

Episode 258_ The Past and Future of Big Tech

Lizzy: Hi, I'm Lizzy Ghedi-Ehrlich, and I'm one of your hosts for Scholars Strategy Networks. No jargon. Each month we discuss an American policy problem with one of the nation's top researchers without using jargon.

In March of this year, the Justice Department and 16 state and District Attorneys General have filed a major antitrust complaint against Apple. They're accusing the tech giant of maintaining a monopoly over the smartphone market. Now, this lawsuit has been making waves, but it's really just the latest action that the government has taken against big tech in recent years, and this marks a clear shift from the cozy relationship this industry has long had with Washington.

So how did we get here? What's behind this love hate relationship between big tech and our government? And what can Silicon Valley's past reveal about the way this might all play out going forward?

For this month's episode, we're going back to an interview from our archives, originally recorded in September, 2021 with Professor Margaret O'Mara. She's a historian who spent most of her career examining the connections between the growth of the high tech economy and American political history. O'Mara is the Scott and Dorothy Bullitt Chair of American History at the University of Washington, and she's the author of two acclaimed books on the history of the modern technology industry - *The Code: Silicon Valley and the Remaking of America* and *Cities of Knowledge: Cold War Science, and the Search for the next Silicon Valley*. Here's our conversation.

Dr. O'Mara, thanks for coming on one of the first no jargons in quite a while.

Margaret: It's great to be here. Thanks for having me, Lizzy.

Lizzy: Yeah, really awesome to, to be chatting with you and especially because big tech. And I'm doing air quotes over here has been in the news more and more lately. And you know, we really wanna talk to you about some of these developments. But before we get to the more of the now stuff, we kind of wanted to know more about what sparked your interest in the topic. You know, you've been studying government's relationship with big tech before it was a

major topic of discussion. What started that? Where did your interest in that issue come from?

Margaret: Yeah, well, my interest in the history of technology actually came through my interest in political history. I was in graduate school, this was in the early years of the internet boom, so a long time ago. And I was embarking on a dissertation that was focused on the, the early years of the, of the space age, the early Cold War and was actually approaching it from this question of the economic impact of military spending. Not really thinking at the time about how much this was indeed about technology and what it was seeding and what sort of power structures it was creating, and what type of economy it was creating.

That led me to, to higher education institutions that were becoming all of a sudden agents of political and economic destiny in a way that they had not served. Before becoming more important, um, players in American life and the broader research complex based in both academic and government institutions as well as private sector institutions and companies that was emerging in the fifties, sixties and beyond.

Lizzy: Can you take us back to that time and maybe share a story about one of those early tech pioneers? That's just when people are thinking today, I think about big tech that is just, it has been wiped from our collective mind that those things are connected to today's Google, you know?

Margaret: Yeah. It has, and connecting those dots, I mean, you know, that's the great thing about being in the business that I'm in of, of, of being a historian is, is figuring out the how we got to now and how these things are connected. One of my favorite stories that I think illustrates this, looking at Silicon Valley history in a new way and, and Silicon Valley's present in a new way, is the story of Fairchild's Semiconductor.

This is a company that is held up as kind of the granddaddy of all venture backed startups because it is, it's founded in 1957. Since the future of Silicon Valley wasn't yet called that by eight engineers who had come out a few years earlier to Palo Alto to work for a Nobel Prize winning scientist and co-inventor of the transistor named William Shockley, who had relocated from Bell Labs back to his hometown of Palo Alto to start a silicon semiconductor startup. Shockley, among other things, was a really, really terrible person to work for. And so these eight young guys decided on mass to quit to find some outside financing and to start their own company, a competitor company. And thus, Fairchild is born.

Among those eight include the co-founders of Intel, the co-founders of Kleiner Perkins, or one of the founders of Kleiner Perkins, one of the major venture capital firms in the valley that has backed kind of an honor roll of companies and others. You know, you really see the seeds of the valley to come in this new model.

So it's really held up as, this is the beginning of the, you know, the scrappy startup and the, and the free enterprise kind of mythos that surrounded the valley is very much associated with Fairchild and the disruption. It's like already right there and the disruption.

