

*Junge Wissenschaft  
für CSR und Nachhaltigkeit*

*Julian Salem Mousa Weise*

*(Self-) Regulating  
Multinational Tech Firms*

*The GAFAM Corporations  
and Political Corporate  
Social Responsibility*



UVG VERLAG



**Reihe „Junge Wissenschaft für CSR und Nachhaltigkeit“**

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Hrsg. von  
Harald Bolsinger,  
Alexander Brink,  
Thomas Osburg,  
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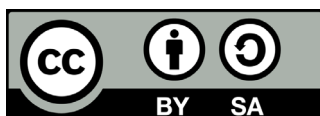
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## **UVG-Reihe „Junge Wissenschaft für CSR und Nachhaltigkeit“**

***Hrsg. von Prof. Dr. Harald Bolsinger, Prof. Dr. Dr. Alexander Brink,  
Prof. Dr. Thomas Osburg, Prof. Dr. Matthias Schmidt und Prof. Dr. Tong-Jin Smith***

Die UVG-Reihe „Junge Wissenschaft für CSR und Nachhaltigkeit“ richtet sich an Praktiker aus Unternehmen und der Zivilgesellschaft. Sie umfasst aktuelle Forschungsthemen und -ergebnisse zur gesellschaftlichen Unternehmensverantwortung und Nachhaltigkeit.

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## Vorwort der Herausgeber

Julian Weise hat mit der Arbeit “(Self)-Regulating Multinational Tech Firms – The GAFA Corporations and Political Corporate Social Responsibility” ein aktuelles und hoch relevantes Thema der Wirtschafts- und Unternehmensethik adressiert.

Ausgangspunkt seiner Argumentation ist der theoretische Ansatz einer Political Corporate Social Responsibility von Andreas Scherer und Guido Palazzo. Diese Idee wird erstmals in den Kontext der Digitalisierung gestellt und mit der Corporate Digital Responsibility konzeptionell verankert. Am Beispiel der GAFA-Ökonomie, die gegenwärtig die digitale Transformation in vielen Belangen dominiert, erfolgt der Übertrag auf die Praxis. Am Beispiel der globalen Konzerne Google, Apple, Facebook and Amazon (GAFA-Unternehmen) werden Unternehmensengagements in Afrika, Europa, den USA und China in der Periode von 2010 bis 2020 kritisch untersucht.

Im Zentrum steht also die Frage, inwieweit die GAFA-Unternehmen politische CSR bereits umsetzen. Hierbei werden zwei unterschiedliche Effekte untersucht: der Regulatory Vacuum Effect (RVE) und der Race to the Bottom Effect (RBE). In seiner Analyse bleibt der Autor stets theorieverbunden und zugleich konkret. Um nicht zu viel vorwegzunehmen: es geht um Steuern, Löhne, Gewerkschaften, Klimawandel und Menschenrechte. Die Ergebnisse sind vielversprechend: einiges kann erwartet werden, anderes ist neu.

Die Arbeit wurde im renommierten „Philosophy & Economics“-Programm unter der Betreuung von Prof. Dr. Dr. Alexander Brink verfasst.

Wir wünschen den Leser:innen eine spannende Lektüre!

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# List of Abbreviations

ACFTU .....	All China Federation of Trade Unions
ACLU .....	American Civil Liberties Union
AI .....	Artificial Intelligence
AMT .....	Amazon Mechanical Turk
ASI.....	Apple Sales International
CLW.....	China Labor Watch
CDR .....	Corporate Digital Responsibility
CSR.....	Corporate Social Responsibility
EFF .....	Electronic Frontier Foundation
EU .....	European Union
FTM.....	Fair Tax Mark
GAFA.....	Google, Amazon, Facebook, Apple
GDPR.....	General Data Protection Regulation
GGV.....	Global Governance Vacuum
ILO.....	International Labor Organization
NGO .....	Non-Governmental Organization
OECD.....	Organization for Economic Co-Operation and Development
PTSD.....	Post Traumatic Stress Disorder
RBA .....	Responsible Business Alliance
RBE.....	Race to the Bottom Effect
RMI .....	Responsible Minerals Initiative
RVE.....	Regulatory Vacuum Effect
U.S.....	United States of America
UN.....	United Nations



*“Business firms have an additional political responsibility to contribute to the proper working of global governance”*

– Guido Palazzo & Andreas Georg Scherer (2009)

## 1 Introduction

The quote above raises at least three questions. What exactly does political responsibility mean? Why does global governance not work properly without the contribution of business firms? And if this is the case, how could we hold business firms responsible for the functioning of these global governance mechanisms? This bachelor thesis is set out to answer these questions more generally and will then evaluate the notion of political responsibility in application to influential corporations in the IT-sector, namely to Google, Apple, Facebook and Amazon (GAFA).

Why specifically analyze the GAFA complex in the context of political responsibility? First, these firms have become economically highly relevant. As of June 2019, GAFA had a combined market-capitalization of almost three trillion dollars.<sup>1</sup> Moreover, GAFA firms now regularly rank among the most valuable firms in the world. This economic power makes the companies politically relevant as well, since they are important employers and supposed to be huge taxpayers. As GAFA firms operate multilaterally, this holds not only true on a national, but also on an international scale. Second, there are plenty of critical voices who consider GAFA to have become especially difficult to regulate and even harmful to society.<sup>2</sup> Third, due to the ongoing digitalization, the IT-sector will likely pioneer the development of future technologies and GAFA’s societal and political impact will therefore become even more pertinent in the future. In light of these three developments, I consider a comparative stocktaking of GAFA’s understanding of political corporate responsibility i.e. its political self-regulation efforts and contributions to global governance a highly salient research topic.

Thus, the specific subject of this thesis is to determine whether GAFA corporations assume political corporate social responsibility (CSR)<sup>3</sup> and corporate digital responsibility (CDR) in selected policy fields and thereby mitigate gaps in global governance.<sup>4</sup> This will be exemplified by analyzing selected areas of GAFA’s business practice in the European Union EU, the United States of America (U.S.), China and Africa between 2010-2020.<sup>5</sup> My research methodology takes the form of a desk research predominantly based on academic journals or articles in renowned newspapers.

The thesis is structured as follows: in the first part, I will begin by explaining the theoretical background. To start, I will display how classic liberal economics conceptualizes proper

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<sup>1</sup> Cf. John Clement, “Market Capitalization of the Biggest Internet Companies Worldwide as of June 2019”, *Statista*, accessed June 17, 2020, <https://www.statista.com/statistics/277483/market-value-of-the-largest-internet-companies-worldwide/>.

<sup>2</sup> This can be exemplified by the so-called “Techlash.”

<sup>3</sup> When evaluating political CSR, I refer exclusively to the conception of Andreas Georg Scherer and Guido Palazzo.

<sup>4</sup> My analysis does not allow deriving *general behavioral patterns*. It is set out to show selected developments within GAFAs business practice in a limited time frame.

<sup>5</sup> I chose developed and developing regions, which grants a wider sample basis for my analysis.

governance as a relationship between private corporations and their public, governmental regulation. Then, I will focus on how globalization challenges this liberal governance conception and how it leads to regulatory gaps in global governance. Afterwards, I will show that these governance gaps can also be observed in digital regulation. Subsequently, I will describe different conceptions of CSR as an approach to mitigate these governance gaps and differentiate them from the political conception of CSR. Afterwards, I will extend the conception of political CSR by the concept of CDR and argue that it can be interpreted in a political manner as well.

In the second part, I will use this theoretical background in order to determine whether GAFA corporations already implement political CSR/CDR measures in different business areas to mitigate the aforementioned regulatory gaps. I will do this by evaluating selected policy fields based on a categorization of Scherer and Palazzo, which comprises corporate policies towards wages, unions, taxes and privacy protection in the previously mentioned geographical regions. In the frame of these policy fields, I will analyze the concrete progressive measures and also the shortcomings of each GAFA firm in political CSR/CDR in selected business areas.

In the last part, I will summarize my findings in a table and draw a conclusion, in which the developments in GAFA's business practice with regard to political CSR/CDR in the regarded time frame are pointed out. Subsequently, I will critically evaluate the scope and assumptions my analysis is based on. The thesis concludes by giving an outlook where future research in political CSR/CDR in the IT-sector could continue.

## 2 Globalization and the State's Role in Regulating Corporations

The term "globalization" is vast and so are its consequences, yet in this thesis, I will regard the consequences of globalization mainly through an economic and political lens. Doing so, it can be defined as "the increase of trade around the world, especially by large companies producing and trading goods in many different countries."<sup>6</sup> As I will show, globalization challenges the traditional role that governments play in regulating corporate activity. Thereby, my analysis focuses only on multinational stock-companies (corporations). However, before analyzing the way globalization changed the regulative relation between governments and GAFA-corporations, a prior understanding of the classic regulatory task assignment between states and corporations in general is necessary. This will be laid out in the following.

### 2.1 The Classic Liberal View on Corporate Regulation

According to Andreas Scherer and Guido Palazzo, the liberal economic stance towards corporate regulation is that "the state [...] determines regulations and delineates the freedom, within which individual citizens and private institutions are entitled to conclude contracts with one another, to which the system of property and contractual rights compels obedience."<sup>7</sup> Thus, corporations earn property rights and the freedom to set up the contracts they deem

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<sup>6</sup> Cambridge Online Dictionary, s.v. "Globalization," accessed June 17, 2020, <https://dictionary.cambridge.org/de/worterbuch/englisch/globalization>.

<sup>7</sup> Andreas Georg Scherer, Guido Palazzo, and Dorothee Baumann, "Global Rules and Private Actors: Toward a New Role of the Transnational Corporation in Global Governance," *Business Ethics Quarterly* 16, no. 4 (October 2006): 505, <https://doi.org/10.5840/beq200616446>.

the most profitable, but must behave accordingly to the state-set legal boundaries. This is a smallest common denominator that even libertarian economists such as Milton Friedman would agree to: a business is free to pursue its profits as long as it adheres to the “[...] basic rules of society, both those embodied in law and those embodied in ethical custom.”<sup>8</sup> Misconduct (e.g. fraud, deceiving behavior) is punished, as the rules will be enforced by the state.<sup>9</sup> Additionally, the state taxes corporations and politically decides on their spending.<sup>10</sup> The result is “[...] a strict division of labor between the private and public domains: business firms should focus on profit seeking, while the state's role is to take care of issues of public concern.”<sup>11</sup> This conception thus asserts, that the *only social responsibility of corporations is to maximize profits* because it presupposes that the state is able to adequately design, monitor and enforce legal regulation and to collect and redistribute taxes in order to provide public goods.

Yet, this liberal position can be criticized. Already on a national scale, the legal framework and its enforcement mechanisms in a state are incomplete, as “[...] there is a likely possibility of regulation gaps”.<sup>12</sup>

## 2.2 The Global Governance Vacuum

According to Scherer and Palazzo, the division between the private activities of firms and their governmental regulation needs to be challenged, because globalization intensifies these regulatory gaps:<sup>13</sup>

“The reduction of trade and capital transfer barriers, the new possibilities offered by information technologies, the reduction of transport costs, as well as the improved infrastructure and educational standards in many countries of the world enable a high mobility of capital and investments.”<sup>14</sup>

Therefore, multinational corporations can escape the reach of national jurisdiction, as they can pay taxes in offshore locations or produce their goods in oppressive states with almost no rule of law or enforcement mechanisms. In short, corporations “[...] have the latitude to choose locations and the legal systems under which they operate”.<sup>15</sup> This shortfall of nation state control over corporations manifests itself especially in third world or developing

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<sup>8</sup> Milton Friedman, "The Social Responsibility of Business Is to Increase Its Profits," in *Corporate Ethics and Corporate Governance*, ed. Walther Ch. Zimmerli, Markus Holzinger, and Klaus Richter (Springer Berlin, 2007), 174, [https://doi.org/10.1007/978-3-540-70818-6\\_14](https://doi.org/10.1007/978-3-540-70818-6_14).

<sup>9</sup>Cf. Andreas Georg Scherer and Guido Palazzo, "Globalization and Corporate Social Responsibility," in *The Oxford Handbook of Corporate Social Responsibility*, ed. Andrew Crane, Abigail McWilliams, Dirk Matten, Jeremy Moon (Oxford: Oxford University Press, 2009), 1, <http://www.csringreece.gr/files/research/CSR-1289999488.pdf>.

<sup>10</sup> Cf. Friedman, "The Social Responsibility of Business," 175.

<sup>11</sup> Scherer, Palazzo, and Baumann, "Global Rules and Private Actors," 508.

<sup>12</sup> Cf. Scherer and Palazzo, "Globalization and Corporate Social Responsibility," 1.

<sup>13</sup> Cf. Ibid, 2.

<sup>14</sup> Andreas Georg Scherer and Marc Smid, "The Downward Spiral and the U.S. Model Business Principles – Why MNEs Should Take Responsibility for the Improvement of World-Wide Social and Environmental Conditions," *MIR: Management International Review* 40, no. 4 (2000): 352, [https://www.jstor.org/stable/40836152?seq=1#metadata\\_info\\_tab\\_contents](https://www.jstor.org/stable/40836152?seq=1#metadata_info_tab_contents).

<sup>15</sup> Scherer and Palazzo, "Globalization and Corporate Social Responsibility," 7.

countries. However, developed countries like the U.S. are affected as well.<sup>16</sup> Thereby, a significant amount of corporate activity is able to escape democratic control and even international organizations such as the United Nations (UN) lack the power to interfere in a state's sovereignty.<sup>17</sup> In this case, the regulatory competences shift from nation-state governments to corporate managers, who are under the constant expectation to increase shareholder value to prevent disinvestment. In order to cut costs, they may decide to outsource value chains worldwide or to enter new markets.<sup>18</sup> This may lead to cost advantages, but raises concerns when corporations engage in activities that harm the environment or "[...] are complicit in human or labor rights abuses."<sup>19</sup> Since these occurrences are often times not mitigatable neither by nation states nor by international governmental organizations, a "regulatory vacuum in global governance"<sup>20</sup> emerges. In the following, I will refer to this as *Global Governance Vacuum* (GGV). Following Scherer and Palazzo, this term does not imply that (democratic) states are entirely powerless in regulating corporations. It rather means that the functioning of the classic liberal distinction between the supposed to be profit-seeking private corporation and its governmental regulation is eroding, because corporations can decide to shift their operations to countries with an undemocratic and/or insufficient legal framework. This allows them to pick and to dodge regulation. This process is channeled by globalization.

