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Bad Times for Big Tech

It was not that long ago when the rise of Big Tech – the corporate giants of the internet: Microsoft, Apple, Amazon, Alphabet and Meta (formerly Google and Facebook), along with Twitter – had many observers worried.

Nowadays, the most anxious people are likely the remaining employees of **Meta** and **Twitter**, but the overall outlook for Big Tech in general is not exactly bright and sunny.

Before the pandemic, however, everything was quite different. The ravenous appetite of these tech monsters posed serious questions.

How far could data harvesting go? What might result from all the lies being spread? Will innovation flourish or falter? What of the huge environmental cost of all that shipping, plus returns and packaging waste?

Boom and bust

These questions have not yet been fully answered as the pandemic first made Big Tech even bigger. Though the shift to digital life was already well under way, covid greatly sped it up. Amazon became a vital lifeline for locked down workers and families. Countless hours at home were spent on social media, and most home offices needed plenty of brand-new computers and gadgets, too.

The people supplying these needs raked in incomprehensibly immense mountains of money. While **89 million** Americans lost their employment during the pandemic, the **net worth** of billionaires rose by an average of **70%** – gaining a staggering **\$2.1 trillion**. Meanwhile, among workers who managed to **keep their jobs** throughout the pestilence, for every **\$1** increase in their earnings, on average, top executives effectively got **\$500**.

The disparity in pay raises was not entirely due to the pandemic as the **tax cuts** of the Trump administration were extremely generous to executives, whose numbers exploded by **29%** in just 4 years, while most other full-time workers lost **\$1,200** a year from inflation.

Big Tech tycoons made out like pirate captains: Bill Gates of Microsoft scored **\$44.2 billion**, Google's founders made **\$65 billion**, while Meta's Mark Zuckerberg's worth rose by nearly **115%**. Amazon's Jeff Bezos briefly became the world's richest person with an almost **\$80 billion** rise in income, but he was outshone by the latest Bond villain, **Elon Musk**. The CEO of Tesla, SpaceX, and several other companies as well as the new master of Twitter, he is said to be worth **\$223.8 billion**.

But the world's top five tech billionaires then **lost \$85 billion** in a brutal market sell-off early this year. Zuckerberg had already **shed \$90 billion** when his turn to the metaverse was not eagerly welcomed by the market.

The bill comes due

Time takes its toll. Most Big Tech founders have either retired or died. Only Zuckerberg and Musk still hopefully hype their unique driving visions. Nobody expects anything as revolutionary as the Mac or the iPhone to sprout from Apple again, and Microsoft seems largely content to upgrade Windows.

Facebook's dominance of social media has been slowly waning (hence one reason for shifting to the metaverse), and Twitter is likewise faced with **competition** and **internal problems** that may determine the outcome of Musk's takeover as much as his own **impulsive actions** in starting that dumpster fire.

Even Bezos seemed to quiet down after his suborbital rocket trip though he has been plagued with labor problems, at **Amazon's warehouses** and even at **his own home**.

He's not alone. The corporations are being dogged by **lawsuits** years in the making. Regulatory efforts are also finally having effect, and the **Europeans** are leading the way. Recently, the UK decreed that Meta must **sell off** a search engine for gifs called **Giphy**.

An American acquisition being pried loose by foreign regulators illustrates the potential global impact of regional rules. Europe is too valuable a market to abandon, and it may just be cheaper and easier to adjust Big Tech's own systems worldwide to their restrictions.

Until recently, the same could be said about rules for the web that **Russia** or **China** wanted to enforce but no longer. Nationalism and geopolitical tensions revealed through the steady uptick of **cyberwar** campaigns – hack attacks, spying, ransomware, and threats to infrastructure – ruined globalists' dreams.

As fortunate as the early pandemic was for the triumph of Big Tech, other recent events have been far less favorable. First, kinks in the **supply chain** heightened economic fears and uncertainty just as the world sought to return to normal. This caused further shortages and price rises across the board, soaring inflation, and the ominous threat of recession.

These latter factors have had a bad effect on morale. **Stock prices** have fallen drastically. Apple and Amazon announced **hiring freezes**, while Meta plans to **cut jobs** and a veritable **bloodbath** drowns Twitter. Otherwise, Big Tech behaves as it always has. Personal data is still being scooped up, new creative companies are devoured at birth, and misinformation is freely scattered all around.

Meanwhile, **competition** has increased the rivalry between Big Tech companies, completely apart from the **billionaire space race**. **Meta** runs four social media platforms, including Facebook and Instagram, makes its own VR headsets, and even a **mapping program** to rival Google. **Apple** has a full range of distinctive computers running on its own proprietary operating system, plus music and video streaming, and even its own credit card.

But **Alphabet** beats them with a horde of subsidiaries working on issues from AI and robotics, to drug discovery, and even anti-aging research. It also is a leader in self-driving vehicles competing with Musk's electric **Tesla**.

Elon Musk's worth **dropped** by **\$9 billion** since he bought Twitter. Despite the ongoing **trainwreck** there, self-driving vehicles may

offer the greatest hope of future profits for not only his but other Big Tech enterprises.

Lately, Senator Elizabeth Warren asked the FTC and the DOJ to look at the expansion by Alphabet, Amazon, and Apple into the **car industry**. She fears they will take over our autos for data mining in much the same way as they have computers, phones, and even homes.

But despite business as usual, there has been a definite sea change. Two historic, violent events are responsible: the attack on the Capitol last year, and the invasion of Ukraine by Russia this year. While the after effects from the insurrection are still playing out, and the war is far from over, both are painfully realigning just how Big Tech relates to society.

The clampdown on social media after the January 6, 2021 assault on the Capitol served as a big **time-out**. Even before the hearings, it was plain that **social media** had big roles both in stirring up the mob and the actual planning and execution of the insurrection.

Whether the seething cauldron of social media finally calms down may depend in part on Musk, but it is now obvious to most sane observers – including advertisers – that although **speech moderation** in forums may be hard to do right, it is vitally necessary.

The war in Ukraine has made Big Tech's delicate balancing act between East and West impossible, forcing them to choose. The corporations are being inevitably drawn into this conflict regardless of potential profits.

For example, Elon Musk won **high praise** from Ukrainian officials for his rapid deployment of Starlink satellite internet in their cause, **condemnation** for statements favoring Putin, and he **now argues** about the cost.

How all this will ultimately play out is anyone's guess. But unrest and war are great accelerators of social and technical change. It is unlikely that Big Tech will be reformed, but hopefully restrained and maybe even tamed.

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