But here's the thing, so these, these guys agree to incorporate in the early autumn of 1957. What else is happening in the autumn of 1957? Well, in October, the Soviets launched the Sputnik satellite into orbit, beating the US into space and throwing Washington DC into a tizzy about the fact that the US is falling behind in this really critical part of the Cold War struggle.

And what does this precipitate? Immense new spending on space technology, missile technology, essentially sending things into space, whether they be armed or not. Rockets with astronauts and them, or with just anything. We've got anything. And so what do you need for the space race? You need very small, very light, very powerful electronics, which turns out is exactly what Fairchild becomes a, a birthplace of.

And all of a sudden they have this customer, this very deep pocketed customer. It in the form of the US government, both NASA and the Department of Defense. So the secret history of this scrappy startup that's held up as this is the beginning of Silicon Valley as we know it, is that for the first few years of its existence, government contracts were the vast majority of its book of business.

It kind of enabled this rocket ship, literal and metaphoric to launch and really created a market for advanced electronics that had not existed before. It's this blending of public and private. I find so interesting in the story of Silicon Valley. It isn't just that, you know, big government came in and we should give them the credit.

It it's a very American story. It is government funding, oceans of it, washing over Northern California, but in a way that is allowing private enterprise to flourish a very intensely competitive and also simultaneously commercialized semiconductor industry grows in the valley thanks to this money that's coming from Washington, DC.

But it isn't like it, it, it's, you know, they're not able to become more than just defense contractors. It, it creates, it allows them to drive down the price of their products. To kind of reach a threshold of commercial viability and off to the race as they go. And that's, I think, a really important part of understanding this alchemy between public and private. It's important in understanding how American political economy works, how American government works, and this very, you know, the kind of, the way that, uh, so many other social scientists scholars have, have talked about the, you know, a government out of sight, a submerged state. And, and that is exactly what we see in the story of Silicon Valley.

Lizzy: I think definitely I'm already seeing how we're gonna get to where we're gonna get to in this interview about what's going on right now with these antitrust laws and these hearings. So that's great. But let us take a moment to fast forward, that wasn't written as a tech joke, but I, I am seeing now that it is, as I read it to the eighties and nineties when the tech industry's really starting to make a more public name for itself. Tell me about one or two of the important events that was taking place at this time for what we now know as Big Tech.

Margaret: Well, the eighties is when the Silicon Valley, as a phrase, a term of art, becomes familiar to people when the products that are being built there and also in my town of Seattle, are becoming familiar to ordinary American consumers. 'cause really the 1980s with personal computer hardware and software and with video games, all of a sudden the tech industry is building consumer facing products for the first time.

Like, you know, microchips are like machines that go in other machines, like no one's paying attention. And in the eighties you have these new products that are so super cool and they're going into homes and to schools and kids are playing video games. And then on top of that, you have extraordinary business leaders and storytellers. Like notably Steve Jobs, who among, you know, one of the reasons he loomed so large in our imagination. Steve Jobs, who co-founded Apple in 1977. It goes public in 1980. By the early 1980s, Jobs is a familiar face On magazine covers his great talent was the ability to tell a story about how a computer could be useful, not just useful, but how it could change your life. Uh, you know, he talked about personal computers as being like a bicycle for the mind.

What an extraordinary idea, right? We can immediately grasp that. You know, a bicycle is something that takes human capacity and makes it, you can go faster than when you walk, right? But if you're still powering it, a personal computer is like a bicycle for the mind because your brain is still controlling it. You are

still in charge. You as an individual have control over the machine, but you're able to go faster, do better, be more you, be a better you. And that promise is something that continues to be pitched and eagerly received by, by customers through the eighties and nineties.

You know what's really, I think a lot about, and what I do try to do a lot in my work is, is, is connect the story of tech with this broader arc of American history, political and social to help people understand how it's all connected. We often look at people like Steve Jobs or Bill Gates, particularly in their earlier years as these kind of quirky guys with the floppy hair and running around barefoot in California. Aren't they different? They're thinking different. The kind of Iconoclast. Yeah. Sort of breaking with tradition disruptors don't have anything to do with the status quo.

Lizzy: they're not building on anything before them. I think that's part of the myth that.

