

Big tech's reckoning won't stop with Uber

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Life for big tech companies looks increasingly different to how it did five years ago. Back then, Uber Technologies Inc. used a secret "kill switch" to thwart police from probing its data systems in more than a dozen countries. It forged into cities where its gig-economy model broke local rules, going above the heads of mayors and courting heads of state

with aggressive charm offensives that saw the likes of then-French economy minister Emmanuel Macron make personal calls on Uber's behalf to solve its regulatory problems.

These details and more are laid bare in text messages and emails, part of more than 124,000 [confidential documents](#) leaked to the Guardian, which show how Uber executives were fully aware they were acting above the law, jokingly referring to themselves as "pirates" and "f---ing illegal." Uber says it has transformed itself since 2017 under the leadership of Chief Executive Officer Dara Khosrowshahi, and it is indeed a different company today from the one that founder Travis Kalanick started. In fact, the documents underscore how much the landscape for tech founders has changed.

For years it was almost cliché for Silicon Valley founders to believe they could move fast and break things (including laws) because they believed they were making the world a better place in the long run. Mark Zuckerberg justified playing fast and loose with regulators and our data in large part because he was fulfilling a global mission of "connecting people." Elon Musk appeared to treat regulatory fines as a cost of doing business while pioneering an electric vehicle revolution that could help combat climate change.

Then the wool was pulled back from our eyes. It turned out Facebook may have done more to polarize people than connect them. Musk's Tesla Inc. had been evasive about its environmental footprint and critics have raised questions about its safety standards. And while Uber has made transportation easier for many [city dwellers](#), that dream is starting to erode amid steep fare increases.

Uber's unscrupulous ways helped build an empire, but it also led to political and regulatory blowback, which became all the more humbling amid its struggles to reach profitability. Antitrust officials have been

getting tougher on tech deals—reversing a Facebook acquisition for instance—after admitting they allowed giants like Meta Platforms Inc. and Alphabet Inc. to scoop up far too many competitors. US lawmakers on both the left and right are raring to tame tech firms' aggressive growth tactics with tougher laws, spurred by revelations from Facebook whistleblower Frances Haugen.

Big Tech could get away for years with "disrupting" the rules because there were so few restrictions on digital marketplaces in the first place. That's why it made sense for Uber and Facebook lawyers to argue that they were [technology companies](#) and not subject to the laws governing media or taxi firms.

But that is changing. Antitrust officials have updated their guidelines to better deal with the complexities of software and Europe is set to roll out strict laws about online content, echoing similar tightening in Japan and India.

It will be telling to see how a Delaware judge eventually rules on Musk's desertion of his Twitter deal. A harsh judgment against Musk could further underscore that the days of acting above the law for tech's elite are over.

Uber's own reckoning has been mixed. Court challenges have forced it to pay drivers a [minimum wage](#) in the UK, but the company hasn't been punished for creating a ghost app to thwart city officials' scrutiny of the company, using a tool that it called Greyball. That's arguably frustrating.

Uber's aggressive marketing and lobbying strategy didn't pave the way for a sustainable business model and has yet to help the company turn an annual profit. Its [share price](#) has fallen nearly 50% since the start of the year, eclipsing the losses of many other tech firms.

Younger ride-hailing firms like Estonia's Bolt Technology OU meanwhile have taken advantage of all the lobbying work Uber did to roll out its own business, but with less investment in public policy so that it could offer cheaper fares. In a roundabout way, Uber's grubby courting of politicians may have helped its competitors—at least temporarily. (Bolt has recently had to raise its fares too, making London Black Cabs or San Francisco's taxis more attractive when surge pricing is in effect.)

Uber's strategy, albeit an extreme one, has been par for the course for Silicon Valley empire builders, who ask for forgiveness instead of permission. The difference now is that authorities are starting to hold tech platforms to account.

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