

# Efforts to curb tech giants

June 29 2021, by Jules Bonnard, Jean-Philippe Chognot



The so-called GAFAM are still targeted by the EU and US for a number of allegedly unfair practices.

Facebook won a key court case in the US this week, but the US tech industry still faces challenges at home and in the European Union in particular.



US authorities were not able to present a solid case against Facebook according to the ruling, and the social media giant has retained staunch backing from clients and consumers.

Google, Apple, Facebook, Amazon and Microsoft—dubbed the GAFAM—have been accused of not paying enough taxes, stifling competition, stealing <u>media content</u> and threatening democracy by spreading <u>false information</u>.

As the European Union and member countries draft rules to rein them in and many other countries and US states are doing likewise, here is a global overview of the attempts to regulate the companies.

#### **Taxation**

Now that US opposition has lifted, 139 countries will haggle this week over key details of a global corporate tax deal that could affect the tech giants.

Negotiations led by the Organisation for Economic Co-operation and Development aim at imposing a minimum corporate tax rate of at least 15 percent, and allowing countries to tax a share of profits of the 100 most profitable companies in the world.

Individual countries have already taken initiatives of their own however, with Australia, Austria, Britain, France, India, Italy and Spain directly taxing sales on some digital revenues.

## **Nobbling competition**

The digital giants are regularly criticised for dominating the market by elbowing out rivals.



The EU slapped 8.25 billion euros (\$9.8 billion) in fines on Google for abusing its dominating market position via its Android system.

Microsoft was fined 561 million euros by the EU in 2013 for imposing its search engine Internet Explorer on users of Windows 7.

Amazon, Apple and Facebook are the targets of EU probes for possible violations of competition rules.

The EU has also unveiled plans for mammoth fines of up to 10 percent of their sales on tech firms that break competition rules, and could even be broken up.

In the US, President Joe Biden has named anti-monopoly figures to prominent positions, including Lina Khan who has been confirmed to head the Federal Trade Commission.

Dozens of US states hit Google with antitrust suits in December, accusing it of abusing its monopoly on internet search and advertising.

Cases are hard to prove however, and on Monday, a federal judge dismissed a high-profile antitrust action against Facebook filed last year by the FTC and state regulators that could have rolled back Facebook's acquisition of Instagram and the messaging platform WhatsApp, saying it hadn't provided enough evidence.

### Personal data

Tech giants are regularly criticised over how they gather and use personal data.

The EU has led the charge to rein them in with its 2018 General Data Protection Regulation, which has since become an international



reference.

They must ask for consent when they collect personal information and may no longer use data collected from several sources to profile users against their will.

Sanctions exist outside of Europe as well. A US court fined Facebook \$5 billion in May for failing to protect its users' <u>personal data</u>.

## Fake news and hate speech

Social networks are often accused of failing to rein in misinformation and hate speech.

The European Parliament and member states agreed to force platforms to remove terrorist content within one hour.

New EU rules also forbid using algorithms to spread false information and <u>hate speech</u>, which some major platforms are suspected of doing to increase ad revenue owing to traffic spikes generated by reactions.

In Kenya, publishing "false, misleading or fictional information" is punishable by a \$50,000 fine and/or two years of prison.

These measures remain controversial, however, with critics saying they threaten freedom of speech.

## Paying for content

Finally, GAFAM are accused by media outlets of making money from journalistic content without sharing the revenue.



To solve this the EU in 2019 imposed a form of copyright law called neighbouring rights that would allow outlets to demand compensation for use of their content on online platforms.

After initial resistance, Google signed agreements with several French newspapers in November to pay for using their content, a world first.

In one of the most powerful moves to check the power of US digital giants, Australia now compels companies to pay media organisations when the platforms host the media group's content.

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