Margaret: No yeah, I'm not so sure about, but No, I know, I know. So, so look, there's, I mean, this is the value of, of just sitting back and, and recognizing, look, these are, these guys were different. They were, you know, and, but why were they so eagerly received?

Well, look what else is going on in the late eighties and early nineties, for example, the time that Steve Jobs is and Bill Gates' stars are ascendant. There's not a lot of other good economic news. You know, you open the news magazines or the business magazines in the late seventies, early eighties. It's all about competition with Japan, about the auto industry getting bailouts from Washington about an economy that is sputtering.

What else is happening? Right at the same time? This is the Reagan revolution. This is the election of Ronald Reagan to the presidency and the ushering in of an of a really profoundly new set of governing economic ideas and policies that are reshaping what Washington is doing. Um, the relationship between government and citizens, and also particularly between public and private, an era of deregulation and era of tax cuts.

And this is the world in which technology companies and big technology companies, some of whom Microsoft and Apple are around in the eighties. Others come up later, but they are very much a product of Reaganomics writ large. If we think about Reaganomics as something that is set in motion during the presidency of Ronald Reagan, but continued and enlarged during the Democratic presidencies of Bill Clinton and Barack Obama or other Republican

presidencies of the two George Bushes and on and on a a really 40 year period in which the private sector had a great deal of latitude to regulate itself and to grow in ways that were unbounded or less bounded than they had been before.

Lizzy: And so you, you sort of did it just now, but take a moment though you're not an economist to describe. This will be, here's a fun quiz. What is Reaganomics? What does that term refer to?

Margaret: Well, Reaganomics in a way is, is the flip side of the new deal order, the kind of. Well, we never called it Roosevelt-nomics, but you know what I mean. So the, you know, response to the Great Depression by the Roosevelt administration and by both Democrats and Republicans afterwards, is a sort of acknowledgement of a greater role of the state in American economic life of providing economic security for individuals and providing subsidy and partnership with the private sector in a way where, where it's a high tax, high spend regime, but also is creating a floor below which particularly individuals are ostensibly not allowed to fall, and creating a path for, um, an enlargement of the middle class or the white middle class. Certainly in the middle part of the 20th century

Reaganomics is also known by terms, like, here's a, here's, here's a piece of jargon that I kind of gets me, because I think it's often bandied about without proper contextualization, neoliberalism. But the idea of a less regulated business environment, lower taxation, the notion that by taxing companies less, they will invest more, they will hire more people, that the wealth will trickle down, um, to the workers that rather having, rather than having mandates or interventions or other sorts of public supports and public programs assuring economic security or at least attempting to that. Instead, the private sector takes the lead, that allowing more flexibility, more autonomy in the private sector will ultimately be more beneficial for economic growth overall and for the fortunes of all. Now, what we have found 40 years down the line after both.

Again, this is, this is an idea that emanates and is embraced first by the Republican Party. And the Republican Party is most closely associated with this, of course, but also the Democratic Party itself is, you know, changing and, and embracing some of these business friendly policies. And what this, you know, where we find ourselves 40 years after the election or the inauguration of Reagan, is that, inequitable economy. You have growth concentrated at the very top in ways in the United States that have not been seen since the gilded age of the great capitalists of the railroads, you know, barons of oil, railroads, and steel.

Lizzy: So when did things start to be a little less chummy? Where we are in an era now where it seems that government has developed some serious concerns about big tech's power. What are some of the problems that start arising during this time and as we progress towards the the current century?

Margaret: Well, it, it is remarkable how fast things have changed in a relatively short period of time, which is of course the story of tech generally.

Lizzy: Right. I was gonna say, that's kind of a theme.

Margaret: Yeah. But let's dial back only 10 years. So we're talking here in the summer of 2021. In the spring of 2011. April, 2011, Barack Obama. Then three years into his first term as president is going to Facebook for a town hall with Mark Zuckerberg, in which the biggest kind of pre pre-event buzz was, is Mark going to wear a suit or is Barack gonna wear a hoodie? Who's gonna dress up and dress down? Turns out they both wore suits and then took off their ties. And, and not that there was an absence of, you know, some friction, but your term chummy sums it up. There was this love affair, a bipartisan love affair with the tech sector that really starts in earnest in the 1990s as the internet is commercializing and internet companies are the, the Davids in, in the world of Goliaths, like big telecom companies.

