA veteran widely regarded as a "legend" within the agency, the senior technical director within the agency, who managed thousands of NSA employees - tells Washington's Blog:

The other costs involve weakening systems (operating systems/firewalls/encryption). When they do that, this weakens the systems for all to find. Hackers around the world as well as governments too.

These costs are hard to count. For example, **we hear of hackers getting customer data over and over again. Is that because of what our government has done?**

Or, how about all the attacks on systems in government? Are these because of weakened systems?

## 5. Creativity - A Prime Driver of Prosperity - Requires Privacy

The Information and Privacy Commissioner of Ontario, Canada - Ann Cavoukian, Ph.D. - [noted](#) recently:

**Privacy is Essential to ... Prosperity** and Well-Being

- **Innovation, creativity and the resultant prosperity of a society requires freedom;**
- **Privacy is the essence of freedom: Without privacy, individual human rights, property rights and civil liberties - the conceptual engines of innovation and creativity, could not exist** in a meaningful manner;

- **Surveillance is the antithesis of privacy:** A negative consequence of surveillance is the usurpation of a person's limited cognitive bandwidth, away from innovation and creativity.

The Financial Post [reported](#) last year: “**Big Brother culture will have adverse effect on creativity, productivity**”.

Christopher Lingle – visiting professor of economics at ESEADE, Universidad Francisco Marroquín – [agrees](#) that creativity is a key to economic prosperity.

Edward Snowden [points out](#):

**The success of economies** in developed nations **relies increasingly on their creative output**, and if that success is to continue we must remember that creativity is the product of curiosity, which in turn **is the product of privacy**.

Silicon Valley is currently one of the largest drivers of the U.S. economy. Do you think Bill Gates and Steve Jobs could have tinkered so creatively in their garages if the government had been watching everything they do?

Everyone who has ever done anything creative knows that you need a little privacy to try different things before you're ready to go public with it. If your bench model, rough sketch or initial melody is being dissected in real time by an intrusive audience ... you're not going to be very creative. And [see this](#).

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