However, even though I agree with Scherer and Palazzo in diagnosing a GGV, there is a certain gradation. Globally, common legal standards for business activity may not prevail. Yet, the EU comprises 27 sovereign nations, who set up multilaterally binding regulations. An example is the *European Working Time Directive* which sets binding rules for corporations regarding baseline labor standards.<sup>21</sup> Therefore, regional state alliances like the EU (or the Association of South East Asian Nations) often times have regulatory competences that exceed those of the UN or the intergovernmental organizations whose enforcement disability Scherer and Palazzo use to refer to when justifying the GGV.<sup>22</sup> Consequently, one does not directly move from a national to a "post-national-constellation,"<sup>23</sup> as there are hybrids between those forms of organizations such as the EU, where legal competences are shared between national governments and international institutions such as the European Commission. However, this is only a specification and does not challenge the GGV thesis. Globally, there is no institution with an enforcement mandate for regulating the previously mentioned economic issues.

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<sup>16</sup> Cf. Scherer, Palazzo, and Baumann, "Global Rules and Private Actors," 512. In order to cover both, I will analyze governance vacuums in developed and developing countries later on.

<sup>17</sup> Cf. Andreas Georg Scherer and Guido Palazzo, "The New Political Role of Business in a Globalized World: A Review of a New Perspective on CSR and Its Implications for the Firm, Governance, and Democracy: Political Role of Business in a Globalized World," *Journal of Management Studies* 48, no. 4 (June 2011): 902, <https://doi.org/10.1111/j.1467-6486.2010.00950.x>.

<sup>18</sup> Cf. Scherer and Palazzo, "The New Political Role", 903..

<sup>19</sup> Scherer and Palazzo, "The New Political Role," 903.

<sup>20</sup> Scherer and Palazzo, "The New Political Role," 899.

<sup>21</sup> Cf. European Commission, "Labour Law," accessed June 17, 2020, <https://ec.europa.eu/social/main.jsp?langId=en&catId=157>.

<sup>22</sup> Scherer and Palazzo, "The New Political Role," 909.

<sup>23</sup> Ibid, 13. In this context, the term "post national constellation" was taken over by Scherer and Palazzo but was originally introduced by Jürgen Habermas. The term cannot be explained in detail here. For my purposes, it means "the loss of nation state control."

Neither does the regulation of regional state alliances such as the EU work flawlessly (e.g. there are still significant differences in labor standards among EU member states).

### 2.3 The Digital Global Governance Vacuum

As my analysis centers around firms in the IT-sector, it is important to assess if a GGv can be observed in digital regulation as well. As the business models of all GAFa firms depend to some extent on the digital collection of data and its usage, I will therefore analyze deficiencies regarding *data privacy regulation* while bracketing out other aspects of digitalization, e.g. the automatization of work or similar topics.

Data regulation differs worldwide: since the *General Data Protection Regulation (GDPR)* was introduced in 2018, the EU can be seen to occupy a worldwide-pioneering role when it comes to data protection regulation.<sup>24</sup> This can be exemplified by the *right to be forgotten (GDPR Art. 17)* giving individuals the right to have their personal data erased and the mandatory principle of *data minimization (GDPR Art. 5.)*, which ensures that corporations can only collect the least necessary amount of data for a specific, pre-defined purpose.<sup>25</sup> Additionally, data can only be transferred outside the EU when the recipients, including corporations, ensure appropriate safeguards (GDPR Art 46.).<sup>26</sup> Naturally, those provisions may still be imprecise and leave room for regulative gaps: Tal Zarsky criticizes the principle of data minimization because defining a specific purpose for data collection *ex ante* is difficult.<sup>27</sup>

However, in a global context the GDPR principles are comparatively advanced: according to Michael Pisa and John Polcari, in 2019, the U.S. approach to data protection is only sectoral and therefore, the U.S. “[...] has taken an uneven and mostly hands-off approach to protecting online privacy.”<sup>28</sup> In Africa, less than 50% of 54 African countries have got any privacy legislation or data protection regulation at all.<sup>29</sup> As for China, Dongpo Zhang notes that “[...] at present, there is no law that specifically protects private information in our country’s law.”<sup>30</sup> At the same time, big data firms such as Google or Facebook are moving to unlock markets in Africa<sup>31</sup> and Apple now operates cloud-computing centers in China.<sup>32</sup> One can thus assert that

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<sup>24</sup> Cf. Tal Z Zarsky, "Incompatible: The GDPR in the Age of Big Data," *Seton Hall Law Review* 47 (2016): 995, <https://heinonline.org/HOL/LandingPage?handle=hein.journals/shlr47&div=37&id=&page=>.

<sup>25</sup> Cf. European Commission, "General Data Protection Regulation (GDPR)," accessed June 17, 2020, <https://gdpr.eu/tag/gdpr/>.

<sup>26</sup> Cf. *Ibid.*

<sup>27</sup> Cf. Tal Z. Zarsky, "Incompatible," 1006.

<sup>28</sup> Michael Pisa and John Polcari, "Governing Big Tech's Pursuit of the "Next Billion Users,"" *Center for Global Development Policy Paper* (February 2019): 14, <https://www.cgdev.org/sites/default/files/governing-big-techs-pursuit-next-billion-users.pdf>. A concrete case threatening to weaken privacy regulation in the U.S., the so-called "San Bernardino Case", will be discussed in detail on page 26.

<sup>29</sup> Cf. Nobubele Angel Shoji and Jabu Mtsweni, "Big Data Privacy in Social Media Sites," *2017 IST-Africa Week Conference (IST-Africa)* (November 2017): 6, <https://doi.org/10.23919/ISTAFRICA.2017.8102311>.

<sup>30</sup> Dongpo Zhang, "Big Data Security and Privacy Protection," *Advances in Computer Science Research* 77, Proceedings of the 8<sup>th</sup> International Conference on Management and Computer Science (ICMCS) (2018): 277, <https://doi.org/10.2991/icmcs-18.2018.56>.

<sup>31</sup> Cf. Pisa and Polcari, "Governing Big Tech's Pursuit," 4ff.

<sup>32</sup> Xiao Qiang, "The Road to Digital Unfreedom: President Xi's Surveillance State," *Journal of Democracy* 30, no. 1 (2019): 63, <https://doi.org/10.1353/jod.2019.0004>.

a governance vacuum also exists in digital data privacy regulation. Thereby, privacy laws are criticized not only in developing, but also in developed countries such as the U.S.

However, this digital global governance vacuum *differs* from the classic GGV, because big data firms (such as GAFA) cannot profit from the digital GGV the same way as the manufacturing industry can profit from the classic GGV. As stated, Scherer and Palazzo observe that lower regulation incentivizes firms to cut costs by splitting their value chain or by entering new markets. This happens mainly (though not exclusively) in developing countries<sup>33</sup> and/or in countries which lack democratic control.<sup>34</sup> Two remarks can be made with regard to this GGV thesis and GAFA. First, it must be noted that firms whose primary good is data (e.g. Google or Facebook) cannot *split* their value chains the same way as corporations from the manufacturing industry do.<sup>35</sup> For example, when Facebook or Google seize the opportunity to collect large amounts of data in underregulated developing countries, this data is of little commercial use for advertisers on Western markets. For the data to become valuable, there need to be firms (advertisers), who offer their products on the market of the same country where the data has been collected. So, rather than splitting value chains, data firms must analyze and enter new markets wholly and must trust on their (future) economic development in order for locally operating advertisers to buy the collected data. This is exemplified by Google and Facebook, who strive to reach their next billion users mainly in the developing world.<sup>36</sup> However, instead of *cutting* costs, this is linked to expensive investments in digital infrastructure on behalf of Google and Facebook, for example by establishing widespread internet connections in developing nations.<sup>37</sup> On the long term, markets in developing countries provide profitable business opportunities. Yet, seizing them requires entering new markets instead of just splitting value chains and presupposes costly digital infrastructure.

Second, some firms with *purely* digital business models such as Google or Facebook rely on basic democratic principles to a certain extent and therefore cannot shift their operations unrestrictedly to any undemocratic country. This can be seen in China, where data privacy protection is comparatively weak.<sup>38</sup> One can thus speak of a less regulated legal framework, which could be attractive to Facebook or Google, e.g. for data collection and targeted ads on the huge Chinese online market. At the same time, China is not a democratic country and free speech or unlimited access to politically neutral information is restricted by the government. Thus, despite earlier efforts from Google (and Facebook), the firms hardly profit from the lax data regulation, as China ultimately blocked the firms through its *Great Firewall*.<sup>39</sup> Therefore, China's censorship practices prevent some GAFA corporations from profiting from the country's regulatory vacuum in data protection.<sup>40</sup> Similar restrictions for Facebook and Google exist in other undemocratic states such as Iran or Saudi Arabia.

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<sup>33</sup> Cf. Scherer, Palazzo, and Baumann "Global Rules and Private Actors," 512.

<sup>34</sup> Cf. Scherer and Palazzo, "The New Political Role," 903.

<sup>35</sup> This point applies only to Facebook and Google.

<sup>36</sup> Cf. Michael Pisa and John Polcari, "Governing Big Tech's Pursuit," 10ff.

<sup>37</sup> Cf. *Ibid*, 11ff.

<sup>38</sup> Cf. Zhang, "Big Data Security," 277.

<sup>39</sup> Cf. Matt Sheehan, "How Google Took on China and Lost", *MIT Technology Review*, December 19, 2018, <https://www.technologyreview.com/2018/12/19/138307/how-google-took-on-china-and-lost/>.

<sup>40</sup> This only concerns Facebook and Google. Apple and Amazon do operate in China.

To sum it up, a digital GGV exists, but some GAFAs firms have data-based business models that rely on entering new markets, an expensive digital infrastructure and democratic principles such as a basic level of uncensored access to information. Therefore, big data firms cannot simply split their value chain while cutting costs or unrestrictedly<sup>41</sup> operate in any undemocratic country. However, that does not stop GAFAs to explore new business opportunities in a significant part of the developing world.<sup>42</sup>

In sum, even though the digital GGV puts restrictions on some GAFAs corporations, the digital GGV and corporate behavior towards it is still a challenge for data privacy regulators-in developed, as well as in developing regions. Concerning the developed regions, this is exemplified by criticisms of the well-functioning and sufficiency of the European *GDPR* or the uneven sectoral approach in U.S. data privacy protection. Concerning the developing regions, a digital GGV is opened up by developing countries that have very weak data privacy protection frameworks (or none at all) and GAFAs corporations increasingly focusing on these markets.

### 3 Corporate Social and Digital Responsibility

As we have seen, GGVs prevail in the manufacturing, as well as in the digital sector. But if nation states and international organizations are either unwilling or unable to close them, how else can they be dealt with? According to Scherer and Palazzo, corporations may profit from the GGVs, but they are also becoming part of mitigating them: “[...] transnational corporations [...] increasingly participate in the formulation and implementation of rules in policy areas that were once the sole responsibility of the state or international governmental organizations.”<sup>43</sup> Thus, corporations often times engage in self-regulation and partly mitigate the vacuums by getting involved in peace-keeping, protecting human rights or setting environmental and social standards such as fighting climate change or establishing labor standards.<sup>44</sup> Self-Regulation is also observable in protecting human rights in the digital sphere, as I will show later on. However, it must be kept in mind that standards and rules emerging from corporate self-regulation may be weaker than legal rules that are enforceable,<sup>45</sup> which is why they are called “soft law.”<sup>46</sup> This self-regulation efforts can be summarized under the term *Corporate Social Responsibility (CSR)*, meaning “the idea that a company should be interested in and willing to help society and the environment as well as be concerned about the products and profits it makes.”<sup>47</sup> Thus, it stands in contrast to the aforementioned liberal view that the sole responsibility of business is to maximize profits. CSR is criticized frequently out of this latter perspective.<sup>48</sup> Yet, I will bracket this out in this thesis and regard CSR as a legitimate corporate practice. In the following, I will briefly outline the CSR concepts that I deem the most relevant for

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<sup>41</sup> Despite being blocked in 2014, Google intended to re-enter the Chinese market with a censored search engine but ultimately abandoned the project. This will be discussed in detail on page 33ff.

<sup>42</sup> Cf. Pisa and Polcari, “Governing Big Tech’s Pursuit,” 11.

<sup>43</sup> Scherer, Palazzo, and Baumann “Global Rules and Private Actors,” 506.

<sup>44</sup> Scherer and Palazzo, “The New Political Role,” 911.

<sup>45</sup> Scherer, Palazzo, and Baumann “Global Rules and Private Actors,” 506.

<sup>46</sup> Scherer and Palazzo, “The New Political Role,” 910ff.

<sup>47</sup> Cambridge Online Dictionary, s.v. “Corporate Social Responsibility”, accessed June 17, 2020, <https://dictionary.cambridge.org/de/worterbuch/englisch/corporate-social-responsibility>.

<sup>48</sup> Scherer and Palazzo, “The New Political Role,” 900.



my thesis. I will also explain the term “Corporate Digital Responsibility”, which extends CSR into the digital sphere.

