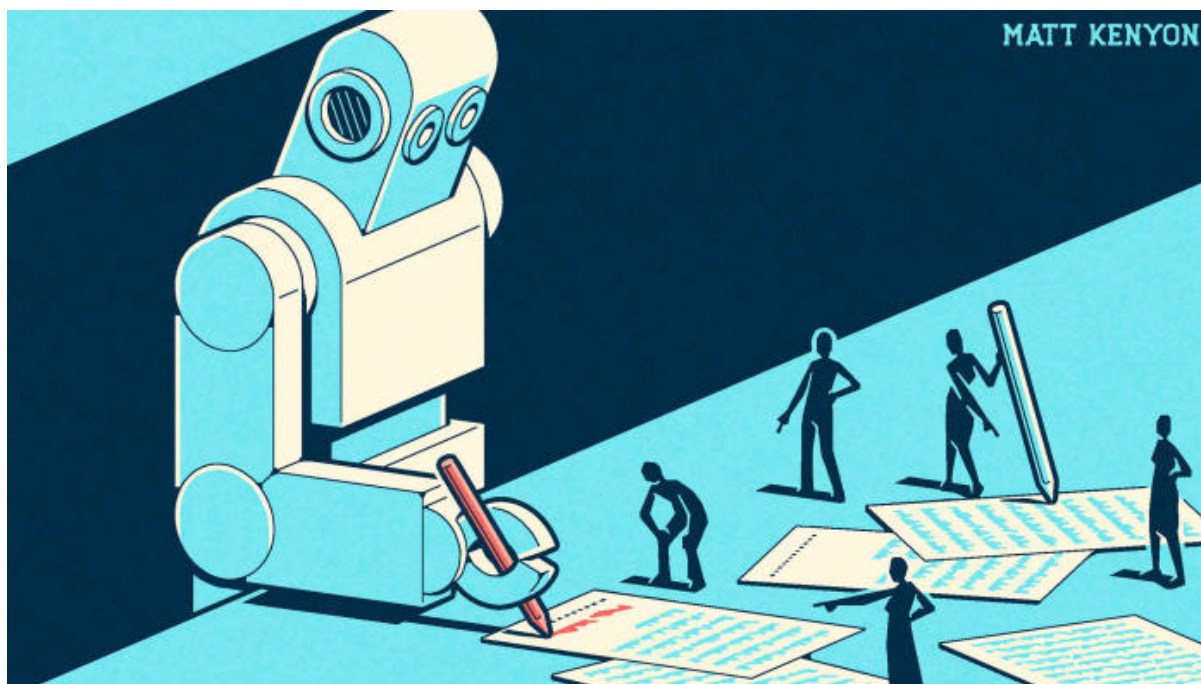


Opinion **Technology sector**

Big Tech's viral boom could be its undoing

The industry might seem unstoppable in this crisis, but ultimately it will be curbed

RANA FOROOHAR



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Rana Foroohar YESTERDAY

Contact apps that trace where we have been and who we have touched; software that tells bosses how hard we're [working from home](#); face masks [that light up](#) to show whether we have a virus. These are just a few of the technologies being deployed to help fight the Covid-19 pandemic.

Surveillance capitalism was a dirty phrase before coronavirus hit. Now, it seems to be business as usual, something investors are pricing into share valuations, as information technology has grown to represent one-quarter of the value of the S&P 500. But although the "[techlash](#)" now seems a thing of the past, the very success of the digital giants and their role in virus fighting may eventually prove their undoing.

The conventional wisdom is that Big Tech will emerge far bigger and more powerful than ever once the pandemic is over. Amazon is unquestionably the world's most essential retailer, [hiring 100,000 extra staff](#) to manage its quarantine-related demand surge.

New York governor Andrew Cuomo has invited former Google chief executive Eric Schmidt to help lay out [how to reopen the state](#). Google and Apple have [teamed up to develop](#) a contact tracing system being adopted by numerous governments. Uber is capitalising on lockdown demand for takeout food with [a bid for rival Grubhub](#). Big Tech may seem unstoppable, but that is exactly why it will ultimately be curbed.

The first post Covid-19 regulatory push is already happening around privacy. Data are being created at the fastest ever rate since the virus made our lives largely virtual. A Bank of America report notes that the volume of data creation is up 50 per cent since the pandemic began in many parts of the west.

Tech companies are helping dozens of governments track their citizens. Many of them hope to hang on to the data they are accumulating and, ultimately, to monetise it, particularly in areas such as healthcare. Google, Amazon, Facebook and Oracle were already [trying to make inroads](#) in the sector before Covid-19 hit. Contact tracing is moving ahead [all too quickly](#), although information about the efficacy of surveillance as a public health tool is limited and [questioned by some](#) academics.

In the UK, there is [public scepticism](#) about whether the IT industry can be trusted to design such products in the public interest. In the US, [a recent survey showed](#) that only half of Americans would participate in contact tracing, only one-third of them would be willing to share flight and other biometric information to fight the virus, and even fewer would want their wireless location tracked.

No wonder [both Democrats](#) and [Republicans](#) are pushing bills to ensure that any data collected for virus fighting cannot be used for other means. Some European politicians and regulators, including the EU competition chief Margrethe Vestager, are [calling for stringent rules](#) and transparency.

Content moderation is another area ripe for regulatory action. Big Tech companies have been reluctant to police disinformation online, in part because of civil liberty concerns. They also do not want to lose the legal protection that exempts them from responsibility for what users say or do online. But the rapid spread of coronavirus has [forced them to take action](#) to delete inaccurate public health information.

As one high-level European regulator recently pointed out to me, this makes it hard for these companies to argue that they cannot police misinformation in other areas. The consequence could be that they are [forced by law to do so](#). That would pose a threat to the targeted advertising business model crucial to companies such as Google, Facebook and even Amazon.

The third push will be around antitrust. Amazon may be delivering most of our essential goods, but its incredible size and power also make it much easier for activists to [argue it is a monopoly](#). Critics will seek to have it broken up, forced to pay higher wages to its workers (a number of whom have contracted the virus), provide them with better benefits, or even be turned into a publicly-owned utility.

As Pramila Jayapal, a congresswoman from Seattle, [put it recently](#): “Two things can be true at the same time. A company can be doing tremendous work that is incredibly valued and essential, and it can be treating workers badly.”

That is not a good look as the big companies get bigger and start to gobble up weaker competitors. Senator Amy Klobuchar, the ranking member of the subcommittee on antitrust, said [last week that](#) Uber’s potential acquisition of Grubhub raised “serious concerns” given that consumers and restaurants are now dependent on such services. “The last thing they need is an increase in the extremely high fees already paid to these companies,” she said.

Senator Elizabeth Warren has already teamed up with Congresswoman Alexandria Ocasio-Cortez to [call for a moratorium](#) on “risky” mergers and acquisitions for the duration of the pandemic.

Beyond all this, the different ways countries are dealing with trade-offs between public health and economic recovery — as well as surveillance and civil liberty — pose another challenge. We will probably see an evermore nationalistic technology sector, with different rules emerging for different regions. The shift will limit global growth opportunities for some platforms. Last year’s techlash may be gone, but it is certainly not forgotten.

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