

# Don't Equate Technology with Big Tech

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*With just a few multinational tech firms lording over most of the twenty-first-century economy, it is safe to say that the digital revolution's emancipatory potential has been squandered – at least for now. But in charting a new course forward, it is critical that policymakers in Europe and elsewhere focus on the real problem, which is not technology but rather the Big Tech business model.*

STANFORD – The backlash against Big Tech follows years of hype no less superficial than that accompanying the arrival of the Internet, mobile phones, and social media. Promises that technology would allow democracy to “go viral” have not been borne out; and often, the opposite has happened. Many in Europe and elsewhere are now demanding a forceful response by regulators and policymakers. But fixing the problems that we have come to associate with today’s technologies requires that we focus our attention in the right place. Digital technology is not the problem; the business models behind it are.

Consider how we got to this point. By improving access to information and disrupting top-down power structures, digital technologies were supposed to empower individuals *vis-à-vis* information monopolists. But the tech giants who disrupted the old media have themselves become the gatekeepers of data and information. The promise that digital services would foster transparency has been replaced by the reality of opaque algorithms. Rather than giving a voice to the voiceless, social media have handed a virtual megaphone to hate mongers, whose messages resonate far and wide with the help of anonymous bots.

None of this happened by accident. These developments are the all-too-predictable result of corporate-governance decisions (or indecision) and carefully devised business models aimed at maximizing profits, vacuuming up data, and amassing market power. The Silicon Valley giants have been incredibly successful in pursuing these goals. Now it is time to hold them to account.

Technology is not neutral. Its impact on society depends on the values that go into the development and design of software and hardware. By the same token, people’s experiences with digital technologies are shaped by the corporate-governance models of the companies offering them. Now that a handful of companies run the information ecosystems that people use worldwide, these models matter even more. Without Google, Facebook, Apple, Microsoft, and Amazon, people’s experience of using the Internet simply would not be what it is today.

Criticism of Big Tech has intensified in the face of the industry’s attempt to portray itself as an engine of free speech and democracy, rather than as an advertising business. It is now obvious that the major tech companies’ platforms have been meticulously designed to hook users in order to sell ads and maximize market share. Again, this means that the backlash against Big Tech is not really about the underlying technology; rather, it is about the concentration of corporate power in the absence of commensurate countervailing forces.

Regulators have struggled to keep up with the pace of innovation, because the tech companies often have the upper hand, owing to information asymmetries stemming from their business models. Nonetheless, antitrust authorities are investigating whether some of the major platforms have abused their gatekeeper positions or undercut markets by systematically acquiring potential competitors. Privacy watchdogs have raised alarm bells, particularly

following data breaches that have exposed hundreds of millions of people's personal information, or in response to revelations that ads are being sold on the basis of users' intimate personal details. Finally, journalists have called attention to the erosion of media pluralism following the major platforms' seizure of most advertising revenues.

For its part, the European Union has been leading global efforts to ensure that technology companies remain subject to the rule of law. But, aside from the highly publicized General Data Protection Regulation, net-neutrality guarantees, and various antitrust actions, Europe still has a lot of work to do. For starters, its digital single market needs to be strengthened both to improve efficiency and to jointly address national-security concerns. In either case, closer coordination between national- and EU-level regulators and legislators is needed.

Moreover, without up-to-date common rules governing artificial intelligence and other critical areas of the digital economy, multinational tech giants can easily play European authorities off against one another. To ensure that new regulations and lawmaking are effective, fair, and evidence-based, policymakers should have access to more corporate data to determine where regulatory interventions are needed most urgently.

But while there is a pressing need for greater clarity on how the digital economy operates, and for new laws and standards to rein in abuses, the major technology companies should not be made synonymous with technology itself. That would be like equating energy with Exxon or food with McDonald's. Indeed, instead of accepting the idea of a "techlash" at all, we should be asking what the wave of criticism says about a small handful of firms.

The growing concerns over privacy, competition, and democracy are legitimate. If Big Tech wants to move past the pushback it is facing, it should address these issues openly. That means granting more access to researchers, regulators, and democratic representatives seeking to understand how the digital ecosystem functions. Only with independent monitors assessing the intended and unintended consequences of the prevailing business models can the industry be held to account.

If Big Tech's rapid rise tells us anything, it is that the industry's executives are very good at achieving the results they set out for. If they want to get back in the public's good graces, they should make that an explicit goal, rather than doubling down on profit maximization. As for the rest of us, we must design and govern for technology's potential to serve the public interest, democracy, and the rule of law.

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