

The Silicon Valley Backlash Is Heating Up

By
Eric Newcomer

Big tech is falling out of political favor. This week, [BuzzFeed's Ben Smith](#) convincingly argued that the tides are turning against Google, Facebook and Amazon. The article, "There's Blood in the Water in Silicon Valley," is [worth a read](#). As Ben points out, Steve Bannon is leading the charge from the right, calling for Google and Facebook to be regulated like [public utilities](#). [Bernie Sanders](#) is helping to push the anti-tech charge from the left. Populists on both wings want to kneecap big tech.

Unfortunately (or fortunately) for the technology giants, there isn't a coherent, unified critique of their behavior. The grievances come in many forms and from many camps. They include:

- Simmering 99 percenters angry over tech's growing power
- Mounting antitrust concerns
- Animus from ad-dependent media companies
- Bias charges from right-wingers without a seat at the table in Silicon Valley
- Complaints, especially from Democrats, about Russian interference in the election, particularly via social media
- An effort to reckon with gender discrimination and harassment at male dominated engineering companies
- Accusations of fake news and clickbait all around.

The situation keeps getting worse.

This week two major problems broke open for Facebook. [ProPublica revealed](#) that the social-media company took people's money in exchange for helping them run anti-Semitic ads:

Until this week, when we asked Facebook about it, the world's largest social network enabled advertisers to direct their pitches to the news feeds of almost 2,300 people who expressed interest in the topics of "Jew hater," "How to burn jews," or, "History of 'why jews ruin the world.'"

Pierre Omidyar, eBay's founder, facetiously [tweeted](#): "Let's build a comprehensive database of highly personal targeting info and sell secret ads with zero public scrutiny. What could go wrong?"

[Facebook said](#) it had "more work to do." That's for sure.

At the same time, Facebook is being implicated in the Russian effort to attack the election. Last week, [we learned](#) that fake accounts that were probably run from Russia spent about \$100,000 on ads to drum up political divisions in the U.S. This week, the situation worsened. “Mueller Probe Has ‘Red-Hot’ Focus on Social Media, Officials Say.” [That headline](#) from Bloomberg News on Thursday can't be reassuring to the policy folks over at Facebook. The social-media giant of more than 2 billion users is at the center of the special counsel's investigation.

If you want a taste for the political reaction, here's Josh Marshall [writing](#) in Talking Points Memo:

I think the political juice of the Russia story is pushing Facebook toward a bruising encounter with the reality that it's not God, not a government, not the law. It's just a website. It can't happen soon enough.

That's just Facebook. On Thursday, former Google employees [filed a class action](#) against the company, arguing that it pays women less for similar work.

Google probably faces the biggest antitrust backlash. The search provider lost a \$2.7 billion ruling from the European Union in June. Yelp, which has been on a multiyear crusade against Google's behavior, feels like its messaging is finally breaking through. Yelp's policy chief Luther Lowe [told](#) Ben Smith, “Antitrust is back, baby.”

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And here's what you need to know in global technology news

Alphabet, Google's parent, is looking to invest \$1 billion in Lyft. Although Alphabet is also an Uber shareholder through its GV venture arm, [an investment](#) would signal strong support for its competitor. Alphabet's self-driving car business, Waymo, has been embroiled in an ugly lawsuit with Uber. Lyft has gained market share this year as Uber has bent under a series of self-inflicted scandals.

Jack Ma is ambitious, to say the least: now he's talking about taking Alibaba deeper into brick-and-mortar retail. The founder of the Chinese e-commerce giant [spoke in an interview](#) about his ambitions of breaking into shopping malls, moving away from its asset-light approach to grab a bigger share of global trade.

Apple may seal its biggest deal yet in an unlikely place with a not-so-flashy company:

Toshiba. Apple is in [talks](#) to invest about \$3 billion in Toshiba's memory chips business as part of a consortium led by Bain Capital, people familiar with the matter said. The deal could give the iPhone maker an equity stake of about 16 percent.

China's bitcoin enthusiasts are ditching WeChat. The country's crackdown on bitcoin and the messaging platform is [sending them](#) to Telegram and other secure messaging apps to communicate.