### 3.1 Economic, Ethical and Political Conceptions of Corporate Social Responsibility

There are different conceptions regarding the justification of CSR. Scholars adhering to the economic conception, see it as a way to improve the corporation’s public image, they look for the “business case” in CSR. It builds on the classic liberal theory of the firm, which lines out profit-making as the primary goal of a corporation. Ethical behavior and stakeholder interests only count in as much as they are able to positively or negatively impact the corporation’s profit.<sup>49</sup> Therefore, CSR is used instrumental for financial purposes. Importantly, this still rests on a liberal democratic view of a strict labor division between the state and the corporation: if corporations stop engaging in CSR activities because they do not pay off, instrumentalists assume that the state is responsible for taking care of stakeholder concerns through the national legal framework.<sup>50</sup> As described before, this does not work anymore when corporations willingly shift their production/operations to states with insufficient legal rules.<sup>51</sup>

Apart from this economic, instrumental perspective there are proposals that corporations should voluntarily adhere to specific business ethics, independently of these being profitable or not. Scherer and Palazzo refer to this as the ethical conception of CSR. However, even when a motivation to do so is given (which is not guaranteed), the question arises where those norms should come from: due to globalization, corporations can choose the country (and therefore the culture) they desire to settle in. The different cultures are not homogenous<sup>52</sup> and have different norms. For this reason, Scherer and Palazzo deem deducing universal valid ethical guidelines for multinational corporations across cultures to be difficult, not to say impossible.<sup>53</sup> Therefore, ethical CSR is difficult to realize, because defining guidelines hinges on functioning, culturally homogenous nation states as well.

Instead, Scherer and Palazzo propose “[...] to acknowledge a new political role of business that goes beyond mere compliance with legal standards and conformity with moral rules”<sup>54</sup> as a new way of thinking about CSR: Scherer and Palazzo assert that “[...] business firms have an additional political responsibility to contribute to the development and proper working of global governance.”<sup>55</sup> Also, they become responsible for providing public goods.<sup>56</sup> But how do corporations fulfill this demand? Corporations should engage in a process of political deliberation together with NGOs, (inter)-governmental institutions and other stakeholders (e.g. customers) in order to actively design the rules.<sup>57</sup> Scherer and Palazzo name this the *political*

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<sup>49</sup> Cf. Ibid, 904.

<sup>50</sup> Cf. Ibid.

<sup>51</sup> With “insufficient” I mean legal frameworks that do not prevent or sanction human or labor right abuses.

<sup>52</sup> Cf. Ibid, 906.

<sup>53</sup> Cf. Ibid, 905ff.

<sup>54</sup> Ibid, 906.

<sup>55</sup> Scherer and Palazzo, “Globalization and Corporate Social Responsibility,” 2.

<sup>56</sup> Cf. Scherer and Palazzo, “The New Political Role,” 901. These public goods are not further specified, yet, it can be assumed that corporations assume political CSR by providing the public goods themselves (e.g. by donating) or by not avoiding taxes, so the respective governments can provide them.

<sup>57</sup> Cf. Ibid, 910.



conception of CSR. Supporting local and foreign governments in establishing rules may also be in the long-term interest of corporations, since they are “[...] criticized for the social and environmental harm that occurs along their supply chains”<sup>58</sup>, for example by NGOs exposing and criticizing labor-and human rights abuses publicly and on an international level. This can also lead to financial damage but in contrast to the instrumentalist view, this conception does not pre-suppose a functioning nation state-governance framework. Therefore, corporations cannot just stop their CSR-dialogue and delegate the responsibility for establishing a regulatory framework in all good faith to the state(s) they operate in. Neither does the political conception of CSR rely on deducing universal ethical norms, since the rules for corporate conduct are established in cooperation with national and international stakeholders in a deliberative process. Scherer and Palazzo name various initiatives focusing on such a multi-stakeholder dialogue such as the *Rainforest Alliance* or the *Forest Stewardship Council*.<sup>59</sup> This positive trend even emerges in sectors such as tobacco or petroleum.<sup>60</sup> So, instead of embedding CSR into liberal democracy which sees the corporation as a non-political actor, Scherer and Palazzo embed their conception into a *deliberative* model of democracy in which corporations become politicized.<sup>61</sup> The soft law emerging from this process then has the potential to (partly) mitigate the GGVs.<sup>62</sup>

### 3.2 Corporate Digital Responsibility

Scherer and Palazzo describe predominantly classical CSR issues such as worker rights in the supply chain<sup>63</sup> or the management of environmental externalities.<sup>64</sup> Yet, as the business models of some GAFSA corporations (Facebook and Google) mainly center around online data acquisition and usage, it is crucial to include CDR into this analysis as well. In its most general formulation, CDR means the responsible integration of digitalization into a company’s core business.<sup>65</sup> Scherer and Palazzo’s categorization into instrumental, ethical and political can also be applied to CDR. In fact, there are already parallels between the instrumental conception of CSR and CDR understood as a so-called *shared value strategy*, as advocated by a recent CDR study conducted for the German industry. CDR, just like CSR, can lead to strategic competitive advantages<sup>66</sup> and can therefore contribute to safeguarding corporate profitability. However, one could also extend this view and advocate a political conception of CDR in the sense of Scherer and Palazzo: just as in the non-digital world, the aforementioned study

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<sup>58</sup> Cf. Ibid, 915.

<sup>59</sup> Cf. Ibid, 912.

<sup>60</sup> Cf. Ibid, 912ff.

<sup>61</sup> Cf. Ibid, 918. Explaining Habermas’ deliberative model of democracy would go beyond the scope of this thesis. For the purpose of this paper, it means public deliberation with a wider base of participants, e.g. corporations.

<sup>62</sup> Cf. Ibid, 909.

<sup>63</sup> Cf. Ibid, 912.

<sup>64</sup> Cf. Ibid, 914.

<sup>65</sup> Cf. Frank Esselmann, Alexander Brink, Dominik Golle et. al., "Corporate Digital Responsibility-Unternehmerische Verantwortung für die deutsche Wirtschaft", *Zentrum Digitalisierung Bayern Digital Dialogue Positionspapier*, (March 2020): 6ff, [https://zentrum-digitalisierung.bayern/wp-content/uploads/ZD.B-Positionspapier\\_Final\\_web.pdf](https://zentrum-digitalisierung.bayern/wp-content/uploads/ZD.B-Positionspapier_Final_web.pdf).

<sup>66</sup> Cf. Ibid, 5.

records that many corporations have got global value chains, global stakeholders and even that digitalization is per se non-territorially bound.<sup>67</sup> At present, the study deals only with German firms, but if digitalization is non-territorially bound, it leads to the possibility of a digital GGV because multinationally operating corporations choose the legal framework that suits them best. So how do you mitigate this digital GGV? The study lines out that multi-stakeholder-dialogues and implementation projects including politics, civil society (possibly represented by NGOs) and costumers are necessary for the successful implementation of CDR strategies.<sup>68</sup> Therefore, a multi-stakeholder CDR dialogue is as necessary as it is in classical CSR in order to deal with governance gaps. If these gaps are global, i.e. there is no regulative, enforceable framework in some states, a political conception of CDR is necessary in order to mitigate this digital GGV. With regard to CDR and the responsible corporate handling of data, the study points to five core areas which have been defined by the management consultancy *Accenture*: “*digital stewardship*” (meaning data protection & security), “*digital transparency*” (making transparent what data is used for), “*digital empowerment*” (nudging customers to provide their data consciously), “*digital equity*” (fair distribution of revenues from using customer data) and “*digital inclusion*” (making available data for research purposes).<sup>69</sup> Consequently, discussing these core areas in a multi-stakeholder dialogue enables corporations to make meaningful political CDR commitments regarding big data, if there is no adequate regulative framework in certain regions.

Now equipped with these CSR/CDR conceptions, I will investigate the GAFA sector. In how far do the corporations profit from the non-digital and the digital GGV? In contrast to that, how much do they impose self-regulation to mitigate these vacuums and engage in *political* CSR and CDR?<sup>70</sup>

## 4 GAFA and Political CSR/CDR in Practice

In order to answer these questions posed above, I will adhere to a distinction made by Scherer and Palazzo, namely the *Race to the Bottom Effect* and the *Regulatory Vacuum Effect*.<sup>71</sup> These effects define how exactly “[g]lobalization is weakening the power of (national) political authorities to regulate the activities of corporations that globally expand their operations.”<sup>72</sup> It is this process that constitutes the non-digital and digital GGV. Therefore, these effects summarize and divide the GGVs into individual policy fields, in which corporate behavior of GAFA can be analyzed.

*The Race to the Bottom Effect (RBET)*. The RBE expresses the fact that due to the effects of globalization, corporations can choose the legal framework that suits them best to maximize

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<sup>67</sup> Cf. Ibid, 8.

<sup>68</sup> Cf. Ibid, 14. The study records this merely in a national context, but it can be assumed that this would apply similarly in an international one.

<sup>69</sup> Cf. Tim Cooper, Jade Siu, and Kuangyi Wei, “Corporate Digital Responsibility-Doing Well by Doing Good”, *Accenture Outlook* (2015): 2ff, [https://www.accenture.com/\\_acnmedia/Accenture/Conversion-Assets/Outlook/Documents/2/Accenture-Corporate-Digital-Responsibility-Web-PDF-V2.pdf](https://www.accenture.com/_acnmedia/Accenture/Conversion-Assets/Outlook/Documents/2/Accenture-Corporate-Digital-Responsibility-Web-PDF-V2.pdf).

<sup>70</sup> I will not further pursue the ethical or instrumental conceptions of CSR. These concepts were explained in order to differentiate them from political CSR.

<sup>71</sup> Cf. Scherer and Palazzo, “Globalization and Corporate Social Responsibility,” 14.

<sup>72</sup> Ibid, 13.

their profits. More precisely, they choose states with *low wage-levels*<sup>73</sup>, *weak or non-existent unions*<sup>74</sup> and *low taxes*. In order to attract corporate investments, states therefore engage in a race to the bottom with regard to those criteria.<sup>75</sup> In order to determine whether the RBE applies to GAFA, I will evaluate the wage-and working conditions of GAFA's employees and suppliers. Thereby, I will also analyze aspects specific to the IT-sector: there are internationally operating micro-labor platforms such as Amazon Mechanical Turk (AMT) which leave wages and working conditions heavily unregulated. Some GAFA firms also employ social media content moderators, who are exposed to psychologically precarious working conditions. Regarding taxes, GAFA has been especially prone to accusations of tax evasion and avoidance in the context of the so-called *Teclash*.<sup>76</sup> These developments provide fruitful opportunities to analyze the RBE and GAFA's corresponding CSR policies.

*The Regulatory Vacuum Effect (RVE)*: The RVE expresses the fact, that even though corporations are responsible for some of the world's most pressing problems, there is no international governmental framework to hold them accountable. Scherer and Palazzo name problems such as global warming, deforestation, corruption and human rights violations.<sup>77</sup> I will focus on global warming i.e. climate change and human rights violations. Regarding climate change, a multilaterally accepted, legally binding framework to hold corporations accountable does not exist. This can be exemplified by several nations opting out of the *Paris Climate Agreement*: if corporations decide to operate in these countries, they can avoid harsh climate-related restrictions. The IT sector's stance vis-à-vis climate change is important because IT related service's energy requirements will rise sharply.<sup>78</sup> Concerning the second aspect, human rights violations, I will focus on human rights in the digital context, namely the *human right to privacy*,<sup>79</sup> which I deem especially relevant in the context of the digital GGv and GAFA collecting big data. In this context, I will analyze GAFA's CDR strategies.

So how is my analysis structured? First, I will describe GGvs in the concrete policy fields defined by the RBE and the RVE. Second, I will determine whether GAFA corporations assume political CSR/CDR. Based on the theoretical framework by Scherer and Palazzo, I propose the following definition:

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<sup>73</sup> This only concerns professions that are generally low paid, such as simple (manual) work. GAFA corporations employ a variety of well-trained and well compensated international staff, such as software engineers, designers e.t.c. However, the compensation of highly educated staff is not subject to my analysis.

<sup>74</sup> I will take unions to be responsible for negotiating better working conditions in a wider sense.

<sup>75</sup> Cf. Ibid, 14.

<sup>76</sup> Cf. José van Dijck, "Governing Digital Societies: Private Platforms, Public Values," *Computer Law & Security Review* 36 (April 2020): 1, <https://doi.org/10.1016/j.clsr.2019.105377>.

<sup>77</sup> Cf. Scherer and Palazzo, "Globalization and Corporate Social Responsibility," 14. Analyzing all of these topics would transcend the scope of this thesis.

<sup>78</sup> Cf. Gary Cook, Jude Lee, Tamina Tsai et. al., "Clicking Clean-Who is Winning the Race to Build a Green Internet", *Greenpeace Inc. Publications* (January 2017): 15, [https://www.greenpeace.de/sites/www.greenpeace.de/files/publications/20170110\\_greenpeace\\_clicking\\_clean.pdf](https://www.greenpeace.de/sites/www.greenpeace.de/files/publications/20170110_greenpeace_clicking_clean.pdf).

<sup>79</sup> Cf. United Nations Human Rights Office of the High Commissioner, "The Right to Privacy in the Digital Age", accessed June 17, 2020, <https://www.ohchr.org/EN/Issues/DigitalAge/Pages/DigitalAgeIndex.aspx>. This general human right is enshrined in a more specific form in the data privacy law of each nation state. Therefore, I will also analyze GAFA's CDR commitment towards these more specific laws, e.g. the EU's GDPR.

A GAFSA firm adheres to a political conception of CSR/CDR *if and only if*:

- 1.) It mitigates a GGV, as defined by the policy fields of the RBE and the RVE. Therefore, it must establish a written soft law.<sup>80</sup> This soft law must go *beyond* the local legally mandatory regulation in the respective policy field *or* be capable of supporting regulators in monitoring the local legally mandatory regulation in the respective policy field.<sup>81</sup>
- 2.) It engages in a multi-stakeholder dialogue that must include non-governmental actors (NGOs, industry-wide shared initiatives) and should but needs not include actors such as (inter-) national governmental organizations.

If GAFSA corporations take on political responsibility will be assessed on a case basis in the EU, the U.S., China and Africa.<sup>82</sup> GAFSA's commitment to political CSR/CDR may vary across regarded regions and business areas. In the end, I will present my results in a summarizing table. It divides each GAFSA firms' stance towards political CSR/CDR into three categories: either the firm assumes political CSR/CDR, either it does only partially, either it does not at all.