So in the 1990s during the, the Clinton, you know, bill Clinton is President, Al Gore, an enthusiastic technological adopter and champion of technology. A very, very important figure in the commercialization is Vice President. Newt Gingrich, another Technophile is Speaker of the House in 1995. And it's right at the time that the internet is, you know, this is after the, you know, the Mosaic browser makes, um, which then becomes commercialized as Netscape kind of makes the worldwide web accessible to people who don't know how to code. Uh, and you're just seeing this blossoming of sites like Yahoo, eBay and these early, you know, dot com, um, success stories are, are coming up and you have these spectacular IPOs. And so Washington is figuring out, okay, what's the, what are gonna be the rules of the road for this new digital revolution? And embracing ideas of, you know, as Al Gore talked about that information super highway. This new infrastructure in which information via the internet is going to become this great equalizer. This is going to be a impetus for economic growth. It's also going to be a means to mitigate inequality, geographic, and racial and economic, all of these things that the internet was going to do.

And so in this environment where you have kind of centrist Democrats in the White House, you have conservative Republicans in charge of Congress. There is, um, the, the, one of the few things that this very, um, partisan environment,

um, can agree upon is that Silicon Valley companies need to be left alone to grow as much as possible. That there are these extraordinary economic phenomena, social phenomena, and we should not impose the same rules that television and radio are supposed to adhere to in terms of what you can say and when you can say it.

So there was a real, you know, the biggest concern, which was legit because in the early years, the internet, it was obvious that a vast amount of stuff on the internet was porn. And so the big, you know, where the big regulatory conversation came about in the 1990s was around how you keep children from being able to see pornography on the internet. This is why the Communications Decency Act says that platforms like Facebook or Google or other platforms cannot be held liable for what third parties say on them. And that is the one signal piece of regulation that comes out of this and just reflects how this was just a different time and place. It was different time, a moment, particular political moment that's reflecting the priorities of the parties and the people that were in charge at the time, and also where the industry was at the time. Mark Zuckerberg was in sixth grade when the Telecom Reform Act of 1996 was passed. So we are just in a totally different regulatory era now.

Lizzy: You're giving me a lot of thoughts here that are now starting to move very quickly. So again, we're sort of illustrating what this entire type of technology is about. For the record as an eighties baby I remember the first thing I looked up on the internet and it was my little ponies, um, to give you, just to center myself in this time. Yeah, about the same age as Mark Zuckerberg.

Let us talk then a bit, you've teed this up already. You know, we started out. There's a, there's a space race. We're thinking about how to beat the Soviets, and we're thinking about how to make these sort of micro technologies that are, that are seemingly a bit more tangible. You know, we have the sweet sounds of compact discs, but now we're getting into the internet and it's much less tangible and it's more about communication in some ways than it is about products, which I think for me is a shift that's difficult to make a little bit, when we talk about like what this actually is and what we're getting out of it and what government's role is in regulating it. 'cause yeah, it is extremely different from something like television. So let's talk a little bit more about social media. We've mentioned, um. Apple and Microsoft, some of the early technology companies that ended up creating these platforms. And then we have things like Facebook that you've brought into the story, which are, the Facebook is not the internet. It's a means of using it. Which, you know, just started out one way and

ended up certainly about sort of, user to user information spread, I guess is what, how the phrase I might use to describe how it functions today.

And this is where I wanna pull the government part back in, you know, can we talk a little bit about social media and disinformation, something that has been such a hot topic since the 2016 election. What is, what's going on there? This is messy.

Margaret: Yeah, and this just shows how much, you know, what we talk about is tech or Silicon Valley, first of all is, you know, big Tech itself is a set of shorthand for a set of companies that are very different lines of business. With different regulatory implications. But social media is one very, very important part of it. We also talk about Silicon Valley is this undifferentiated, you know, this is tech and, and we sometimes don't historicize it enough to really tease out, well, Silicon Valley itself was an area in Northern California that was a hub of advanced electronics hardware production. It was manufacturing, right? And even in the eighties with the PC wars between. Apple and IBM where this week, the, this month where? August, uh, 1981 was the year that IBM came out with its PC. So this is kind of the heyday of the, you know, 40 or 40 years down from that. And that was all about hardware, hardware, hardware, building things that sat on a desk. Right?

