

# 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? Robert Atkinson, head of Washington's the Information and Technology Innovation Foundation, argued against the proposition.*

From: Robert Atkinson  
To: Canadians Concerned about Big Tech  
Date: August 12, 2019  
Re: Regent Debate: Beware of Overreager of Regulation

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**T**his is a hard debate to win. I was at the airport today and going through customs and the agent said, “what are you here for?” I said, “business.” He said, “what kind of business?” I said, “a debate.”

“What's the debate on?”

“Should we regulate big tech?” I said.

“Yes,” he said.

“Yes what?”

“Yes, we should regulate big tech!”

So we have the hard job here, but let me be legalistic. Our question says: Should government regulate big tech to protect the public interest? That suggests you should not regulate small tech or you should not regulate anybody else.

Let's look at some of the big issues that we talked about.

Director Comey talked about privacy. But if you really want to look at some of the privacy issues, the biggest players are not tech companies, they are insurance companies and banks and credit reporting bureaus.

So absolutely, we need a stronger national privacy regime. But the idea that we would apply that privacy regime only to Google and Facebook and maybe Microsoft and a few other big companies and not apply it to everybody else who is also using data, makes absolutely no sense and yet that's what the title of the debate implies: “should we regulate big tech? and I read that to say “only” big tech.

Another issue is algorithmic bias. We're moving more and more into a world of AI and there's a risk of AI being used in a biased way – whether it's gender or race or other issues. Now I don't have a lot of worries about that, because I think tech companies and others are figuring that out, but are we are going to say we should only regulate bias when it comes to tech companies? And if you're an insurance company, or if you're TD Bank here in Canada, you can use algorithms for bias? No, of course not, so that's point number one.

Point number two: the real question here is really not about regulation it's about how we do regulation and the risk of over-regulating. The case in point, the poster child of tech over-regulation, is Europe.

If you look at the GDPR, the general data privacy protection regulation, you see very significant impacts in the 12 months since it went into effect. You've seen a decline of venture funding, and venture funded startups, and venture capital committed of more than 30 percent. You've seen compliance costs for companies in Europe go skyrocketing. In fact, the GDPR is estimated by one academic study to have created more than 100,000 jobs – compliance jobs. Now is that the way we want to grow our economy? I don't think so.

The second point here is that Director Comey said “they” know everything about you. That's not really true. A computer might know something about me. So when I use my Gmail, a computer algorithm matches an ad to something in my text. There's not a single person at Google or Facebook or any of these other companies reading that and going “I think Rob should get a bicycle ad because he rides his bike to work.” It's an algorithm. And these companies have very strong incentives to not divulge that data to advertisers, and, again, if we are concerned about privacy, which I think we should be, the answer is a national privacy regime that applies to all.

I think one of the big challenges here is we've all become complacent. We know technology is the goose that laid the golden egg and want it to keep laying more golden eggs – who would have thought 10 to 20 years ago that I would have a supercomputer in my pocket, for example.

So one of the challenges is it's really hard to see the risks of this. It's easy to say “oh yeah sure we can regulate and everything will be fine,” but what we don't know and we don't see are some of the risks through over-regulation.

*Robert Atkinson is president of the Information and Technology Innovation Foundation in Washington D.C.*

To send a comment or leave feedback, email us at [blog@cdhowe.org](mailto:blog@cdhowe.org).

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