## 4.1 The Race to the Bottom Effect (RBE)

### 4.1.1 The RBE & Apple

There are no salient cases of Apple underpaying workers in the U.S. or the EU. However, in 2019, the majority of Apple's top suppliers were situated in China.<sup>83</sup> According to Thomas Clarke and Martijn Boersma, China's wage level is comparatively low.<sup>84</sup> They also observe that Apple has especially strong standards regarding the quality of their products which incentivizes suppliers to reduce labor costs (including wages) since they cannot skimp on the raw materials.<sup>85</sup> Further, the Chinese government is not inclined to raising or enforcing labor standards (minimum wages, overtime-working regulation) since it could threaten its economic performance.<sup>86</sup> Following Scherer and Palazzo, one can therefore make the case that Apple shifted a large part of its value chain to a country with lower wage regulation ("race to the bottom").<sup>87</sup> In response, Apple's Chinese suppliers have been confronted with criticisms from NGO's such as *China Labor Watch (CLW)* who revealed that suppliers like *Foxconn* violated Chinese regulations and only paid their workers fifty Dollars a month for laboring fifteen hours a day.<sup>88</sup> Yet, Apple fixed in its supplier code of conduct, that all suppliers have to pay at least

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<sup>80</sup> Soft law can be supplier or sustainability codes of conducts, statements, reports, policies e.t.c.

<sup>81</sup> The mere capability to support regulators in monitoring suffices, because in the EU or the U.S., corporate adherence to providing minimum wages or working conditions is usually ensured by governmental regulators.

<sup>82</sup> I will briefly mention CSR/CDR policies in all regions, if applicable for each firm. However, salient cases will be depicted in more detail.

<sup>83</sup> Apple Inc., "Supplier List" (2019), accessed June 5, 2020, <https://www.apple.com/supplier-responsibility/pdf/Apple-Supplier-List.pdf>.

<sup>84</sup> Cf. Thomas Clarke and Martijn Boersma, "The Governance of Global Value Chains: Unresolved Human Rights, Environmental and Ethical Dilemmas in the Apple Supply Chain," *Journal of Business Ethics* 143, (June 2017): 116, <https://doi.org/10.1007/s10551-015-2781-3>.

<sup>85</sup> Cf. *Ibid*, 117.

<sup>86</sup> Cf. *Ibid*.

<sup>87</sup> Even though the majority of suppliers is situated in China, Apple has got suppliers in other countries as well (including the more regulated U.S.), so the extent to which the RBE applies is debatable.

<sup>88</sup> Cf. *Ibid*, 120ff.

the regional minimum wage.<sup>89</sup> To better enforce this code, the *soft law*, Apple has worked with various NGO's such as the *Fair Labor Association*, the *Institute of Environmental and Public Affairs* and *Verité* and this exchange has changed its business policies, e.g. its decision to allow third party labor monitoring.<sup>90</sup> All this is in line with Scherer and Palazzo's observation self-regulation can emerge, if national governments are unwilling to regulate. Apple's transparency and demand for external debate and validation can be seen as a form of engaging in a multi-stakeholder CSR-dialogue convening to the conception of Scherer and Palazzo. These multi-stakeholder-dialogues also apply to Apple's mineral suppliers in African countries, e.g. the Congo. Here, adequate wages are monitored by the *Responsible Minerals Initiative (RMI)*.<sup>91</sup> However, according to *CLW*, the wage issues in China (among other issues) were yet not fully taken care of several years after they were discovered.<sup>92</sup> Also, Apple does not go beyond the national standard for minimum wages, it just started to monitor its suppliers' compliance with the law.<sup>93</sup> Additionally, Clarke and Boersma judge Apple not to be proactive, but (more or less thoroughly) *reactive* when NGOs discover misconduct.<sup>94</sup> That may be due to the fact that it is not exactly a "multi"-stakeholder dialogue: notably absent in the discussions are consumers, who contributed to Apple having record sales in the regarded time frame.<sup>95</sup> Governmental actors, especially the Chinese ones, did not participate in the process neither.<sup>96</sup> Their absence may consequently diminish the effectiveness of these dialogues. All in all, regarding wages, Apple does take on political CSR: it does not exceed the legally demanded standards, but it improves their monitoring. Together with NGOs, it monitors more or less timely that legal requirements in China and Africa are kept based on a written soft law. This is valid for the U.S. and the EU as well.<sup>97</sup>

Regarding Unions, Apple profited from China's race to the bottom, as "[...] independent trade unions are forbidden in China while labor strikes are illegal."<sup>98</sup> The only legal union is the *All-China Federation of Trade Unions (ACFTU)*, which is closely tied to the Chinese Communist Party. Bill Taylor and Qi Li deem the ACFTU to be "[...] largely ineffectual in carrying out trade union functions, lacking the willingness or ability to protect workers' interests."<sup>99</sup> Despite the Chinese labor strike ban, according to *CLW*, there were uprisings at Apple's suppliers *Foxconn*

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<sup>89</sup> Cf. Apple Inc., "Apple Supplier Code of Conduct" (January 2020): 3, <https://www.apple.com/supplier-responsibility/pdf/Apple-Supplier-Code-of-Conduct-January.pdf>.

<sup>90</sup> Cf. Larry Catá Backer, "Transnational Corporations' Outward Expression of Inward Self-Constitution: The Enforcement of Human Rights by Apple, Inc.", *Indiana Journal of Global Legal Studies* 20, no. 2 (2013): 84, <https://doi.org/10.2979/indjglolegstu.20.2.805>.

<sup>91</sup> Cf. Apple Inc., "Supplier Responsibility - 2020 Progress Report" (2020): 48, [https://www.apple.com/supplier-responsibility/pdf/Apple\\_SR\\_2020\\_Progress\\_Report.pdf](https://www.apple.com/supplier-responsibility/pdf/Apple_SR_2020_Progress_Report.pdf).

<sup>92</sup> Clarke and Boersma, "The Governance of Global Value Chains," 123ff.

<sup>93</sup> Cf. *Ibid*, 117.

<sup>94</sup> Cf. *Ibid*, 125.

<sup>95</sup> Cf. *Ibid*, 116.

<sup>96</sup> Cf. *Ibid*, 126.

<sup>97</sup> Organizations such as the RBA operate in the EU and the U.S. as well. However, it can be assumed that governmental actors monitor compliance with minimum wage regulation sufficiently without NGO support.

<sup>98</sup> *Ibid*, 117.

<sup>99</sup> Cf. Bill Taylor and Qi Li, "Is the ACFTU a Union and Does It Matter?", *Journal of Industrial Relations* 49, no. 5 (November 2007): 703, <https://doi.org/10.1177/0022185607082217>.

and *Wintek*, combined with a total of thirteen attempted suicides.<sup>100</sup> Clarke and Boersma note that even though there is no functioning union, NGO's such as *CLW* "[...] continue to provide exploited workers with a voice."<sup>101</sup> Therefore, one can say that Apple opted for a country with low union regulation<sup>102</sup> but due to its audits and NGO-cooperation, worker complaints can in principle be addressed. This is also valid for the other regarded regions, i.e. for the U.S., EU and Africa. Yet, as NGO reports show with regard to topics such as unpaid overtime and workplace safety, it is dubitable whether the complaints are then properly taken care of.<sup>103</sup> Regarding taxes, Apple has been accused of tax avoidance by the European Commission in 2016.<sup>104</sup> According to the European Commission, taxes should be paid in the countries where profits have been generated. However, Apple does not act accordingly. Three Apple subsidiaries, *Apple Operations International*, *Apple Operations Europe* and *Apple Sales International (ASI)* are incorporated in Ireland. *ASI* is responsible for selling products in Europe, the Middle East, Asia and Africa. Yet, sales in those countries are recorded in Ireland and therefore not taxed in the respective countries of profit-origin.<sup>105</sup> Therefore, not only European but also African and Middle Eastern countries are deprived of tax payments.<sup>106</sup> This underlines Scherer and Palazzo's thesis, that a RBE can have global consequences, as corporations will shift their operations (in this case the company's location) to the country that offers the most attractive legal framework. In addition to that, the European Commission made the accusation that "[...] Ireland gave Apple an unfair tax advantage by allowing it to pay substantially less than the statutory corporate tax rate for more than 10 years."<sup>107</sup> This is clearly a race to the bottom on behalf of the Irish government. Further, Rita Barrera and Jessica Bustamante accuse Apple of using tax loopholes, which are subject to litigation: even though Apple-companies are incorporated in Ireland, they officially "[...] have no country of tax residence."<sup>108</sup> Apple must have been aware of this and therefore profited from this RBE. A final judgement about Apple's tax avoidance is yet to be made and Apple will likely appeal to the European Court of Justice.<sup>109</sup> Yet, in China, Apple has already been found guilty of tax evasion in 2015 and needed to pay 71 million dollars of outstanding taxes in addition to a 10 million dollar fine.<sup>110</sup> Thus, regarding taxes, Apple does not cooperate neither with governments, nor with NGOs to design a legal framework. Rather, Apple seeks to pay the least amount of taxes possible by using international tax loopholes, in developed, as well as in developing countries. In China, Apple even

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<sup>100</sup> Cf. Clarke and Boersma, "The Governance of Global Value Chains," 120ff.

<sup>101</sup> *Ibid*, 117.

<sup>102</sup> As previously mentioned, Apple does not exclusively produce in China, so the RBE in union regulation applies only partially as well.

<sup>103</sup> Cf. *Ibid*, 124.

<sup>104</sup> Cf. Rita Barrera and Jessica Bustamante, "The Rotten Apple: Tax Avoidance in Ireland", *The International Trade Journal* 32, no. 1 (January 2017): 150, <https://doi.org/10.1080/08853908.2017.1356250>.

<sup>105</sup> Cf. Barrera and Bustamante, "The Rotten Apple," 152ff.

<sup>106</sup> Cf. *Ibid*.

<sup>107</sup> *Ibid*, 150.

<sup>108</sup> Cf. *Ibid*, 155.

<sup>109</sup> Cf. *Ibid*, 157.

<sup>110</sup> Cf. David Goldman, "Apple Busted for Not Paying China Taxes," *CNN*, September 19, 2015, <https://money.cnn.com/2015/09/11/technology/apple-china-taxes/>.

faked its financial statement.<sup>111</sup> Apple does donate for charitable causes, but these amounts do not compensate the financial damage that its tax avoidance has done.<sup>112</sup> All in all, Apple's CSR commitment regarding taxes is absent: for once, because it was found guilty of tax evasion in China. Secondly, Apple avoids taxes multilaterally without engaging in a political deliberation process that would improve laws.

To sum up, Apple's behavior vis-à-vis the RBE is mixed. On the one hand, regarding wages and unions, Apple assumes a political role: its CSR policies do not necessarily exceed the low national standards in China and the other regarded countries, but are capable of monitoring their enforcement, which would normally be a governmental task. In the course of that, Apple adheres to a soft law and engages in a dialogue with NGOs, even though the dialogue is only bilateral, because consumers and governmental actors are absent. Therefore, the implementation of the outcome of the dialogue, i.e. Apple's improvement in labor policy is rather slow. *In dubio pro reo*,<sup>113</sup> one can say that Apple assumes a political role in wage regulation and in fulfilling tasks that unions are traditionally responsible for. On the other hand, regarding taxes, Apple does not assume a political role. It uses tax loopholes and even broke the law. Consequently, Apple does not mitigate, but profit from the GGV in tax regulation.

#### 4.1.2 The RBE & Amazon

How does Amazon act vis-à-vis the RBE? Regarding wages, Amazon's behavior is ambiguous: it displays rather positive tendencies in its role as an online retailer but assumes no political responsibility on its micro-labor platform *Amazon Mechanical Turk (AMT)*, which provides cheap digital labor. Concerning the retail aspects, Amazon has introduced wages that exceed the legally demanded in the U.S.<sup>114</sup> In the EU, Amazon's wage policy is criticized,<sup>115</sup> but I will assume that baseline conditions are ensured by Europe's comparatively strong regulative framework.<sup>116</sup> However, 40% of Amazon's merchants are situated in China,<sup>117</sup> where wages in production are comparatively low. In 2018 there have been criticisms regarding the Amazon supplier *Foxconn*: *CLW* has found, that more agency workers than legally allowed were working there and that compensation undercut Amazon's minimum standards as fixed in its supplier code of conduct.<sup>118</sup> This situation is therefore reminiscent to the one Apple has found

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<sup>111</sup> Cf. Goldman, "Apple Busted".

<sup>112</sup> Cf. Barrera and Bustamante, "The Rotten Apple," 159.

<sup>113</sup> Even when corporations adhere to a political conception of CSR as defined by the criteria on page twelve, the degree and the pace in which this CSR engagement is implemented varies. This will be discussed later on. For the analysis in section four, I will interpret GAFAs engagement in a favorable manner.

<sup>114</sup> Cf. Alistair Gray, Shannon Bond, and Jonathan Eley, "Amazon Raises Minimum Wage for US and UK Workers," *Financial Times*, October 2, 2018, <https://www.ft.com/content/af3be22a-c62a-11e8-82bf-ab93d0a9b321>.

<sup>115</sup> Cf. Marius Jora, "Amazon's 15\$ Wage: How about Europe?", *Medium*, October 10, 2018, <https://medium.com/@mariusjora/amazons-15-dollar-wage-bezos-how-about-europe-5a46fb8a36aa>.

<sup>116</sup> This can be exemplified by the previously mentioned European Working Time directive. Even if the regulative framework fails to notice law breaches, Amazon co-operates with multilaterally operating NGOs, which advocate minimum compensation. These cooperations will be described in the following.

<sup>117</sup> Cf. Marketplace Pulse, "40% of Merchants of Amazon Based in China", *Marketplace Pulse*, May 10, 2019, <https://www.marketplacepulse.com/articles/40-of-merchants-on-amazon-based-in-china>.