And even when Microsoft is becoming, you know, Microsoft with Windows and, and becoming this enormous force in the 1990s, it's still providing software, you know, that you put on a computer and it lives on your desk. So this is all by way of saying that up until the 21st century, you could compartmentalize tech. It was very important. It was, um, undeniably, you know, had an economic effect, but it was not the, the B one story on the. It wasn't the front page of the business section every day. It wasn't that. Almost every business story is a tech story, and so many political stories are tech stories.

I mean, as a side note, it's so funny to me, so I've been writing about Silicon Valley now for more than 20 years, and for most of that time I would tell people, well, I write about Tech Silicon Valley and I write about politics, and they're like. What's the story there? Like there's no story there. Like Silicon Valley and Washington DC don't have anything to do with one another, and no one really says that to me anymore. But I think this is all really important to understand why we are adrift in this ocean of, oh my God, what happened?

So social media. These platforms that are coming up in the first decade of the 21st century are solving a really important business problem that the.com era

companies had been struggling to solve, which is how do you make money on the internet without driving people crazy? So let's throw ourselves back to say, 1999 or 2000 and you're online and you're having a good time and you're on Yahoo or wherever, and there are popup ads just driving you crazy. Banner ads, popups at the, you know, just to get people's attention, to get the eyeballs focused on things. There were all these kind of, you know, jazzy stuff that was crowding and making these web pages, uh, sometimes intolerable to look at.

In comes Google. With this beautiful white space, that's just Zen, right? You're coming in, there's no ads, there's just text. It's all very straightforward. It seems very anti commercial even. There's no, no, nothing distracting you. It's just pure information. And then what? Google figures out to make money on that is you can do something different. You can take that beautiful white space and you can monetize that white space by tracking the way that people are using the space where they're going, where they're clicking and taking that information and selling it to advertisers. And then you can also embed ads into space in a way that is much more subtle and is harder to distinguish what's an ad and what's real. So Google and then Facebook are so wildly successful at what they set out to do, which is to sell advertising on the internet. This is what YouTube does too. I mean, this is the business model.

This is when, you know, when Mark Zuckerberg a few years ago is called before Congress to answer for Facebook sins. Chuck Grassley at one point says, so how do you make money Zuckerberg's like, Senator, we sell ads. Um, and um, that was, you know, you know, at the moment when, uh, you saw this dissonance between when, when people like me were like, oh, it's gonna take a long time.

Lizzy: Congress realized they should have spoken to Margaret O'Mara at Washington.

Margaret: I know. Um, so yeah. Um, so that's, I mean, so getting to the question of disinformation, so here we are when, when you just have tech being this useful tool that's on your desktop, that's kind of off to the side or Facebook's just a place for college students to find a date. There's something that's. You know, kind of benign about, you know, it's not really benign to kind of have the user be the product, but it was the way that, you know, this was something that was the key to unlocking immense success for Google and Facebook and then for thousands of other companies that are in their way.

Lizzy: It sounds sinister as hell when you say it, by the way.

Margaret: It does. But these are, you know, they are not thinking about, these were not designed to be political town squares. That's the other really critical thing. Yeah. These are designed to sell ads on the internet. This is what they're for. You know, again, it's the trade off that users make without really knowing, you know, you are, you are the value. Nothing is free on the internet, you know?

So the turning point comes not too long after Facebook hasn't been in business all that long. It's founded in 2004. By 2008, you have the candidacy of Barack Obama. Super cool. The super cool campaign of Barack Obama that in early 2008 during primary season is like setting up an office in Palo Alto, filled with eager Stanford students who are interning there to like have this, you know, very wired aggressively online campaign that among other things, is using Facebook very effectively.

