

## Business comment

Andrew Orlowski



## Beware the new sensor censors heading for us

Big Tech is increasingly monitoring people's moods as part of a push for health tracking and employers are getting interested

Imagine dying suddenly and failing to inform Facebook. It's probably the thing about death we fear most – that Mark Zuckerberg doesn't find out right away. Fear not, because Apple has this awful eventuality covered.

Apple now interprets sensor information to report your emotional state, and has published technical details of how to access it. In their wisdom, Apple's boffins have decreed that there are 10 detectable emotional states, and curiously, one of these is "death". How do you emotionally convey you're dead? The absence of a pulse would make this one of the simpler interpretive challenges, you might think.

But joking aside, this macabre discovery is part of a worrying trend by big technology companies: gleaning your emotional condition for others to peruse. Unscrupulous employers and lazy public health officials will barely be able to contain their glee, but for employees, and the rest of us, this may be very ominous indeed.

Last year Amazon introduced a fitness watch, Halo, with an unusual feature. Halo does all the usual things every fitness tracker does, like count steps and take your pulse. Only it introduced something new, too: a mood monitor. Listening to your voice, the Halo judges if you're being too angry or assertive – and not only that, but gives you warnings to mind your tone. This is an electronic mood cop that lives on your body, telling you off. It doesn't take much imagination to see how employers will use this data when they want to shed staff for reasons other than performance – as some are keen to do already. Injudicious employees now don't have to worry about upsetting the staff – they might upset the sensor censors, too.

Apple confirmed last week that the sentiment data is at first only available to health researchers, where it might be useful to detect early signs of autism or dementia. The API isn't for everyone just yet – but powerful interests are at work. Biomedicine is betting big on this pool of data expanding, and insurance companies are keen too – so it's naive to expect this to remain cloistered in the laboratory for very long. The nanny state

also wants to supplement direct healthcare – with all those time-consuming one-to-one personal appointments – with pre-emptive interventions, too. It's in the workplace though, where employers are already encouraged to use biometric data, that we can expect to see an impact first.

What we're witnessing is the worrying confluence of three big trends. One is has been the decades-long expansion of corporate bureaucracy. Personnel departments morphed into "Human Resources", and mushroomed with the regulatory explosion of Health and Safety. Now they're morphing again, pushing into the more nebulous "wellness" business. Wellness is an open-ended justification for making a judgemental intrusion into feelings, and guessing our mental condition. This is quite a leap from ensuring that your desk is the correct height, and you know where the Fire Exit is. It means companies take on the role of psychologist, and technology industry is selling wearables that purport to help them.

The second factor is rise of woke capitalism. Companies find it cheaper to virtue signal to high status opinion than they do to, say, raise wages, and this is allowing HR departments off the leash. They can now demand reflection and self-analysis, like the students in the Cultural Revolution screaming at the bourgeoisie. The third factor, and a potent accelerant, has been Covid, and the global shift to working from home, or WFH.

"There is a much wider surrender of home, office, stations, trains, cafes, hotel rooms and personal thought – sometimes, a surrender of sleep itself – to employers who are endlessly demanding," wrote Prof James Woudhuysen, in a recent history of the office as a surveillance operation in *Architecture* magazine. True, the BlackBerry made big inroads into our personal lives, but WFH has accelerated this. The boss wants to know you're doing at all times. So what you thought was your own gear becomes work equipment, including the things you must wear – like a mood gauge. Casual real-world contact gives managers both vital non-verbal cues, and the leeway to use common sense judgment. In their absence, data fills the void, so judgments becomes more centralised – with career-deciding personal decisions ending up with the woke HR juniors. In reality, we'll probably censor ourselves even more.

There are one or two problems with this crude digital phrenology, however. Don't expect it to distinguish between sentiments like "French waiter hearing mispronounced entrée", and "Roy Keane Death Stare" – two I'd like to transmit, if they were only available. Apple's sentiment API lists 10 states – alongside Death, the device will report back that you are Angry, Anxious, Confused, Depressed, Sad or "have health concerns" – all negatives. "Absolutist" is another odd choice of "sentiment", that really means bossy or assertive. And on the positive side? Curiously, there is just one: Positive. That's it. It's almost as if the boffins have laid out a course that's impossible for anyone to navigate successfully, so numerous are the pitfalls we might fall into. But that's the dark secret of the wellness industry for you – it really wants as few "well" people as possible.

