Chapter 10

Sovereign Bureaucrats vs. Global Tech Companies: Ethical and Regulatory Challenges

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ABSTRACT

We live in a changing world. Disruptive technologies and digital platforms particularly are reshaping the world, making it more open and accessible on the one hand, but more fragile and uncertain on the other, rising risks of cybersecurity, personal data security. Do markets really need any kind of regulatory interventions under these circumstances? We see many cases where “state bureaucrats” impose restrictions on global companies based on digital platforms – technology champions. Are those actions effective, do they make sense in terms of global security, or it is only political game?

INTRODUCTION

Do we want technology to keep giving more people a voice, or will traditional gatekeepers control what ideas can be expressed?

(Mark Zuckerberg, 2019)

Mother, do you think they’ll drop the bomb?

Mother, do you think they’ll like the song?

Mother, do you think they’ll try to break my balls?

Mother, should I build the wall?

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*Mother, should I run for president?*

*Mother, should I trust the government?*

*Mother, will they put me in the firing line?*

*Is it just a waste of time?*

*(Roger Waters - Pink Floyd The Wall, 1979)*

...10 minutes before the strike I stopped it...I am in no hurry, our Military is rebuilt, new, and ready to go, by far the best in the world. Sanctions are biting & more added last night.

*(Donald J. Trump, 2019)*

**BACKGROUND**

Will the US government and lawmakers follow tactics similar to deterrence of Iran in confronting the launch by Facebook its cryptocurrency? Or it’ll make a strike to kill it at an early stage? Facebook recently revealed the details of its cryptocurrency, Libra (libra.org), which will let you buy things or send money to people with nearly zero fees. You’ll pseudonymously buy or cash out your Libra online or at local exchange points like grocery stores, and spend it using interoperable third-party wallet apps or Facebook’s own Calibra wallet that will be built into WhatsApp, Messenger and its own app. Regulators are already bristling. Democrat Senator Sherrod Brown tweeted that “We cannot allow Facebook to run a risky new cryptocurrency out of a Swiss bank account without oversight” (Brown, 2019).

In July 2018 the European Commission fined Google $5 billion for favoring its own applications on Android devices over those of its competitors. While Google’s fine is the largest to date, it isn’t the first time the European Union has sanctioned a company for this sort of abuse. Nor is it the first time that a fine has been handed to Google — which had already set a record last year — but other companies such as Microsoft and Telefonica have also received hefty punishments. Back in 2016, the EU forced Apple to pay $16 billion in back taxes to Ireland, which the company just finished paying.

Amazon is already under pressure in the US over its market dominance. At the end of August 2018, US President Donald Trump hinted that he thought Amazon, among other tech companies, could be a “very antitrust situation,” and news emerged in September that US Attorney General Jeff Sessions was open to investigating Silicon Valley giants.

President Trump has finally succeeded in building his wall: not the one he keeps demanding on the southwestern border, but a far more complex barrier meant to block China’s national telecommunications champion, Huawei, from operating in the United States and starve it of American technology as it builds networks around the globe.
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