<sup>118</sup> Cf. Gethin Chamberlain, "Workers not paid legally by Amazon contractor in China," *The Guardian*, June 9, 2018, <https://www.theguardian.com/technology/2018/jun/09/amazon-contractor-foxconn-pay-workers-illegally>.

itself in. As Apple did, Amazon took NGO complaints seriously and currently works with several organizations such as the *Responsible Business Alliance*, the *Better Work Programme* or the *Supplier Ethical Data Exchange* that address worker's rights in global supply chains and strive to make working conditions more transparent.<sup>119</sup> Therefore, one can indeed say that Amazon assumes political co-responsibility and mitigates the race to the bottom effect with regard to wages internationally, even though it does not really set higher wage standards, but only enforces the existing ones. Thereby, it collaborates with various NGOs and follows international governmental organizations' guidelines such as those of the *International Labor Organization (ILO)* or the *UN*, which is fixed in its supplier code of conduct.<sup>120</sup> These guidelines also hold for Amazon's mineral suppliers in Africa, e.g. in the Congo.<sup>121</sup> These practices establish a soft law beyond nation state requirements and signal a multi-stakeholder approach. Naturally, Amazon's engagement cannot cover everything: Amazon is an online marketplace which globally offers products from thousands of international vendors and it may not reasonably be expected to monitor the compensation policies of each one. One can always ask for more monitoring, but critique on Amazon's compensation policy is more salient when regarding *AMT*: the micro-labor platform is estimated among the largest platforms for crowdsourcing work.<sup>122</sup> As such it provides cost-effective means of outsourcing small tasks, but is problematic from a compensational perspective: *all* juridical rights are assigned to the requestor of the respective task and Amazon declines responsibility for payment issues. Consequently, there is no enforced minimum wage and requestors can even choose to not pay their independent contractors at all without legal consequences.<sup>123</sup> For *AMT*, Amazon assumes no responsibility for ensuring minimum standards for wages in none of the regarded regions. Neither does it deliberate with NGOs to improve the platform. Therefore, it does not assume a political role in this regard. In sum, regarding wages, Amazon may not pay low wages itself, but enables others to do so on its international platform *AMT*.<sup>124</sup> Therefore, it only partially adheres to a political conception of CSR.

With regard to unions, Amazon finds itself in a similar situation as Apple does. As mentioned, a large part of its suppliers is located in China, where the only legal union is the rather ineffective *ACFTU*. However, Amazon's suppliers and logistics centers are also situated in the U.S. or European countries where unions exist.<sup>125</sup> Even though Amazon tries to repress union activity

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<sup>119</sup> Cf. Amazon Inc., "*Sustainability Partnerships*", accessed June 19, 2020, <https://sustainability.aboutamazon.com/governance/sustainability-partnerships>.

<sup>120</sup> Cf. Amazon Inc., "Amazon Supply Chain Standards," (2019): 1, <https://d39w7f4ix9f5s9.cloudfront.net/de/48/a468a0be42da83d58b72019bb1c7/amazon-supply-chain-standards-2019.pdf>.

<sup>121</sup> Cf. *Ibid*, 5.

<sup>122</sup> Cf. Matthew Pittman and Kim Sheehan, "Amazon's Mechanical Turk a Digital Sweatshop? Transparency and Accountability in Crowdsourced Online Research", *Journal of Media Ethics* 31, no. 4 (October 2016): 260, <https://doi.org/10.1080/23736992.2016.1228811>.

<sup>123</sup> Cf. Birgitta Bergvall-Kåreborn and Debra Howcroft, "Amazon Mechanical Turk and the Commodification of Labour", *New Technology, Work and Employment* 29, no. 3 (November 2014): 218, <https://doi.org/10.1111/ntwe.12038>.

<sup>124</sup> All regarded countries are represented on this platform, either as requestors or workers.

<sup>125</sup> Cf. Jörn Boewe and Johannes Schulten, "The Long Struggle of the Amazon Employees", *Rosa Luxemburg Stiftung* (2019): 3, [https://www.rosalux.de/fileadmin/rls\\_uploads/pdfs/Ausland/Europa-Nordamerika/The\\_long\\_struggle\\_of\\_the\\_Amazon\\_employees.pdf](https://www.rosalux.de/fileadmin/rls_uploads/pdfs/Ausland/Europa-Nordamerika/The_long_struggle_of_the_Amazon_employees.pdf).



in the U.S. and the EU,<sup>126</sup> the international NGOs Amazon cooperates with strive to monitor and enforce minimum standards for working conditions, regardless of union activity in a particular region. Thus, even though Amazon may not agree with the demands of unions in some regions, its own multilateral NGO cooperations and code of conduct pressure it to at least ensure the legal minimum in working conditions. However, this *does not* apply to workers on *AMT*, who cannot build neither on unions nor on NGO support. Therefore, Amazon only partially adheres to a political conception of CSR regarding unions, as it does not include improvement and dialogue about *AMT* in its political CSR initiatives.

Regarding taxes, Amazon has been labeled as “[...] the business with the poorest tax conduct”,<sup>127</sup> among GAF A and some other IT firms in the time frame from 2010 to 2019, by the tax certification scheme *Fair Tax Mark (FTM)*. In Europe, *Amazon EU Sarl* is based in Luxembourg, which was ordered by the European Commission to recover unpaid taxes of 250 million euros, because the country allowed Amazon to shift profits to a tax-exempt shell company.<sup>128</sup> The legal process is still ongoing, but if the accusations hold true, this is clearly a RBE caused by Luxembourg, which Amazon did not intend to mitigate. Neither does Amazon seem to be interested in a (multi-stakeholder) dialogue. It refuses to disclose how much revenue and profit it generates and how much tax it pays (e.g. in the UK) because it books its sales mainly through Luxembourg.<sup>129</sup> In the U.S., Amazon’s cash tax paid amounted to only 12,7% of profits, when the federal tax rate was 35% in seven of the eight years under examination.<sup>130</sup> How does this relate to the GGV as defined by Scherer and Palazzo? Amazon’s tax avoidance shows that races to the bottom can occur even in economically highly developed regions such as the U.S. and the EU. However, Asia is an important growth market for Amazon as well.<sup>131</sup> It remains to be seen whether a stricter Asian tax regulation is able to make Amazon pay its taxes.<sup>132</sup> In Africa, Amazon has got no substantial market share yet, so there are no tax avoidance reports. At present it can be stated, that even though Amazon may donate for charitable causes,<sup>133</sup> this is far from compensating its tax savings generated from the race to the bottom effect in tax regulation. In sum, just like Apple, Amazon refuses open discourse and political responsibility regarding the payment of taxes. Therefore, it does not assume political CSR. However, Amazon sells mainly in the U.S. and the EU, so the RBE in taxes and Amazons denial of political CSR mainly affects Western countries.<sup>134</sup> Nevertheless, this may still change in the future.

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<sup>126</sup> Boewe and Schulten, “The Long Struggle”, 43ff.

<sup>127</sup> Fair Tax Mark, “The Silicon Six and Their \$100 Billion Global Tax Gap” (December 2019): 20ff, <https://fairtax-mark.net/wp-content/uploads/2019/12/Silicon-Six-Report-5-12-19.pdf>.

<sup>128</sup> Cf. Fair Tax Mark, “The Silicon Six”, 21.

<sup>129</sup> Cf. Ibid.

<sup>130</sup> Cf. Ibid.

<sup>131</sup> Cf. Boewe and Schulten, “The Long Struggle”, 48.

<sup>132</sup> If Amazon avoids taxes in China could not be determined due to linguistic barriers.

<sup>133</sup> Cf. Amazon Inc., “Our Communities”, accessed May 20, 2020, <https://www.aboutamazon.com/our-communities>.

<sup>134</sup> This presupposes that Luxembourg’s legal framework does not allow Amazon to tax their Asian and African revenues there, as the Irish one allows in the case of Apple. However, this is by no means guaranteed.

Summing up, how does the RBE apply to Amazon? Regarding wages, Amazon's behavior is ambiguous: in its retail business and mineral supply chain, it adheres to *UN* guidelines and works together with NGOs that monitor working conditions. When adhering to the principle of *in dubio pro reo*, one can affirm that Amazon takes on a political responsibility in monitoring minimum wages. It does so together with NGOs in all regarded regions, even though it does not always set higher wage-standards itself.<sup>135</sup> However, on its online platform *AMT*, the firm denies all responsibility for wage regulation, which leads to extremely low or unpaid digital labor. Here, Amazon does not adhere to political CSR and profits from the GGV in wage regulation of digital labor in all regarded regions. Concerning unions, Amazon ensures minimum working conditions, since it recognizes the *ILO* guidelines and cooperates with NGOs, which leads to multilateral soft law and monitoring. However, Amazon's engagement does not cover international digital labor on *AMT* either. Therefore, regarding wages and unions, Amazon only partially adheres to a political conception of CSR. Lastly, as for taxes, Amazon does not engage in CSR: it avoids tax disclosure, seeks to pay the least amount possible and delegates the responsibility for stricter tax regulation to the state(s).

#### 4.1.3 The RBE & Facebook

To monitor local minimum wages in its supply chain, Facebook has got an audit program developed by the *Responsible Business Alliance (RBA)*, which is fixed in Facebook's *Anti-Slavery and Human Trafficking Statement*.<sup>136</sup> In addition, it has set up a conflict minerals policy for its mineral suppliers in Africa, (e.g. in the Congo), which is monitored and enforced in cooperation with the *Organization for Economic Co-Operation and Development (OECD)* and the *RMI*.<sup>137</sup> This speaks for a political conception of CSR, as Facebook does not rely on nation states to monitor their suppliers' wages. Yet, in order for Facebook's platform to remain attractive for users, human content moderation is necessary. According to a *Reuters* tally, Facebook employed approximately 15.000 content moderators around the world in 2019.<sup>138</sup> Thus, content moderators make up a substantial part of Facebook's lower compensated workforce. Many work in the Global South<sup>139</sup> and several compensation policies for content moderation are possible: from full-time salaried in-house employees, to hourly-paid subcontractors, to micro-laborers.<sup>140</sup> As Facebook's sub-contracts suppliers and content moderators are

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<sup>135</sup> In the U.S. its wages are higher than the legally demanded.

<sup>136</sup> Facebook Inc., "Facebook's Anti-Slavery and Human Anti-Trafficking Statement" (June 2019): 1, [https://s21.q4cdn.com/399680738/files/doc\\_downloads/quick\\_links/Facebook's-Anti-Slavery-and-Human-Trafficking-Statement-2019-updates-\(Approved-05-29-19\).pdf](https://s21.q4cdn.com/399680738/files/doc_downloads/quick_links/Facebook's-Anti-Slavery-and-Human-Trafficking-Statement-2019-updates-(Approved-05-29-19).pdf).

<sup>137</sup> Cf. Facebook Inc., "Facebook's Conflict Mineral Policy", May 30, 2018, <https://investor.fb.com/corporate-governance/Conflict-Minerals-Policy/default.aspx>. China is left out of the analysis here, as Facebook does not operate in China.

<sup>138</sup> Cf. Munsif Vengattil and Paresh Dave, "Some Facebook Content Reviewers in India Complain of Low Pay, High Pressure", *Reuters*, February 28, 2019, <https://www.reuters.com/article/us-facebook-content-india-feature/some-facebook-content-reviewers-in-india-complain-of-low-pay-high-pressure-idUSKCN1QH15I>.

<sup>139</sup> Cf. Sarah T. Roberts, "Behind the Screen: The Hidden Digital Labor of Commercial Content Moderation", (PhD diss. University of Illinois at Urbana-Champaign, 2014), 35, <http://hdl.handle.net/2142/50401>.

<sup>140</sup> Cf. Roberts, "Behind the Screen," 17.

dispersed in various countries, including the U.S. and the EU and North Africa,<sup>141</sup> it cannot be accused of profiting from a RBE in wage regulation.<sup>142</sup> Also, local minimum wages are generally supposed to be monitored by NGOs such as the *RBA*. However, according to Sarah T. Roberts, Facebook used a micro-labor site called *oDesk*<sup>143</sup> for content moderation in 2012.<sup>144</sup> Websites such as *oDesk* “[...] drive the value of the labor down to the lowest global bidder.”<sup>145</sup> In the words of Scherer and Palazzo, this is clearly a RBE. If Facebook still uses micro-labor for content moderation, it would indeed profit from a RBE in global online labor regulation. Unfortunately, further information of the existence and amount of Facebook’s global micro-laborers is not available, so the accusation is not judged to be valid for this analysis. *In dubio pro reo*, it can be asserted that Facebook adheres to a political conception of CSR: it does not exceed legal standards with regard to wage regulation but monitors the existing ones. However, this is only valid under the assumption that Facebook stopped using micro-labor.<sup>146</sup> Concerning unions, Facebook monitors its material and mineral suppliers’ working conditions together with the *RMI* and the *RBA*.<sup>147</sup> These organizations partly substitute for non-existing or weak unions in supplying countries. For content moderators, no union activity could be found either. As content moderators work worldwide and there are no unions yet, one cannot accuse Facebook of engaging in a RBE in this regard.<sup>148</sup> However, working conditions of content moderators are burdensome and the content can be psychologically damaging.<sup>149</sup> The profession is relatively new, so there are few governmental regulations. Currently, Facebook has established no NGO cooperations or shared initiatives that would advance psychological employee wellbeing, i.e. address the needs of content moderators specifically. These are necessary, since Facebook did not provide professionally trained psychologists on the job while simultaneously requiring employees to sign forms to consent to the risk of *Post-Traumatic Stress Disorder (PTSD)*.<sup>150</sup> In consequence, Facebook, has been sued by content moderators in the U.S. and had to pay a \$52 million settlement fine in 2020. A similar lawsuit is ongoing in the EU.<sup>151</sup> Facebook now *legally* needs to improve its framework for the mental health of its U.S. employees. However, whether this will apply to subcontractors in EU and North Africa as

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<sup>141</sup> Cf. Lydia Emmanouilidou, “Facebook Will Pay \$52m to US content Moderators for Trauma on the Job. What About Its International Contractors, ?” *The World*, May 15, 2020, <https://www.pri.org/stories/2020-05-15/facebook-will-pay-52m-us-content-moderators-trauma-job-what-about-its>. As Facebook does not operate in China, it does not employ content moderators there.

<sup>142</sup> However, Facebook might be forced to hire internationally, since content needs to be moderated in various languages.

<sup>143</sup> For a criticism of the micro-labor website *AMT*, see page 17. *oDesk* operates similarly.