Chris Hughes, who subsequently has become a great critic of Facebook. But was a Zuckerberg roommate, Harvard roommate, and a co-founder, or part of the early team of Facebook, was brought on by that Obama campaign as a campaign advisor in 2008. The, the, the campaign that got Barack Obama elected president, how much it used these beautifully designed Facebook posts to, in a way that's, um, you know, if you actually look at the content of them, they're kind of, it's old school.

It's kind of the way social media was, was working in a kind of more benign traditionalist way. It was kind of taking the hopeful messages that you would ordinarily put in a TV ad or a mailer and just transposing them digitally, but also fundraising online in a way that you were getting, you know, small, do-do donations more easily, and then you know, people with less money in their pocket could be part of the process.

It was all so hopeful. And these companies kind of embrace that role and so did everyone else. Everyone's like, this is great. Yep. This is the future of democracy. Well, turns out it was the future of democracy, right? So by the time you get to the 2016 election, which I think going back to your earlier query, you know, when did it all start going sideways? I think 2016 was the moment by 2016. The Facebook of 2008 is not the Facebook of 2016. It's much, much bigger. For one, it's international, for another. And um, and it has again, embraced its role as a kind of facilitator of political conversation and a source of news. Uh, it has gone far beyond the social functions that it first had into things that are much more far reaching and also.

There's so much information. You know, Alvin Toffler, who was a futurist who accounted among his fans, many Silicon Valley people and also Newt Gingrich. Um, but Toffler coined the phrase information overload in 1970. And, you know, we are living in, um, the age of information overload and. 2016. By then, there is so much information. These platforms are so full of people and information and posts that in order to get people's attention, you need to tap into their emotions. And what is the emotion that often gets you the most engaged? It's

Lizzy: anger.

Margaret: Anger, engagement is enragement. And so Donald Trump's campaign was the perfect, perfect campaign for the social media world of 2016. Absolutely perfect. This, this engine designed to sell ads on the internet so effectively was now perfectly designed for the messages that Donald Trump was sending out into the world. And, and meanwhile, the Hillary Clinton's campaign is kind of running an Obama 2008, the campaign on Facebook.

Hmm. And that's not the way the platforms worked anymore. That's not the way the world worked anymore. And there was a, you know, I, and, and the people that I talked to for my book, and I talked to a lot of, many, many people from many different points in American, in, in Silicon Valley's history and, um. Mitch Kor, who's still a very important figure, but was among, uh, as many accomplishments was the co co-founder, founder of Lotus, the Corporation, Lotus Notes, kind of the early, um, word processing and other, um, desktop software.

He was a great proponent in the nineties, early nineties, and the early days of commercial internet of kind of keeping the internet free. Of what later becomes known as net neutrality, although we're not talk, you know, that wasn't the, the wording used then. But, um, the, he talked in the early to mid nineties about a Jeffersonian internet, a place where everyone essentially is standing on their own digital soapbox and has a voice. Where you can have, again, this sort of hopeful idea of democratic discourse, um, without the gatekeepers, without the traditional hierarchies of information. And when I talked to him, um, in this must have been about, you know, 2017, 2018, and I said, you know, where, where are we now? He said, we were just so naive.

We were so naive then about, you know, if you bring everyone together, if you connect the world, of course you're gonna generate sort of marvelous, marvelous connections. And look, these social media platform have done that. New voices into the conversation. But also when you do that, when you connect

the world, you bring out the best in humanity and you bring out the worst and the ease with which the worst can now find one another.

And the ease with which disinformation and toxic messages and messages of hate and rage can become amplified and solidified. Reach a true mass audience is we've never, historians don't really like to say we've never seen this before, or this is unprecedented, but this is, you know, we do have not had a communications medium that has been able to do this in this way at the scale,

Lizzy: So, we've identified the problem. Government is now starting to become a bit uncomfortable with clearly some of the power that has been unleashed by these companies that were, were previously allowed to sort of flourish on their own in the private sector. And in doing so, have, you know, amassed a lot of power on their own in terms of just funding popularity, enmeshment with just public life, the way people expect to be able to use them, and don't think of that as something that the government could ever regulate.

But we've got some, some issues with, you know, what, what, what the effect on government is from, from having this kind of discourse. And, uh, take us up to today and what's happening. There's some antitrust laws targeting at Big Tech. The way you've laid it out, it almost sounds like there's a philosophical component to this problem that I'm wondering if government can really touch at all, but tell us about what they are currently attempting to do.

