



# CYBER POLITICS AND POLICIES

## CHAPTER 9: PRIVATE ACTORS

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# AT THE END OF THIS CHAPTER, STUDENTS WILL BE ABLE TO:

Define the following terms: Corporate Social responsibility, net neutrality, gatekeeping, active/passive global ethics, data monopoly, capabilities approach, natural monopoly

List economic and political objections to the development of monopolies, and argue for or against breaking up Facebook

Compare and contrast the evolution of US-based Facebook and China-based Ali Baba – in terms of their relationship to Government and their understanding of national responsibilities

# WHAT ARE TECHNOLOGY ACTORS?

- Private corporations which work transnationally to engage in the provision of cybersecurity, the provision of information and the provision of communications.

- Transnational advocacy network: those actors working internationally on an issue, who are bound together by shared values, a common discourse and dense exchanges of information and services.”

# WHAT IS A PLATFORM?

- A virtual marketplace where customers and producers can come together to exchange services, with the platform administration then taking a percentage of the resulting economic transactions.
- Zuckerberg: A 'media platform' is not the same as a newspaper, and does not have the same responsibilities for its content as a newspaper would. It is merely a place which hosts content produced by others.



# MONOPOLY/NATURAL MONOPOLY



- Natural monopoly: Sometimes a company may end up being the sole provider of a good or service NOT because it has engaged in price fixing or unethical practices but because of natural factors like geography (i.e. Iceland produces most geothermal energy because it's located on top of a volcano).
- Relation to FIRST MOVER ADVANTAGE, PATH DEPENDENCE
- Example of Microsoft
- Duopoly: A situation where TWO players may share a monopoly over the provision of a good or service

# LEGAL RESPONSIBILITIES/LIABILITIES AFFECTING PRIVATE ACTORS

## United States

- Section 230 of the US Communications Decency Act (1996)
- Section 512 of the Digital Millennium Copyright Act (1998).

## Europe

Responsibility regime set up by EU Directive 2003/31/EC on e-commerce.

“There is no general obligation to monitor the information which ISPs transmit or store, nor a general obligation actively to seek facts or circumstances indicating illegal activity. But once an Internet Service Provider is informed about an activity, they can be held liable.”

# CORPORATE SOCIAL RESPONSIBILITY DEFINED

- “voluntary activities by private business that claim to promote societal welfare ... beyond any benefits of economic activity per se.”

## 3 three types of obligations:

- ethical obligation to ‘do the right thing’;
- economic obligation to maximize corporate profits for their shareholders
- obligation to behave as ‘corporate citizens’.

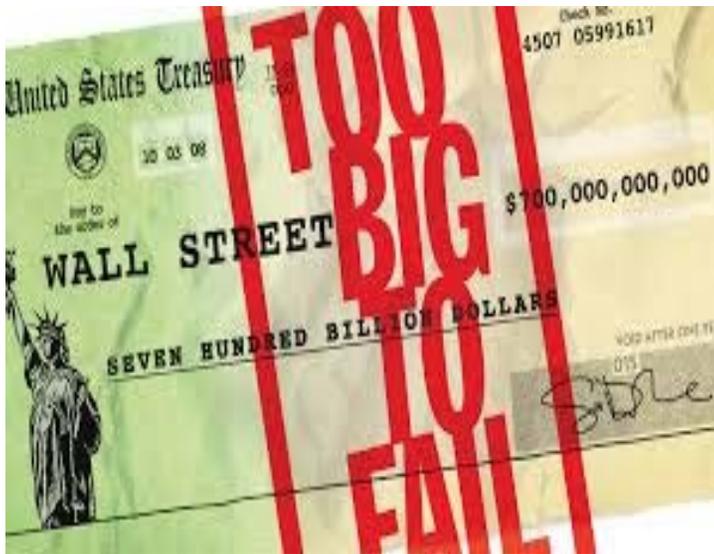


# GLOBAL BUSINESS ETHICS

- how corporations can act ethically in a globalized world, where their customers and employees may come from diverse nations with diverse cultures and cultural and social values.
- Global Business Ethicists also strive to help corporations answer questions regarding their commitments to their home nation and the larger global community.



# THE CASE FOR BREAKING UP MONOPOLIES



- Accountability
- Transparency
- National Security: requires REDUNDANCIES; not good to depend on only ONE telecom provider
- “Too big to fail”

# TECHNOLOGY ACTORS AS GATEKEEPERS

Are Tech Actors RESPONSIBLE for policing the content on their sites?

For determining who should be 'deplatformed' or depermitted from their sites?

Should they have corporate values, and should these be the same as, different from, or complementary to state values and goals?

Is Facebook American?

An internal Facebook memo

- Maybe it costs a life by exposing someone to bullies. Maybe someone dies in a terrorist attack coordinated on our tools. And still we connect people. The ugly truth is that we believe in connecting people so deeply that anything that allows us to connect more people more often is 'de facto' good.

# CORPORATE SOCIAL RESPONSIBILITY AND LIABILITY

- Due Diligence/Due Diligence Audit: How will my corporation's embrace of this strategy or this goal affect the community?
- What negative effects might I anticipate and how might I mitigate them?



# OBSTACLES TO CORPORATE SOCIAL RESPONSIBILITY

- Competing interests: Does the casino really want to help you with your gambling addiction?
- Need to work with international partners, in situations where ethics, norms and values might differ (i.e. mobility app in Saudi Arabia)
- Complicity: One's actions might not directly injure someone, but one might be INVOLVED in the infliction of injury through one's choice of who to work with

- Need to compete with OTHER actors who might not have the same commitment to 'doing the right thing' (i.e. Alibaba vs. Google in China)
- No binding international law against formation of cartels

## FOR FURTHER DISCUSSION

- Lately, some US presidential candidates have suggested that Facebook is a monopoly and that it needs to be broken up.
- Do you agree? Why or why not?
- What are the PROs and CONs of breaking up companies like Twitter and Facebook?
- Is it even possible to do so?