<sup>144</sup> Cf. Sarah T. Roberts, “Behind the Screen,” 39.

<sup>145</sup> *Ibid*, 42.

<sup>146</sup> As there is no further official data, I will assume this according to the *in dubio pro reo* principle.

<sup>147</sup> Facebook Inc., “Facebooks Anti-Slavery and Human Anti-Trafficking Statement”.

<sup>148</sup> Facebook must ensure content moderation in many different languages. Therefore, employing content moderators globally (including highly regulated countries) is to some degree unavoidable. Thus, it is not solely motivated by Facebook’s CSR commitment.

<sup>149</sup> Cf. Roberts, “Behind the Screen,” 2.

<sup>150</sup> Cf. Madhumita Murgia, “Facebook Content Moderators Required to Sign PTSD Forms”, *Financial Times*, January 26, 2020, <https://www.ft.com/content/98aad2f0-3ec9-11ea-a01a-bae547046735>.

<sup>151</sup> Cf. Emmanouilidou, “Facebook Will Pay \$52m”.

well is still open.<sup>152</sup> As the case had to be brought before a court at first and is not yet settled in other parts of the world, one cannot speak of Facebook assuming political CSR in this regard, as Facebook still relies on different governmental frameworks to hold it accountable for its content moderator's working conditions. Neither is there a soft law specific to content moderators in the EU and North Africa nor a cooperation with NGOs yet. However, for its mineral suppliers, Facebook has set up an audit scheme for monitoring (physical) working conditions.<sup>153</sup> Consequently, Facebook's stance towards political CSR is ambiguous: for mineral suppliers it adheres to political CSR in replacing union tasks. For the *psychological* working conditions of its 15.000 content moderators it does only partially (in the U.S.) and only after a court decision. Therefore, it only partially assumes political CSR in this regard.

As for taxes, Facebook is criticized along with other GAFA firms. The *FTM* certification scheme ranks Facebook directly behind Amazon in tax avoidance, in comparison with Google, Netflix and Microsoft.<sup>154</sup> In the U.S., Facebook's cash tax paid as a percentage of profit over the period 2010-2018 was just 10,2%. The federal rate of tax in the U.S. however was 35% in seven out of eight years under examination.<sup>155</sup> Just as for Apple, the Irish tax system plays an important role for Facebook's tax avoidance as well, as its European revenue is booked through Ireland.<sup>156</sup> This speaks for Facebook profiting from a RBE in tax regulation. For Africa, no tax avoidance data could be found. China is left out of the analysis, since Facebook does not operate there. Consequently, as for taxes, Facebook does not adhere to a political conception of CSR at present: it avoids or deters paying taxes and leaves it to nation states to design and enforce tax regulation.

Summing up, with regard to wages, Facebook cooperates with NGOs to monitor compensation policy for all professions and does not profit from a RBE. As for unions, Facebook does not profit from a RBE neither: it monitors physical working conditions together with NGOs. Yet, this latter point does not apply to psychological working conditions for content moderators outside the U.S., which is why Facebook only partially engages in political CSR. As for taxes, Facebook assumes no responsibility, as it avoids paying taxes and profits from the GGV in international tax regulation.

#### 4.1.4 The RBE & Google

Just like Facebook, Google is a member of the *RBA*. Additionally, its supplier code of conduct is in accordance with the *UN Guiding Principles On Business and Human Rights*.<sup>157</sup> Minimum wages for all Google employees are internally and externally monitored,<sup>158</sup> e.g. by the *RBA* and the *RMI*.<sup>159</sup> Googles suppliers are situated in 70 different countries, including the U.S. and

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<sup>152</sup> Cf. *Ibid.*

<sup>153</sup> Cf. Facebook Inc., "Facebook's Conflict Mineral Policy" accessed June 3, 2020, <https://investor.fb.com/corporate-governance/Conflict-Minerals-Policy/default.aspx>.

<sup>154</sup> Cf. Fair Tax Mark, "The Silicon Six," 22.

<sup>155</sup> *Ibid.*

<sup>156</sup> Cf. *Ibid.*, 23.

<sup>157</sup> Cf. Alphabet Inc., "Google Supplier Code of Conduct", accessed June 3, 2020, [https://about.google/intl/en\\_us/supplier-code-of-conduct/](https://about.google/intl/en_us/supplier-code-of-conduct/).

<sup>158</sup> Cf. Alphabet Inc., "Responsible Supply Chain Report 2019" (November 2019): 12ff, [https://services.google.com/fh/files/misc/google\\_2019-rsc-report.pdf](https://services.google.com/fh/files/misc/google_2019-rsc-report.pdf).

<sup>159</sup> Cf. Alphabet Inc., "Responsible Supply Chain Report 2019," 21.

the majority of European countries.<sup>160</sup> Thus, one cannot accuse Google of profiting from a RBE since suppliers are dispersed so widely.<sup>161</sup> Additionally, the NGOs Google cooperates with and Google's internal audits monitor if baseline requirements for wages are kept. In 2017, Google's affiliate company YouTube announced to hire at least 10.000 content moderators.<sup>162</sup> Thus, content moderators constitute a substantial part of Google's lower compensated human work force as well. As for Google's content moderators, sub-contractors are paid at least minimum wages and no micro-labor accusations have been made yet.<sup>163</sup> Therefore, regarding wages, Google assumes political CSR.

As for unions, mineral and material suppliers can seek remedy through internal and third-party audits, regardless of union activity in a particular country. However, Google's internationally operating content moderators still face precarious psychological working conditions and Google does not fill this gap: just like Facebook, Google does not address the *PTSD* problematic with NGOs or governments. There are no trained psychologists on the job and even in the U.S., sub-contractors are denied paid medical leave when they develop *PTSD*.<sup>164</sup> It can therefore be assumed that Google does not voluntarily provide better working conditions elsewhere neither, i.e. not in Africa nor in Europe.<sup>165</sup> For Google's (and Facebook's) content moderators: "[...] there have been a generalized lack of industry-wide best practices and shared initiatives."<sup>166</sup> Neither is there a relevant soft law. Therefore, just like Facebook, Google's stance towards political CSR for replacing union tasks is ambivalent: for its mineral suppliers Google supports states and cooperates with the *RBA* and the *RMI* to monitor basic physical employee wellbeing. Yet, this does not apply for the mental wellbeing of thousands of internationally employed content moderators. Therefore, Google only partially assumes political CSR in this regard.

Concerning taxes, Google is on a par with the previously described IT firms. It did not break laws, but profits from the Irish tax system. Based on a *Sunday Times* report, Christian Fuchs accuses Google of tax avoidance.<sup>167</sup> An Irish subsidiary handles the revenues made in the Middle East and Africa.<sup>168</sup> However, Google is a tax resident in Bermuda as well.<sup>169</sup> This exemplifies

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<sup>160</sup> Cf. *Ibid*, 3.

<sup>161</sup> However, some parts of the supply chain have to be outsourced, e.g. the sourcing of minerals, which is only possible in certain countries.

<sup>162</sup> Cf. Sarah Ashley O'Brien, "Moderating the Internet is Hurting Workers. How Can Companies Help Them?", *CNN Business*, February 28, 2019, <https://edition.cnn.com/2019/02/28/tech/facebook-google-content-moderators/index.html>.

<sup>163</sup> Cf. Casey Newton, "The Terror Queue", *The Verge*, December 16, 2019, <https://www.theverge.com/2019/12/16/21021005/google-youtube-moderators-ptsd-accenture-violent-disturbing-content-interviews-video>.

<sup>164</sup> Cf. Newton, "The Terror Queue".

<sup>165</sup> China is left out of the analysis here, since Google does not operate there anymore,

<sup>166</sup> Cf. Debra L. Merskin, ed., "The SAGE International Encyclopedia of Mass Media and Society" (Thousand Oaks: SAGE Publications Inc., 2020), 393, <https://us.sagepub.com/en-us/nam/the-sage-international-encyclopedia-of-mass-media-and-society/book244632>.

<sup>167</sup> Cf. Christian Fuchs, "The Online Advertising Tax as the Foundation of a Public Service Internet" (London: University of Westminster Press, 2018), 24, <https://doi.org/10.16997/book23>.

<sup>168</sup> Cf. Jennifer Rankin, Lisa O'Carroll and Angela Monaghan, "Google paid £11,6m in UK corporation tax last year", *The Guardian*, September 30, 2013, <https://www.theguardian.com/technology/2013/sep/30/google-paid-uk-corporation-tax>.

<sup>169</sup> Cf. Fair Tax Mark, "The Silicon Six," 25.

the complexity of RBEs in tax regulation and highlights their global impact, as lined out by Scherer and Palazzo. As Google consciously avoids taxes, it profited from the RBE. Additionally, just as Amazon, Google does not engage in an open dialogue: “[...] Google do[es] not disclose the exact amount of unrepatriated income or an indication of how much tax this has been subjected to outside of the U.S.”<sup>170</sup> This reticence prevents a multi-stakeholder dialogue and results in Google not adhering to a political conception of CSR in tax regulation.

In sum, regarding wages, Google cooperates with various NGOs that monitor compensative baseline requirements and therefore adheres to a political conception of CSR. As for substituting the tasks of weak or absent unions, Google’s behavior is ambivalent. For its manufacturing or raw-material suppliers it establishes basic physical wellbeing with NGO support. However, this is not the case for the psychological wellbeing of thousands of content moderators in the regarded regions. Therefore, Google only partially assumes political CSR. As for taxes, Google profits from the international RBE and avoids tax-disclosure and payments.

The analysis so far can be summarized in the following table:<sup>171</sup>

**The RBE and GAFA**

	Apple	Amazon	Facebook	Google
<b>Wages</b>	√	o	√	√
<b>Unions</b>	√	o	o	o
<b>Taxes</b>	x	x	x	x

√ = corporation assumes political CSR  
 o = corporation partially assumes political CSR  
 x = corporations does not assume political CSR

## 4.2 The Regulatory Vacuum Effect (RVE)

### 4.2.1 The RVE & Apple

How does Apple act when it comes to mitigating climate change and promoting the human right to privacy, i.e. how does Apple act vis-à-vis the Regulatory Vacuum Effect (RVE)? Regarding climate change mitigation, Greenpeace assesses Apple to occupy a leading role among platform operators,<sup>172</sup> as Apple made the commitment to use 100% renewable energy sources. This is fixed in its environmental responsibility report (the “soft law”).<sup>173</sup> Due to pressure from NGOs (e.g. Greenpeace’s *Unfriend Coal Campaign*) as well as customers, “[...] Facebook and Apple have been leading the sector in operational transparency, providing regular

<sup>170</sup> Ibid, 24.  
<sup>171</sup> When interpreting this table, it is important to note that it does not make comparative assertions about the quality of the different CSR/CDR initiatives. It is merely intended to display whether CSR/ CDR initiatives exist in the regarded regions and business areas. A check mark means that the respective firm assumes political CSR in the respective policy field in all of the regarded regions and business fields. A circle means that this is the case in some of the regarded regions and business fields. A cross means that this is the case for none of the regarded regions and business fields. If a corporation does not operate in a certain region, the region is left out when assessing CSR in the respective policy field (e.g. in the case of Facebook in China).  
<sup>172</sup> Cf. Cook, Lee, Tsai et. al., “Clicking Clean,” 7.  
<sup>173</sup> Apple Inc. “Environmental Responsibility Report” (April 2019): 7, [https://www.apple.com/environment/pdf/Apple\\_Environmental\\_Responsibility\\_Report\\_2019.pdf](https://www.apple.com/environment/pdf/Apple_Environmental_Responsibility_Report_2019.pdf)

and easy-to-access reporting of their data centers energy footprint [...].<sup>174</sup> Apple even pushes several governments to create access to renewable energy.<sup>175</sup> Consequently, it can be said that Apple takes on a political role as it discloses, discusses and improves its policies affecting the climate, not only in North America, but worldwide. Apple has even been one of the winners of the *UN Global Climate Change Action Awards*.<sup>176</sup> Therefore, one can indeed speak of a multi-stakeholder-dialogue in which Apple takes on a leading political role in exceeding nation state climate protections requirements. It thus mitigates a GGV in climate change regulation.

Concerning the *human right to privacy*, Apple calls privacy a fundamental human right and recognizes it as one of its core values.<sup>177</sup> That this holds true can be seen in the “San Bernardino” in the U.S.: according to Apple, the U.S. government i.e. the FBI legally requested Apple to make a new version of the iPhone operating system which would circumvent data protection security features in order to install it on an iPhone, which was recovered for investigating a terrorist attack. The FBI only wanted the software to be installed on that particular iPhone: however, once developed, this system would allow unlocking iPhones in anyone’s physical possession more easily<sup>178</sup> and in Apple’s view, “[...] other governments and criminals would come to the same backdoor.”<sup>179</sup> Thus, Apple deemed the request prone to abuse and went to court.<sup>180</sup> Apple’s stance towards the issue was backed by several NGOs, such as *the Electronic Frontier Foundation (EFF)*<sup>181</sup> or the *American Civil Liberties Union (ACLU)*.<sup>182</sup> In its statement, Apple specifically addressed customers and called for “public discussion.”<sup>183</sup> How does this relate to the political conception of CDR? First, one can assert that the U.S. advocated to put privacy protection at risk, may it be for a good reason or not, which could lead to a regulatory vacuum in data protection. It might ultimately have resulted in a free ticket for governments or other tech firms to develop and install similar systems under the guise of national security. However, instead of just complying, Apple was aware of its political responsibility to not build software that could be misused for gaining access to sensible data. Consequently, Apple engaged in self-regulation by maintaining a stronger stance than the government with regard to data privacy demands. This is clearly a sign of Apple assuming political CDR. Backed by NGOs,

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<sup>174</sup> Cf. *Ibid*, 29.

<sup>175</sup> Cf. *Ibid*, 6.

<sup>176</sup> Cf. United Nations Framework Convention on Climate Change, “Winners of the 2019 Global Climate Change Action Awards Announced”, September 26, 2019, <https://unfccc.int/news/winners-of-the-2019-un-global-climate-action-awards-announced.fice>

<sup>177</sup> Cf. Apple Inc., “Privacy,” accessed June 5, 2020, <https://www.apple.com/privacy/>.