Margaret: Well, it is remarkable, um, how much momentum has emerged around regulating tech technology companies in a relatively short period of time. And again, just in the, sort of a parallel to the 1990s where Democrats and Republicans really couldn't agree on anything except that the internet should be allowed to generally self, you know, regulate itself with a few guardrails, but not very much. And now about the only thing that Democrats and Republicans can agree on. Big Tech is too big and needs some sort of regulation.

Now the devil is always in the details. So there are a couple of things. You know, what's happening now is that we have on the House side a package of, you know, five, five bills that were simultaneously introduced that are really sweeping, that are also, quite frankly, very informed. Very informed by scholarship, by legal scholarship, social scientific scholarship. Um, you know, it should be noted that while the public tech lash maybe, you know, really started in earnest in 2016 or so, scholars have been pointing out the problems with social media platforms and other technology platforms for a long time.

Lizzy: y'all do love pointing out problems.

Margaret: We did. We do. Like you're doing it wrong. We sit there on the corners yelling, you know, please listen to us. But it's not really fun being, you know, proven right in this way. But still there was, you know, there were a lot of, a lot of scholars to sort of really thoughtful work being produced long before the public was paying attention. And now I think, um, journalists have really, you know, caught up to that. And you, you see a lot of these scholars who are no longer shouting into the void and now are getting quoted in New York Times instead. So that's good. That's a, a good, a good thing.

But you know, these, the packages that have, are moving through, um, on the hill are, are being informed by that. So that's, I think that's a good thing. Here's a great example of, of a connection between scholarship of research and practice. That's, that's actually having a, a tangible effect.

Also, the Biden administration has hired in a number of these very prominent tech critics. Um, Tim Wu, a legal scholar from Columbia's. And now part of the Biden administration effort, Lena Kahn, who was a, you know, another legal scholar who wrote this really critical paper on Amazon, and Amazon and antitrust that made waves when she was still a law student. Um, she's now the chair of the FTC. So this is a big deal.

You know, a change is a coming. Um, the question is what? And so here's where the, the details get devilish. Um. On the, you know, you have these companies to have, are incredibly wealthy. They are now spending a good chunk of that wealth on lobbying. So the largest tech companies have become some of the biggest lobbying forces in Washington, DC trying to make sure the regulatory environment kind of goes their way. Um, they're not all in an alignment, so that is kind of an interesting dynamic. You know, there may be a bit of a, you know, who's best at getting their way, um, that that could go on.

I have been thinking a lot, unsurprisingly, about 120 years ago. When we had another antitrust moment, um, that was also in response to the growth of enormous new high-tech industries. Then it was oil, steel, railroads, et cetera. Um, and new financial instruments. Um, the, the Great Trusts is these great kind of bundling of all of companies in a certain industry altogether to that. That drove up consumer prices, limited consumer choice, and that sort of new economy, this economic landscape. That also was a time of intense economic inequality, uh, precipitated political moment momentum across the political spectrum that resulted in the antitrust infrastructure we have today. The FTC itself was. Came into being in 1913, 1914, right at, you know, at this moment of, um, in response to the, the rise of those old great corporations.

And so a federal income tax gets enacted in 1913. You know, all these things are, are happening in response to economic change and a high tech wealth of an earlier era. So, I, I, you know, I think there, in a way, this is. This is a lifecycle thing. This is not surprising to me that there are these criticisms that there is this political momentum and will all of the things happen that the, you know, antitrust crusaders, hope, um, it's, it's gonna be tricky, but I, I can't imagine, it is hard for me to imagine that the status quo is going to remain.

Lizzy: Mm-Hmm. Okay. My final question to you, you know, as an expert. What would your ideal next phase be? And, and, and a lot of the scholars that we interview really hate having to do anything resembling prediction, but you are a historian and I actually think that historians are a little better set up for that than most.

Margaret: Oh no, historians really hate making predictions

Lizzy: Using what you know about the past, and this is not actually predicting, I'm not, I'm actually not asking you to predict. I'm asking you based on your expertise, what would you like the next phase to be in terms of government relationship with technology in a way that's gonna be community building and free enterprise, but also working to empower, you know, equitably our country.