Even if Apple doesn't make the Sentiment API universally available, I fear this collision of technology, quack science and wokeness isn't going to end well.

Andrew Orlowski is founder of the research network Think of X

# The Conservatives need a stronger Opposition to get Brexit working

KALLUM PICKERING



Thatcher's legacy is being lost as the Government hikes the size of state to target Labour heartlands

On Sept 20 1988 Prime Minister Margaret Thatcher gave her famous "Bruges Speech" to the College of Europe. In it she said, "we have not successfully rolled back the frontiers of the state in Britain, only to see them reimposed at a European level".

If the speech did not put the UK on the path to Brexit, it certainly supplied the compass and map.

It is a historical irony, therefore, that three decades later, a Conservative government of self-proclaimed Thatcherites, after successfully taking Britain out of the EU, is now vastly expanding the frontiers of the British state.

Was the positive case for Brexit not that, upon wresting great power and control back to London from Brussels, Parliament could and would lighten the burden a large domestic and European state had placed on the UK economy?

Instead, the Government plans to increase taxes on business and labour, expand the welfare state and raise government spending as a percentage of GDP to its highest level since the early 1980s. In March the OBR projected that government spending would rise to 42pc of GDP by 2023, up from 40pc in 2019 and well above the pre-1997 Labour level of 36pc. Next month's updates alongside the Budget could predict an even greater rise.

The situation is a far cry from the Singapore-on-Thames economic model many Brexiters had hoped the UK would follow upon leaving the EU.

Both the Prime Minister and the Chancellor preach free markets, but their policies tell a different story.

Economies with oversized governments underperform in the long run because markets are too complex, too fast moving and indeed too random for a central power to command and control efficiently.

Whether government overreach is at European or British domestic level makes little difference.

In an ideal world, the UK should strike the healthy balance of a mid-Atlantic economy: relatively low taxes like the US, but public healthcare that is free at the point of consumption and a European-style welfare state. Such developments give rise to an important question. How did this happen?

To provide an answer, one needs to cross the political aisle and consider the state of the Labour Party.

In an oppositional parliamentary democracy like the UK, the actions of government are influenced by constraints, or lack thereof, imposed upon them by the counter-policies of the official Opposition.

But Labour is still reeling from the disaster of Corbynism which handed Boris Johnson an 80-seat landslide majority in December 2019.

Under Sir Keir Starmer, who is a decidedly more sensible choice for leader, the Labour Party still has not yet managed to offer a credible opposition to government.

That the dramatic rise in support for the Conservatives in 2019 came mainly from the pro-Brexit traditional Labour heartlands in the North of England is an important part of the answer.

Winning support from such areas to secure Brexit in January 2020 was one thing; keeping such support at the next election is an altogether different challenge. But the Labour Party's weakness provides the Government with a window of opportunity.

If it can offer the borrowed Labour voters what Labour ought to offer, it might have a chance of retaining its big majority come the next election.

And since traditional Conservative voters have nowhere else to go, the Government probably believes it can neglect their priorities and trust that they will vote blue anyway in 2023.

Polling in the next few weeks, once the public has a chance to digest whatever policies come out of the



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ongoing Labour Party conference, may test this logic.

Presently, however, it all amounts to the fact that the UK has a Conservative government in name only. Of course, for the purpose of retaining power, this strategy may work well for the Government. Whether this is sensible economics, however, is less clear-cut.

Over time, rising taxes and debt to finance a growing public sector risk hurting the UK's growth potential, which has already been weakened by Brexit. The costs may not be visible immediately, but they will accumulate as the pace at which living standards rise slows as a consequence of the creeping growth of the state.

Sooner or later, this will hurt Conservative support in the polls. A more formidable Opposition would force the Conservatives to stick to the well-tested policy principles of promoting free enterprise and markets.

The Government, along with those of other major advanced economies, has spent aggressively and expanded the emergency powers of the state since the pandemic struck. This was a sensible and necessary response.

As the pandemic fades, the Government should consider what parts of the state that are overgrown can be pruned back to size. But just like Labour getting its act together soon, such an outcome seems highly unlikely.

Kallum Pickering is senior economist at Berenberg



Fayre, please Enthusiasts gathered at the Hertfordshire county showground yesterday for Showbus 2021, the largest annual display of road passenger transport in the world, which includes modern and vintage single- and double-deckers. The event featured 157 buses and will celebrate its 50th anniversary next year.