<sup>178</sup> Cf. Apple Inc., “A Message to Our Customers”, February 16, 2016, <https://www.apple.com/customer-letter/>.

<sup>179</sup> Amitai Etzioni, “Apple: Good Business, Poor Citizen?”, *Journal of Business Ethics* 151, no. 1 (August 2018): 4, <https://doi.org/10.1007/s10551-016-3233-4>.

<sup>180</sup> Cf. Etzioni, “Apple: Good Business,” 2.

<sup>181</sup> Cf. Nate Cardozo and Andrew Crocker, “The FBI Could Have Gotten into the San Bernardino Shooter’s iPhone, But Leadership Didn’t Say That”, *Electronic Frontier Foundation*, April 2, 2018, <https://www.eff.org/de/deeplinks/2018/04/fbi-could-have-gotten-san-bernardino-shooters-iphone-leadership-didnt-say>.

<sup>182</sup> Scott Shackelford, Eric Richards, Anjanette Reynolds et. al., “iGovernance: The Future of Multi-Stakeholder Internet Governance in the Wake of the Apple Encryption Saga”, *North Carolina Journal of International Law and Commercial Regulation* (2017): 39ff, [https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=2851283](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2851283).

<sup>183</sup> Apple Inc., “A Message”.

Apple sought public discussion and included customers in its decision which lead to the involvement of multiple stakeholders, corporate, governmental and civil ones. Corporate “soft law” was involved as well, as Apple was able to maintain the standards laid out in its privacy policy. In the CDR categories of *Accenture*, one can say that Apple displayed *digital transparency*, as it included customers in its decision, and *digital stewardship* with regard to their customer data. Consequently, as for data protection in the U.S., one can indeed say that Apple assumes political CDR to foreclose a regulatory gap.<sup>184</sup>

In the EU, no comparable cases have emerged yet, but Apple affirms that its employees have to undertake a compulsory privacy training as part of Apple’s business conduct (the soft law).<sup>185</sup> Apple is under scrutiny for alleged *GDPR* violations, but none of them are conclusive yet. For adequately complying with the *GDPR*, Apple implemented privacy impact assessments and “[...] engages with a wide range of civil society representatives globally on various privacy issues including privacy by design and encryption.”<sup>186</sup> Thus, Apple has introduced soft law and is committed to a multi-stakeholder dialogue including civil society representatives, which are set out to monitor that *GDPR* requirements are kept. In *dubio pro reo*, one can affirm that Apple assumes political CDR in Europe as well, even though court decisions related to the alleged *GDPR* violations are still outstanding.

In contrast to that, Apple faces accusations of endangering human rights relating to privacy in China. Xiao Qiang accuses China to be on the road to become a surveillance state.<sup>187</sup> It’s 2016 cybersecurity law mandates that internet companies must store cloud data of Chinese users within China<sup>188</sup> and Apple complies. Qiang criticizes that “[...] these mandates for local storage of data would give the government unfettered access to search histories and other personal information regularly acquired by global tech companies.”<sup>189</sup> Additionally, many VPN-applications have been removed from the Chinese Appstore.<sup>190</sup> Even though both aspects have been heavily criticized by the *EFF*, Apple does not change its policies and complies with Chinese law.<sup>191</sup> This way, Apple makes it easier for the Chinese government to survey and control its citizens. Furthermore, Apple announced in April 2020 that it seeks to expand its service business in Africa,<sup>192</sup> where a lot of countries have no data protection or are governed by

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<sup>184</sup> There may be good reasons for investigating the recovered iPhone. However, I analyze this case only out of the perspective of data privacy protection. The normative justification of the U.S. government’s demands will not be evaluated.

<sup>185</sup> Cf. Apple Inc., “Privacy Governance,” <https://www.apple.com/legal/privacy/en-ww/governance/>.

<sup>186</sup> Cf. Apple Inc., “Privacy Governance.”

<sup>187</sup> Cf. Qiang, “President Xi’s Surveillance State,” 53.

<sup>188</sup> Cf. *Ibid*, 63.

<sup>189</sup> *Ibid*.

<sup>190</sup> Cf. Danny O’Brien and Mona Wang, “Apple’s Split Brain: Building Levers for Improved Security or Content Censorship?”, *Electronic Frontier Foundation*, October 22, 2019, <https://www.eff.org/de/deeplinks/2019/10/apples-split-brain-building-levers-improved-security-or-content-censorship>.

<sup>191</sup> Cf. O’Brien and Wang, “Apple’s Split Brain.”

<sup>192</sup> Stephen Nellis, “Apple Expands Services Business to Markets in Africa and Beyond”, *Reuters*, April 21, 2020, <https://www.reuters.com/article/us-apple-services/apple-expands-services-business-to-markets-in-africa-and-beyond-idUSKBN2230R8>.



autocratic regimes. Up to now, no assertions about Apple's CDR policy in Africa can be made, since no privacy concerns have emerged yet. Neither is there a discernible deliberative process.

To sum up, Apple's behavior vis-à-vis the RVE is ambivalent: Apple globally mitigates climate change, which goes beyond the demands of several nation states. Regarding data privacy, Apple takes a strong stance in the U.S and the EU. Yet, it also complies with facilitating government surveillance in China, while its concrete CDR strategy in African countries is still unclear. Therefore, Apple only partially assumes political CDR.

#### 4.2.2 The RVE & Amazon

In 2017, Greenpeace accused Amazon Web Services to be "[...] one of the biggest obstacles to sector transparency [...]"<sup>193</sup> According to them, Amazon would be completely non-transparent about the energy footprint of its operations.<sup>194</sup> However, in 2019, Amazon made the pledge to meet the Paris climate agreements requirements in 2040, ten years before they are official due. The pledge, which is fixed in its sustainability report, calls for net zero carbon emissions across all business fields.<sup>195</sup> In pursuing this self-imposed soft-law, Amazon works together with several NGOs that address the issue of climate change: the *Clean Cargo Working Group*, the *Center for Climate and Energy Solutions*, the *Renewable Buyers Alliance* and many more.<sup>196</sup> Many of the NGOs Amazon cooperates with work multilaterally. Since Amazon operates multilaterally as well and the pledge is valid for all of Amazon's business fields, Amazon is committed to globally mitigate climate change. Amazon does not only work with NGOs, but also supports governmental actors in setting up policy guidelines: together with Apple, Google and Microsoft it supported the *US EPA's Clean Power Plan* by filing a joint *Amicus Curie*.<sup>197</sup> If Amazon continues to pursue and meets its goals,<sup>198</sup> one can indeed assert that Amazon adheres to a political notion of CSR. It exceeds nation state requirements and fills a GGV in climate regulation.

How does Amazon react vis-à-vis the human right to privacy? There is critique regarding its global cloud data storage in relation to its device *Amazon Echo*, as "[...] Amazon is able to view user dialogues with Alexa and use them to the company's advantage."<sup>199</sup> Yet, according to Catherine Jackson and Angela Orebaugh, "[t]he use of this data by others, including law enforcement, present the largest potential threat to user privacy."<sup>200</sup> Just like Apple, Amazon

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<sup>193</sup> Cook, Lee, Tsai et. al., "Clicking Clean", 30.

<sup>194</sup> Cf. Ibid.

<sup>195</sup> Cf. Amazon Inc., "Sustainability: Thinking Big" (September 2019): 5, <https://sustainability.aboutamazon.com/pdfBuilderDownload?name=sustainability-thinking-big-december-2019>.

<sup>196</sup> Cf. Ibid, 73.

<sup>197</sup> Cook, Lee, Tsai et. al., "Clicking Clean," 41.

<sup>198</sup> As mentioned, in 2017, Greenpeace was rather critical of the Amazon branch *Amazon Web Services*. However, the pledge was made 2019 and could indicate a policy change. In any case, I still adhere to the principle of *dubio pro reo*.

<sup>199</sup> Catherine Jackson and Angela Orebaugh, "A Study of Security And Privacy Issues Associated With the Amazon Echo," *International Journal of Internet of Things and Cyber Assurance* 1, no. 1 (2018): 94, <https://pdfs.semanticscholar.org/e80b/6646a8d6c5a6e4b8904db11d8115e83c6b09.pdf>. 'Alexa' is how the voice assistant of the Amazon Echo device is called.

<sup>200</sup> Jackson and Orebaugh, "A Study of Security," 94.

has already been asked to disclose the personal data of a U.S. customer in a criminal investigation, in the so-called *Arkansas vs. Bates*-case: following its privacy policy, the *soft law*, Amazon refused to disclose the customer's Echo audio recordings before court at first and only agreed to release them when the accused subject consented.<sup>201</sup> Amazon stance towards the case was also backed by NGOs such as the *EFF*.<sup>202</sup> Yet, in the future, Amazon may not be successful again: “[v]arious legal interpretations and rulings could create precedent to allow devices such as the Amazon Echo and Alexa interactions to be used in an investigation and court of law.”<sup>203</sup> In sum, from the perspective of the preservation of individual privacy, one can attest that Amazon was aware of its responsibility to not disclose customer data (*digital stewardship*). Thus, one can assert that Amazon assumed political CDR in the U.S. Backed by NGOs,<sup>204</sup> it successfully objected to a precedent case which threatened to weaken privacy rights.<sup>205</sup>

In contrast to that, Amazon is alleged to violate the EU's *GDPR*. The NGO *NOYB* accused Amazon of failing to provide intelligible copies of the data it holds about its customers.<sup>206</sup> If this holds true, Amazon would violate the CDR principle of *digital transparency* and break the law, which precludes a meaningful CDR commitment. However, the case has just begun to be investigated. Yet, in contrast to Apple, a wider commitment to include civil actors or NGOs in the general *GDPR* compliance process has not been formulated by Amazon.

Critique regarding international privacy rights is well-founded when regarding Amazon's micro-labor site *AMT*. Here, Amazon does not display political CDR with regard to the privacy of its users: Shruti Sannon and Dan Cosley note that “[a]lthough issues of disclosing personal information are not unique to [AMT] or to online work, they may be magnified in digital labor due to stark information and power asymmetries.”<sup>207</sup> As digital work does not offer traditional labor protection, workers on *AMT* have experienced privacy violations such as data profiling, invasive stalking, spamming and scams.<sup>208</sup> Even though workers are supposed to be anonymous and the user policy prohibits asking personal information such as e-mail addresses, the authors suspect that many *Human Intelligence Tasks* on *AMT* are returned midway due to

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<sup>201</sup> Cf. *Ibid*, 95.

<sup>202</sup> Cf. Jamie Williams, “EFF Applauds Amazon for Pushing Back on Request for Echo Data”, *Electronic Frontier Foundation*, March 9, 2017, <https://www.eff.org/de/deeplinks/2017/03/eff-applauds-amazon-pushing-back-request-echo-data>.

<sup>203</sup> Jackson and Orebaugh, “A Study of Security,” 95.

<sup>204</sup> It is unclear in how far Amazon was influenced by NGOs-positions towards the topic prior to its decision. Yet, it can be assumed that Amazon had considered the societal impact of its decision and had made sure that it does not run diametrically against prominent NGO-positions on that topic.

<sup>205</sup> If Amazon will react similarly in the other regarded region could not be determined, as no comparable cases have emerged yet.

<sup>206</sup> Cf. Kirsti Knolle and David Evans, “Austrian Privacy Activist Schrems Files Complaint Against Amazon”, *Reuters*, February 19, 2020, <https://www.reuters.com/article/europe-privacy-amazoncom/austrian-privacy-activist-schrems-files-complaint-against-amazon-idUSL8N2AJ4ZJ>.

<sup>207</sup> Shruti Sannon and Dan Cosley, “Privacy, Power, and Invisible Labor on Amazon Mechanical Turk”, *Proceedings of the 2019 CHI Conference on Human Factors in Computing Systems - CHI '19* (the 2019 CHI Conference, Glasgow, Scotland Uk: ACM Press, 2019): 1, <https://doi.org/10.1145/3290605.3300512>.

<sup>208</sup> Cf. Sannon and Cosley, “Privacy, Power and Invisible Labor”, 1.

privacy concerns, which results in unpaid labor.<sup>209</sup> Amazon established a reporting mechanism for malicious requestors,<sup>210</sup> yet, workers cannot *anticipate* the privacy risks of a task upfront, as tasks do often not include information about which data requestors ask.<sup>211</sup> Neither are there any official *AMT* guidelines that could guide the workers in their privacy related decisions or help them to choose trustworthy requestors.<sup>212</sup> In Europe however, due to the *GDPR*, workers on *AMT* must be informed when they are required to provide non-anonymous data and must know what it is used for. Additionally, explicit consent must be asked.<sup>213</sup> Yet, these rules are not necessarily valid for other countries and Amazon does not make efforts to establish these rules outside of the EU, e.g. by setting up and enforcing stricter and more informative privacy guidelines on *AMT*. Following *Accenture's* CDR categories, one can therefore make the case that Amazon did not design the platform CDR convenient. First, it lacks *digital transparency*, as workers outside of the EU often do not know exactly what their data is used for. Second, it lacks *digital empowerment*, as workers are not nudged towards trustworthy requestors by Amazon.<sup>214</sup> Third, it neglects *digital equity*, as workers are not paid when rejecting tasks due to privacy concerns. If Amazon engages in a dialogue with NGOs regarding privacy protection on *AMT* is dubitable. The employment section in Amazon's social sustainability report addresses only material suppliers and nowhere mentions improving privacy and working-conditions on the crowd-sourcing platform.<sup>215</sup> So even if Amazon interacts with NGOs regarding *AMT*, it impedes a wider dialogue by non-disclosure. Thus, with regard to the right to privacy, Amazon adheres only partially to a political conception of CDR in data protection: for its cloud-based devices it takes a firm stance based on in its privacy policy in the U.S. For the EU, no definitive judgement can be made. On Amazon's globally operating platform *AMT*, which is used by requestors and users in all regarded countries, Amazon does not provide adequate privacy-protecting soft law. Neither does it deliberate with external actors on how to mitigate the GGV in online labor regulation.