Margaret: Well, I think one of the, you know what the next phase needs to be is first based in a new reality that is again, based on the reality of history that Silicon Valley is not, this place apart, is not this techno libertarian in paradise that is successful because the government had nothing to do with it. It's successful because the government was there every step of the way. First as the funder of the Cold War State and the Space program, and as a, as a customer, as a contractor, as a sponsor of research as a sponsor of higher education, creating the human capital that fueled the technological revolution, and then later as a partner, as sort of creating a whole set of policies, taxation, regulation, subsidy, that really created an extraordinary runway for tech growth and now it needs to move into a new phase. This government, public, private partnership needs to be acknowledged and needs to move into a new phase that is not as asymmetrical where tech has all of the, you know, too much of the power and too much of the knowledge, but where it is a little, a more of a fairer balance, we do need more diversity in the marketplace.

The argument that comes out of Silicon Valley as well, the market kind of take, takes care of itself. And you know, they point to the relatively recent antitrust battle, the one Microsoft faced in the late nineties in which this was all about. And Microsoft crushing Netscape. Well, it turns out that, you know, Netscape

kind of, by the time Microsoft was ordered to break up, which it ultimately didn't have to because of some, you know, other problems with the trial, Netscape was already kind of, had withered away. And also that the, the market moves on. You know, Microsoft then ceased to become a market leader because it kind of fell behind in, in things like search and, and other things that other, um, giants rose up to do.

But I don't think the market takes care of itself. You know, we do need to think more seriously about privacy. One of the things that I've been pursuing lately is looking more deeply at, um, and writing about the, you know, long conversations around data privacy and computer privacy and kind of missed opportunities that the US had to create a privacy, more regulated information environment where individual's privacy was more respected.

But you know, we talk a lot about. Um, data collection, um, or sort of data, the right to know what these companies know about you. I think what we also need to think about is the right of companies to collect that information in the first place, which is another level of, of data. It's not just keeping that information private, it's actually just keeping the information from being, being harvested.

This is a real challenge to the business model. I, I'm, I'm not saying any of these, none of these, and none of these things are going to be done willingly and voluntarily by the companies. You absolutely have to have, what we've seen through history is you have to have the, the public sector representing the public interest, creating this countervailing force.

For, so that for-profit companies whose business is not to, you know, do things that are good for the world, they're there to do things that are good for their shareholders. We need to find a better balance. And, and this sort of going back to where I started, acknowledging the public role in Silicon Valley's growth, I think is really critical because one of the pushbacks that happens against regulation or government action that comes from technologists, investors, others, is that, well, we are so want, we were able to do what we did because government got out of the way. And no, government's been part of the whole story. It's been a partner throughout. You just haven't seen it. It's been hidden outta sight. It's been submerged. Um, you know, read some, read some political science, read some history, get, get to know, um, you know, and, and understand that this is not something that is going to, yes, it's probably gonna mean that your, your stock price isn't as high. Your profits aren't quite as enormous. But hey, you guys have had a really good run and there needs to be some tempering and some rebalancing, and we can still deliver fantastic

technological advances in products, but hey, let's think about how we share the wealth more broadly.

Lizzy: Well, if there's one thing I know about people making a lot of money, it's that they love making slightly less in order to do the right thing. So yes, the public, public sector influence, that's, that's you and me and the government we make. So let's get to work.

Thank you so much for joining us on No Jargon, Dr. O'Mara It was a pleasure to speak with you.

Margaret: It was great being here. Thanks so much.

Lizzy: Thanks for listening. For more on Margaret O'Mara's work, check out our show notes at scholars.org/no-jargon. No jargon is the podcast of the Scholars Strategy Network, a nationwide organization connecting journalist. Policymakers and civic leaders with America's top researchers to improve policy and strengthen democracy. The brand new producer of our back again show is our communications associate Manana Mohsenzadegan. If you like the show, please subscribe and rate us on Apple Podcasts or wherever you get your shows. You can give us feedback on Twitter at no jargon podcast order, email address, no-jargon@scholars.org.