## A renewables push will not keep us warm this winter

SAM LAIDLAW



North Sea gas can keep home fires burning, while infrastructure will play vital role in shift to hydrogen and carbon capture

In a few weeks the UK will host Cop26 from a position of strength. Thanks to government incentives and private investment in clean electricity, the UK cut its carbon emissions 40pc between 1990 and 2019.

But just last week as tight supplies of gas saw prices soaring to historic highs, we were reminded that the transition to net zero must be managed, resilient and affordable.

Despite the huge and welcome growth in renewable energy, gas remains the single largest source of baseload power and affordable heat. And it will continue to be so, heating more than 85pc of UK homes well into the future.

This means that the UK has to think about where we get our gas, as well as how we build more renewables. There is a choice between lower cost, lower carbon and secure gas production from domestic sources, or consigning customers and taxpayers to higher cost, higher carbon and less secure supplies from abroad.

While it is true domestically

produced energy is the single largest source of the UK's energy supply, it is outweighed by myriad imported energy sources, whether it be piped gas from the Continent, liquefied natural gas from the Middle East or the US, or power from France and Norway.

Britain is at the end of the queue when global supplies get tight, as we saw last week, due to our dependence on imports. This is exacerbated by our lack of gas storage.

Of course, the panacea is large scale and economically viable battery storage, enabling consumers across the country to depend on low carbon power as and when they need it. But while such technology exists on a small scale, large scale battery storage remains many years away.

The uncomfortable truth is that even if today the UK had double its capacity of renewable energy, it would not have helped with the recent power crunch as the country was experiencing a period of low pressure weather, meaning that the wind simply wasn't blowing.

Fortunately, the UK's diverse energy mix ensured that supply has so far been maintained. While gas production from the North Sea is declining, domestic production remains important. It has a much lower carbon intensity than liquefied natural gas, which has to be liquefied, shipped and then regassified – all at a higher cost to customers.

Furthermore, there is a quick zero-cost solution that would enable gas producers, like Neptune, to supply additional capacity.

The UK has some of the tightest specifications for gas in Western

Europe – it has to be a very high "calorific" standard. If we put our regulations on the same level as other European countries, we could pump far more gas into the UK system.

Such a change has already undergone technical review by the Health and Safety Executive as part of its review of the current standards and could be enacted immediately, helping to alleviate pressure on both gas supply and price this winter. In the longer term, the revised specifications could unlock 0.5 trillion cubic feet of gas from the southern North Sea, enough to heat more than 12 million UK homes for a whole year.

It also makes sense in the long term to make the most of our energy infrastructure. To reach net zero, the Government has committed to a significant increase in hydrogen production and carbon capture and storage.

These low carbon technologies will need to use existing infrastructure – from depleted gas reservoirs to transportation networks and storage facilities. The North Sea has these in abundance and energy companies, including Neptune, have submitted plans to the Government to repurpose facilities previously used for oil and gas to speed the transition to hydrogen and carbon storage.

Returns on renewables investments – at least in the short term – are not sufficient on their own to finance the capital requirements of ever-larger low carbon projects. So investors need to recycle returns from existing production to capitalise renewable investment.

We therefore need to get the

balance right between existing energy projects and the move to renewables. We have an opportunity to protect critical infrastructure, energy security, tax revenues, jobs and supply chains. The oil and gas sector alone supports almost 200,000 jobs and has contributed more than £33bn to the Treasury since 2010, but is also a critical enabler of the energy transition as recognised by the Government in the North Sea transition deal.

Energy projects are hugely capital intensive and often take years to build, during which time investors' capital is at risk. Investors will only be prepared to take that risk if they have confidence in a stable fiscal and regulatory regime.

Subsidies and other fiscal incentives have served their purpose in reducing the cost of renewable energy production, although intermittency still remains the hidden cost and the unsolved issue.

The solution is likely to be a combination of hydrogen and CCS, but for both to become a reality, the Government must show the same kind of bold thinking and clear regulatory framework that they did with renewables. Only then will costs come down and projects move forward.

As delegates fly over the North Sea en route to Glasgow this November, they would do well to remember its treasure is a help, not a hindrance, in the transition to net zero. Because green ambitions alone won't keep us warm this winter.

Sam Laidlaw is executive chairman of Neptune Energy

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