

Intelligence MEMOS



The C.D. Howe Institute's third Regent Debate recently addressed the question: Should Governments Regulate Big Tech to Protect the Public Interest? Former FBI director James Comey and Melanie Aitken, former Commissioner of the Competition Bureau of Canada argued for the proposition. Zuckerberg Foundation Executive Director David Plouffe, Barack Obama's 2008 campaign manager, and Robert Atkinson, president of the Information and Technology Innovation Foundation argued against. The debates are supported by Aaron and Heather Regent, and Mr. Regent set the stage for the evening.

From: Aaron Regent
To: Concerned Canadians
Date: August 7, 2019
Re: Should We Regulate Big Tech?

Tonight's resolution touches on perhaps one of the most serious and complex issues facing governments and policymakers around the world – the advances in technology that have been so rapid, disruptive and transformative to so many aspects of our society and have brought about remarkable and positive change.

Big tech has changed the way we communicate, how we work, how we vote, choose, buy, and sell goods and how we get our information.

But there is also a dark side to this progress which has created other issues around privacy, market power, control of information, national security, the concentration of wealth, among others. It has exposed the vulnerabilities of both democratic and non-democratic societies. And interconnectivity—characteristic of this profound transformation—is likely to allow these technologies to be manipulated and undermined by outside forces.

There is increasing momentum for governments to now intervene and take action. Designing a coherent regulatory response to these multi-dimensional challenges will bend the mind. Intervention may yet be justified in several domains. We need to ask what specific harm we are trying to remedy and how regulators can ensure they do not inadvertently increase compliance costs or suffocate innovation.

But should government intervene?

Radical free-market economists, reflexively skeptical of all government intervention, have nonetheless always made a powerful argument that competition, rather than regulation, is the best way to tackle potential monopolies. Over time companies that abuse their market dominance by gouging customers and fattening margins invite deadly new competitors to reinvent their marketplace.

The rate of competitive churn in the technology industry has been striking as innovators invent ever better mousetraps to best former industry giants. Such is the pace of change that abusive technology companies no longer last long before they are rendered obsolete. But good outcomes are never certain. They take thoughtful policy based on considered debate and that is what tonight is all about and why Heather and I are so pleased to sponsor these debates. Above all, these debates are meant to stimulate discussion on critical issues.

The best defence against bad public policy is an informed citizenry and the C.D. Howe Institute's work is so important in this regard.

Aaron Regent is a director of the C.D. Howe Institute. He is the founding partner of Magris Resources Inc., and chairman and CEO of Niobec Inc. To send a comment or leave feedback, email us at blog@cdhowe.org.

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