

Proposed US crackdown on 'Big Tech' has one winner: China



From the time scientists flocked to Northern California in the late 1950s to develop a new semiconductor industry that led to high-tech start-ups including Advanced Micro Devices and Intel, America's technology industry has been a source of innovation, national pride, [nearly nine million jobs, and \\$1.8 trillion in annual economic output](#). This phenomenal success story was no accident. It happened because the government knew better than to stand in the way of America's unrivaled culture of ingenuity and scientific progress.

Thanks to this partnership between the government and the tech sector, America remains at the forefront of emerging technologies like artificial intelligence, quantum computing and advanced wireless communications. But we must not take our preeminence for granted, particularly as China, our top global competitor, deploys the full might of its authoritarian government

to boost its growing tech sector at the expense of ours.

Yet today, some members of Congress are backing legislation that would hamstring the U.S. tech industry and, contrary to its purpose, give competitors in China and other countries a leg up. The [American Innovation and Choice Online Act \(AICOA\)](#), which awaits a vote in the Senate this summer, is the fruit of efforts to punish "Big Tech" companies and, according to its sponsors, to elevate smaller tech companies. Beware what you wish for. Instead of promoting American tech startups, the bill could benefit Chinese tech titans like Huawei, Tencent, Baidu, and Alibaba.

The bill's co-sponsors' language echoes the Chinese Communist Party's references to "win-win" initiatives for the United States and China. What the sponsors neglect to realize is that for China, a win-win simply means that China wins twice.

AICOA contains provisions that would force American companies to share data with Chinese, Russian, and other authoritarian regimes (win #1) and require American companies to give preferential treatment to foreign companies like Yandex (Russian) and the Chinese companies Baidu, Alibaba, and Tencent. These are non-reciprocal provisions — foreign rivals would not be required to give similar preferential treatment to U.S. companies (win #2). This effectively handicaps American technology companies while leaving their foreign rivals untouched in the marketplace — all at a time when Russia and China have both been fanning misinformation campaigns surrounding Russia's invasion of Ukraine.

As the U.S. Chamber of Commerce [has noted](#), the legislation would weaken larger tech companies, bar them from certain acquisitions and investments, stifle their ability to innovate, require them to share user data with competitors including those in other countries, while facilitating foreign

influence and misinformation. By singling out a small number of U.S. companies without requiring similar oversight of foreign rivals, the legislation would undermine the competitiveness of the U.S. tech sector.

Many Democrats and Republicans are concerned about the power of "Big Tech," as are many Americans. But provisions in this bill go much further than punishing the country's largest technology companies. As popular as maligning "Big Tech" seems to be these days, tearing down those institutions harms our standing against foreign rivals who do not answer to the popular will or democratic norms.

America must continue to exercise its well-earned and hard-fought leadership in technology around the world. It cannot do so if Congress passes measures that play into the hands of our geostrategic adversaries in authoritarian nations. As we are seeing play out in real time in Ukraine, the core values of democracies related to security, privacy, and online safety are under attack.

Even in the absence of conflict in Ukraine where technology and data are being deployed as offensive weapons by Russia, AICOA would also weaken U.S. tech companies vis-a-vis their competitors in friendly nations. Europe and other allies are increasingly pushing agendas of "digital sovereignty" that read very much like Chinese state capitalist industrial policy, as the Chamber of Commerce [reported](#). Fundamentally, and in direct [conflict](#) with concerns raised by the U.S. government, the European Union wants to make the competitive landscape flatter for European companies that have not necessarily been as innovative as American tech leaders.

We are locked in a global competition to remain the world's leader in technology. We can partner with allies and like-minded governments, but partnerships should demonstrate real win-win options. American leadership

is key. Partners do not want alliances of weaklings — they want alliances of titans. Our tech titans should not be forced by the American Innovation and Choice Online Act or any [other](#) legislation to fight with one hand tied behind their backs while the Chinese and Russian tech sectors seize the advantage.

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