

UK Lawmakers Accuse Facebook Execs as 'Digital Gangsters,' As New Zealand Moves to Tax Tech Giant

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As U.K. lawmakers called for strict regulations "to curb the worst excesses of surveillance capitalism" following the release a damning [report](#) that details an investigation of Facebook, New Zealand's Labour Party [announced](#) Monday it is pursuing tax reforms to require multinational tech giants "to pay their fair share."



New Zealand Prime Minister Jacinda Ardern [revealed](#) the decision in a press conference following a cabinet meeting on Monday, telling reporters that "our current tax system is not fair in the way it treats individual tax payers, and how it treats multinationals."

"Highly digitalized companies, such as those offering social media networks, trading platforms, and online advertising, currently earn a significant income from New Zealand consumers without being liable for income tax. That is not fair, and we are determined to do something about it," Finance Minister Grant Robertson said in a statement.

Revenue Minister Stuart Nash [explained](#) that the government is working with the Organization for Economic Cooperation and Development (OECD) "to find an internationally agreed solution for including the digital economy within tax frameworks." However, he added, "we believe we need to move ahead with our own work so that we can proceed with our own form of a digital services tax, as an interim measure, until the OECD reaches agreement."

The news out of New Zealand came as the U.K. Parliament's Digital, Culture, Media, and Sport Committee put out a report outlining the results of an 18-month probe of "disinformation and fake news" on Facebook—which found that the company "intentionally and knowingly violated both data privacy and anti-competition laws," as Tory MP and committee chairman Damian Collins summarized in a statement.

Calling out Facebook and its executives for behaving as "digital gangsters," the report, as the Guardian [outlined](#):

-- Accuses Mark Zuckerberg, Facebook's co-founder and chief executive, of contempt for Parliament in refusing three separate demands for him to give evidence, instead sending junior employees unable to answer the committee's questions;

-- Warns British electoral law is unfit for purpose and vulnerable to interference by hostile foreign actors, including agents of the Russian government attempting to discredit democracy; and

-- Calls on the British government to establish an independent investigation into "foreign influence, disinformation, funding, voter manipulation, and the sharing of data in the 2014 Scottish independence referendum, the 2016 EU referendum, and the 2017 general election."

"Democracy is at risk from the malicious and relentless targeting of citizens with disinformation and personalized 'dark adverts' from unidentifiable sources, delivered through the major social media platforms we use every day," Collins warned. "The big tech companies are failing in the duty of care they owe to their users to act against harmful content, and to respect their data privacy rights."

"We need a radical shift in the balance of power between the platforms and the people," he concluded, calling for stricter regulations and reforms to existing rules that are outdated in the current digital era.

The U.K. Labour Party concurred. "Labour agrees with the committee's ultimate conclusion—the era of self-regulation for tech companies must end immediately," [said](#) Deputy Leader Tom Watson. "We need new independent regulation with a tough powers and sanctions regime to curb the worst excesses of surveillance capitalism and the forces trying to use technology to subvert our democracy."

Both MPs also sharply criticized Zuckerberg. Collins said he "continually fails to show the levels of leadership and personal responsibility that should be expected from someone who sits at the top of one of the world's biggest companies," while Watson charged that "few individuals have shown contempt for our parliamentary democracy in the way Mark Zuckerberg has."

Demanding "urgent action" by lawmakers to implement many of the report's recommendations, the U.K.-based rights group Privacy International welcomed that the document "recognizes the role of personal data and criticizes a business model that aims to gain market dominance by exploiting people's data."

Facebook's U.K. public policy manager Karim Palant denied any wrongdoing by the company but also told Reuters, "We are open to meaningful regulation and support the committee's recommendation for electoral law reform."

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