

Apple's FBI battle is just the beginning of a reality check for the tech sector

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Life for technology companies was once, as the Fast Show character used to say, brilliant. They could make products and offer services worldwide and, especially in the software field, they would make money hand over fist; look at businesses like Microsoft and Oracle in the 1990s. Oil spills, environmental damage, government regulation – that was something for other sectors.

But with the rise of the internet, and companies' ability to become not just transnational but supranational, active everywhere yet arguing that their responsibilities belong nowhere, attitudes have changed. Apple's row with the FBI over access to a locked iPhone that belonged to the employer of one of the San Bernardino killers is just the latest example of technology businesses discovering that nothing they now do is without consequences.

Apple has been excoriated by presidential candidates, and backed into the tightest of corners by the FBI: the moral case for refusing to hack into a terrorist's phone is hard to make – particularly in the US over an Isis-inspired attack during an election year.

But it's not just Apple. Google's Matt Brittin probably wakes up sweating about his appearance before the Commons public accounts committee, at which he couldn't remember how much he earned, and the questions about Google's sweetheart tax deal with HMRC kept coming.

More broadly, the EU is considering an antitrust finding against Google for promoting its own products ahead of rivals' in search results. Facebook has been threatened with fines by the French data commissioner. Twitter is on-again, off-again in Turkey, depending on the mood of the government, which frequently censors its feed. Pakistan banned Google's YouTube. Uber has made enemies of taxi drivers and even its own drivers in cities around the world as it undercuts the first group, then cuts payments to the latter. Airbnb is under investigation in New York, London and elsewhere over whether its accommodation site breaks short-let laws. Amazon is rebuked by MPs over its revenue-shifting, tax-minimising ways, and by bookshop lovers who have seen it undercut high-street retailers. Spotify (which hails from Sweden) is criticised by fans and players for the tiny amounts musicians get paid when people stream music through it rather than buying a download or – remember when? – a CD.

And that's before we get to artificial intelligence, where people fear huge job losses as machines take over more and more complex jobs. Google, again, is at the nexus of that row, with UK company DeepMind (which it bought in 2014) having to try to dampen worries while raising expectations.

Technology companies may not create oil spills, but their effects on modern life are suddenly spreading across a gamut of topics – privacy, tax, regulation, safety, even housing.

That's why the San Bernardino case could be the straw that breaks the camel's back. The FBI knows that the publicity from this battle won't be favourable to Apple, whichever way the courts rule. That worries every other technology company.

Apple, of course, wasn't looking for a row with the FBI when it improved the encryption on its phones. And that is what will worry tech companies. As their influence on our daily lives grows, the effects of new features become less predictable – but probably greater.

What if the next case involves taxis and short lets used for child trafficking? Or tax avoidance turning out to fund terrorism? Those may sound farfetched, but they're only a form of Kranzberg's first law: "Technology is neither good nor bad; nor is it neutral."

This week, the tech business is learning, to its reputational cost, just what that really means.

(620 words)