REGULATING TECH

SHARP PRACTICES OF HI-TECH BASED SERVICE PROVIDERS NEED CLOSER SCRUTINY AND REGULATION

Innovations for people?

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THE UBER FILES detail past episodes (2013-17), emphasising the lag even media outlets face in bringing such information to the public. Crypto exchanges are on the radar of several investigative agencies, including the Enforcement Directorate in India, on allegations of facilitating money laundering. The common thread in all these episodes is how hi-tech players are using/misusing technology to evade or circumvent laws and regulatory/investigative agency radars. Tech-based service providers have been the leaders of the world for almost two decades now owing to the internet revolution. First came the search engines—Yahoo, Google, and Bing. Despite the claim of the internet being a 'public good', in no time, Google became a search engine with a monopolistic 92% of the market share as of now. Later, with mobile apps, a lot of other service providers emerged, including e-commerce, social networks, ride hailing services, delivery services, etc. Innovations on the edges are expanding the frontiers of this new world rapidly as the Metaverse discourses ratify.

"Tap a button, get a ride", said Uber, a decade back. Now one can get many more services, including food delivery, from them. People can get anything delivered to them with a few taps through Amazon and other delivery services. With another few taps, one can get a loan through lending apps or even from banks and finance companies. Social media networks connect the user to everyone on the planet with a tap instantaneously and Metaverse entities take you to wherever you wish, in whatever form (avatars).

Hi-tech has conquered the finance world too. The knowledge of algorithms can help one to create virtual currencies such as crypto; apart from being able to engage in a host of other activities with it. Non-Fungible Tokens (NFTs) have made articles of digital money or art irresistible for social climbers. New-age entrepreneurs are working really hard and fast to make life on Earth and beyond cosy and comfortable by instantly gratifying most of our desires. The poor man's economic principles like 'demand is desire backed by purchasing power' have been thrown out through the window with several innovations on purchasing power itself.

Then what is the problem? Should all of us just enjoy life? That is where the masters of hi-tech take all of us literally for a ride—customers, employees, aggregators, and agents, all of who add enormous value to the networks—are just being used as valuation tools to inflate the value of the brands. Customer queries and grievances are left to AI-based robots with nice sounding names to answer/solve. (Yesterday, when the first Author used a credit card to renew the annual subscription of Amazon Prime for a year, renewal for the next five years was auto-enabled without even any message seeking permission. So much for customer choice and protection). Hi-tech entities using frontier tools for violation is a new ball game altogether. Along with lifting the technology veil (source code and similar rights are fiercely guarded secrets) being prohibited (like lifting the corporate veil), using technology to outsmart regulators and other agencies makes such practices too difficult to even understand, much less unveil.

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Violations and punishment are nothing new for Uber. The violation tracker by 'Good Jobs First' shows that since 2000, Uber Technologies (as the current parent company) has been penalised for $304 million by various authorities, in addition to licence restrictions/cancellation in some jurisdictions. The main violations are on privacy, consumer protection, wage and hours, and employment discrimination—all affecting the lives of users/people fundamentally.

Big tech companies have been punished in multiple jurisdictions for anti-competitive practices using the edges of technology like bundling services, data manipulations etc. In 2019, the European Commission fined Google for €1.49 billion for violating antitrust laws through abusive practices. How can big-tech based services and networks be far behind on behaviour and even political manipulation? Google, Microsoft, Amazon, Facebook, and LinkedIn have all faced big penalties for multiple violations of privacy laws, consumer protection, employment discrimination, all against the rights of people considered fundamental to their existence. (For details, see the tracker at *https://violationtracker.goodjobsfirst.org/*).

Though such penalty amounts look big, they are rather insignificant for the violators themselves in terms of their revenues and profits. So, "pay up if you are caught, and move faster using sharper technology edges and practices" seems to be their business model. Name and shame has ceased to be a solution long back in a world of 'casino capitalism', where money/wealth is everything.

Sharp business practices have been on the radar of regulators in most jurisdictions. Competition, market, communication, and financial services regulators among others have been trying to upgrade to prevent and punish such wrongdoings. However, coded and inscribed sharp tech-based business practices are either not fully understood by the regulators or are simply ignored under the guise of innovation and business freedom. Moreover, given the global reach of such operators, action by national authorities could make only limited impact. Such entities have become too big and too complex to be regulated. It is not just the case of Uber, which is only the tip of the iceberg. It is the continued use of tech-based sharp business practices at the cost of users, consumers, and employees as well as evading regulation and laws that need to be addressed. States and their agencies need to upgrade themselves drastically and quickly, even to play catchup. Otherwise, businesses resorting to using technology as villains will continue to run amok at a heavy cost to people and nations.