In sum, as for the RVE, Amazon assumes political CSR with regard to climate change mitigation. Yet, when it comes to consolidating privacy protection, Amazon only partially assumes political CDR: backed by NGOs it protects user privacy before court in the U.S.<sup>216</sup> In the EU, Amazon's CDR compliance is still unclear and there is no discernible deliberative process. On its platform *AMT* it may protect European users, but leaves privacy violations affecting users in other regions, i.e. in China and Africa largely unregulated. Also, Amazon does not co-operate

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<sup>209</sup> Cf. *Ibid*, 2. If a HIT is returned unfinished, the worker receives no compensation and has got no possibility to legally request it, as laid out on page 19ff.

<sup>210</sup> Cf. *Ibid*, 7.

<sup>211</sup> Cf. *Ibid*, 8.

<sup>212</sup> Cf. *Ibid*, 10.

<sup>213</sup> Cf. University of California, "Mechanical Turk (Mturk) for Online Research" (January 2020): 3, <https://cphs.berkeley.edu/mechanicalturk.pdf>.

<sup>214</sup> There are independent online forums, however, these forums were not established by Amazon and are left unregulated as well.

<sup>215</sup> Cf. Amazon Inc., "Sustainability: Thinking Big", 46ff.

<sup>216</sup> Again, up to now the only precedent case occurred in the U.S., so Amazon may react differently in other countries.

with NGOs or other micro-labor websites to improve privacy protection on micro-labor platforms.<sup>217</sup> Therefore, Amazon only partially assumes political CDR.

#### 4.2.3 The RVE & Facebook

As for climate change mitigation, in 2011, Facebook was the first of the regarded IT firms making a commitment to the usage of 100% renewable energy in all of its data centers.<sup>218</sup> In the process, Facebook shares best practices with other data firms through the *Open Compute Project*, a non-governmental initiative aimed at designing and operating energy efficient data centers. It has also lobbied for renewable energy addressing governmental actors, e.g. in North Carolina and Virginia<sup>219</sup> and supports the multilateral *UN Climate Change Convention*.<sup>220</sup> As Facebook engages in a multi-stakeholder dialogue and fixed climate related goals in its sustainability report,<sup>221</sup> one can assert that it adheres to a political conception of CSR and mitigates the GGV in climate change regulation.

However, when it comes to the right to privacy, Facebook is heavily criticized. The most salient issue is the *Cambridge Analytica Scandal* which occurred in 2015 and was discovered in 2018.<sup>222</sup> In the Cambridge Analytica case, "Facebook gave unfettered and unauthorized access to personally identifiable information [...] of more than 87 million Facebook users to the data firm Cambridge Analytica."<sup>223</sup> Facebook was convicted in lawsuits in the EU and the U.S. In the latter, it was fined 5 billion dollars in 2019.<sup>224</sup> In 2015, when Facebook already knew of the occurrences, it did not inform the affected users, did not give a public statement and refrained from informing the government.<sup>225</sup> According to the *ACLU* the scandal was worse than a technical failure, as "[...] it was a predictable outcome of the choices that Facebook has made."<sup>226</sup> Facebook reacted to *ACLU* and other NGO's pressure in previous privacy concerns,<sup>227</sup> but did not do so in foreclosing the Cambridge Analytica scandal. Thus, one cannot speak of Facebook constantly assuming political CDR, as it broke the law, concealed details of the scandal for three years (2015-2018) and did not engage in a debate with governmental actors or NGOs in this time. One can attest that Facebook violated the CDR principle of *digital*

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<sup>217</sup> This assertion is valid for all of the regarded regions.

<sup>218</sup> Cook, Lee, Tsai et. al., "Clicking Clean," 21ff.

<sup>219</sup> Cf. *Ibid*, 50.

<sup>220</sup> Cf. Facebook Inc., "Collaboration for Good," accessed June 10, 2020, <https://sustainability.fb.com/collaboration-for-good/>.

<sup>221</sup> Cf. Facebook Inc., "Sustainability Overview" (2020): 3, [https://sustainability.fb.com/wp-content/uploads/2019/03/Facebook\\_Executive\\_Summary\\_Final\\_Mar20192.pdf](https://sustainability.fb.com/wp-content/uploads/2019/03/Facebook_Executive_Summary_Final_Mar20192.pdf).

<sup>222</sup> Cf. Iga Kozłowska, "Facebook and Data Privacy in the Age of Cambridge Analytica," *The Henry M. Jackson School of International Studies News*, April 30, 2018, [https://jsis.washington.edu/news/facebook-data-privacy-age-cambridge-analytica/#\\_ftn6](https://jsis.washington.edu/news/facebook-data-privacy-age-cambridge-analytica/#_ftn6).

<sup>223</sup> Jim Isaak and Mina. J. Hanna, "User Data Privacy: Facebook, Cambridge Analytica, and Privacy Protection," *Computer* 51, no. 8 (August 2018): 56, <https://doi.org/10.1109/MC.2018.3191268>.

<sup>224</sup> Cf. Rob Davies and Dominic Rushe, "Facebook to Pay \$5bn Fine as Regulator Settles Cambridge Analytica Complaint", *The Guardian*, July 24, 2019, <https://www.theguardian.com/technology/2019/jul/24/facebook-to-pay-5bn-fine-as-regulator-files-cambridge-analytica-complaint>.

<sup>225</sup> Cf. Kozłowska, "Facebook and Data Privacy"

<sup>226</sup> Nicole Ozer and Chris Conley, "After the Facebook Privacy Debacle, It's Time For Clear Steps to Protect Users", *American Civil Liberties Union*, March 23, 2018, <https://www.aclu.org/blog/privacy-technology/internet-privacy/after-facebook-privacy-debacle-its-time-clear-steps-protect>.

<sup>227</sup> Cf. Ozer and Conley, "After the Facebook Privacy Debacle".

*stewardship* and *digital transparency*, as *Cambridge Analytica* illegally used their Facebook users' data and the users were unaware of this. Even though blocked in China, Facebook also operates outside the EU or the U.S. and now seeks to expand especially in Africa, where some regions have no privacy protection at all.<sup>228</sup> According to *Reuters*, *Cambridge Analytica* previously influenced elections in Kenya and Nigeria as well.<sup>229</sup> This raises serious privacy concerns and underlines the necessity for Facebook to engage in effective self-regulation, especially on the African continent. Even though Facebook actively builds internet infrastructure in African countries,<sup>230</sup> it does not support governments or NGOs in setting up or monitoring data protection frameworks. More critical scholars even speak of *digital colonialism* in this context.<sup>231</sup> In sum, as for the RVE, Facebook assumes political CSR with regard to climate change. Yet, as for the right to privacy, it breached the law in the U.S., in the EU and expands its operations to African countries without working to establish appropriate regulative frameworks with NGOs or other stakeholders. Thus, it does not assume political CDR.<sup>232</sup>

#### 4.2.4 The RVE & Google

As for climate change mitigation, in its 2019 environmental report, Google asserts that it “[...] matched 100% of the electricity consumption of [their] global operations with renewable energy,<sup>233</sup> a commitment that it made in 2012.<sup>234</sup> According to Greenpeace, Google reports specific, robust data concerning its global environmental footprint as well.<sup>235</sup> Additionally, Google co-operates with the *Carbon Disclosure Project*, an NGO which aims at improving disclosure of corporate environmental data.<sup>236</sup> Apart from its NGO co-operations, Google seeks to pressure governmental actors. In North Carolina, Google Apple and Facebook sent a letter to the leaders of the state which asked to reject proposals to freeze renewable energy portfolios. Google was also a signatory of the aforementioned *Amicus Curie*.<sup>237</sup> Thus, Google engages in a multi-stakeholder dialogue regarding climate change mitigation that does not only involve NGOs, but also governmental actors. As Google exceeds legally demanded clean energy standards, fixed them in soft law and even lobbies for them, it adheres to a political conception of CSR. Google does so not only in the U.S. or the EU, but also tries to achieve this on its other

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<sup>228</sup> Cf. Pisa and Polcari, “Governing Big Tech’s Pursuit,” 14.

<sup>229</sup> Cf. Maggie Fick and Alexis Akwagyiram, “In Africa, Scant Data Protection Leaves Internet Users Exposed”, *Reuters*, April 4, 2018, <https://www.reuters.com/article/us-facebook-africa/in-africa-scant-data-protection-leaves-internet-users-exposed-idUSKCN1HB1SZ>.

<sup>230</sup> Cf. Pisa and Polcari, “Governing Big Tech’s Pursuit,” 11ff.

<sup>231</sup> Cf. Danielle Coleman, “Digital Colonialism: The 21st Century Scramble for Africa through the Extraction and Control of User Data and the Limitations of Data Protection Laws”, *Michigan Journal of Race and Law* vol. 24 (2019): 422ff, <https://repository.law.umich.edu/cgi/viewcontent.cgi?article=1294&context=mjrl>.

<sup>232</sup> Facebook does not operate in China, so it is left out of the analysis.

<sup>233</sup> Alphabet Inc., “Environmental Report 2019” (September 2019: 2, [https://services.google.com/fh/files/misc/google\\_2019-environmental-report.pdf](https://services.google.com/fh/files/misc/google_2019-environmental-report.pdf)).

<sup>234</sup> Cf. Cook, Lee, Tsai et. al. “Clicking Clean”, 22.

<sup>235</sup> Cf. Ibid, 48.

<sup>236</sup> Cf. Alphabet Inc., “Alphabet’s 2019 CDP Climate Change Response” (2019): 1ff., <http://services.google.com/fh/files/misc/alphabet-2019-cdp-report.pdf>.

<sup>237</sup> Cf. Cook, Lee et. al. “Clicking Clean”, 41.

production sites as well.<sup>238</sup> These are clear instances of a mitigation of the GGV in climate change regulation on behalf of Google, which speaks for political CSR.

How does Google act vis-à-vis the human right to privacy? In the EU, Google was the first and only GAFA firm that has officially been convicted of breaching the *GDPR*: it has been fined \$57 million, because it did not adequately inform users what their data is used for.<sup>239</sup> Thus, it violated the CDR principle of *digital transparency*. In the U.S., it has been fined as well.<sup>240</sup> Both verdicts were pronounced in 2019. This means that until recently, Google has not set up effective internal structures that go beyond or monitor compliance with applicable privacy laws in the U.S. and in the EU.<sup>241</sup> Neither is there an apparent cooperation with NGOs that would have been capable of foreclosing these law breaches. Therefore, Google does not assume political CDR in the U.S and the EU.

Moreover, Google, just like Facebook, seeks its next billion users in Africa.<sup>242</sup> Yet, even though Google's commercial expansion there is still criticized,<sup>243</sup> it has taken first steps to further the development of a regulative framework in African countries: in addition to setting up a \$1-million Pan-African grant for supporting innovative ideas about privacy, Google also partnered with NGOs such as the *Public and Private Development Center* and the *National Orientation Agency* in Nigeria to empower teachers and children to safely navigate the internet.<sup>244</sup> These commitments are small, but it is a sign of political CDR, as these are put-down-in-writing, self-imposed initiatives that are implemented in cooperation with external NGOs. Also, they go beyond the (predominantly not-existing) local legally mandatory framework. In the categories of *Accenture*, one would speak of *digital transparency* and *digital empowerment*.

Additionally, a particular issue towards which Scherer and Palazzo point to as well, is Google's behavior in China.<sup>245</sup> It has previously been mentioned that China ultimately blocked Google in 2014 through its great firewall.<sup>246</sup> However, Google tried to enter the Chinese market again afterwards. In 2018, it developed a censored Chinese search engine called "Project Dragonfly".<sup>247</sup> In consequence, the NGO *Amnesty International* wrote an open letter to Google's CEO

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<sup>238</sup> Cf. *Ibid*, 35.

<sup>239</sup> Cf. Adam Satariano, "Google Is Fined 57\$ Million Under Europe's Data Privacy Law", *The New York Times*, January 21, 2019, <https://www.nytimes.com/2019/01/21/technology/google-europe-gdpr-fine.html>.

<sup>240</sup> Cf. Natasha Singer and Kate Conger, "Google Is Fined \$170 Million for Violating Children's Privacy on YouTube", *The New York Times*, September 4, 2019, <https://www.nytimes.com/2019/09/04/technology/google-youtube-fine-ftc.html>.

<sup>241</sup> One could object that in the previously described cases, Apple or Amazon did not directly comply with U.S. law as well and were still attested to assume political CDR. However, the cases differ: Apple and Amazon objected within the legal system. In the described cases, their definitions of privacy were stronger than the government's. Google and Facebook however broke the law, because their behavior towards privacy protection was weaker than the legally demanded. In general, only Google and Facebook have breached privacy laws in the EU and the U.S. Apple and Amazon have been accused of privacy breaches as well but were not legally convicted in any of them yet.

<sup>242</sup> Cf. Pisa and Polcari, "Governing Big Tech's Pursuit," 3ff.

<sup>243</sup> Cf. Danielle Coleman, "Digital Colonialism," 428.

<sup>244</sup> Cf. Omobayo Azeez, "Google Announces \$1m Grants to Support Privacy, Trust in Africa", *Business A.M.*, February 12, 2020, <https://www.businessamlive.com/google-announces-1m-grants-to-support-privacy-trust-in-africa/>.

<sup>245</sup> Cf. Scherer and Palazzo, "The New Political Role," 914.

<sup>246</sup> Cf. Sheehan, "How Google Took on China".

<sup>247</sup> Cf. *Ibid*.

Sundar Pichai. It accused Google of being complicit in abuses of the rights to free expression and privacy, if it further pursued this project. The letter was also signed by the *EFF* and *Human Rights Watch*.<sup>248</sup> Furthermore, Project Dragonfly would have also contradicted Google’s own self-imposed soft law, i.e. Google’s *AI Principles*, which set forth that Google would not pursue “[t]echnologies that gather or use information for surveillance violating international norms.”<sup>249</sup> In this point, Google’s soft law goes beyond the local Chinese regulation. Ultimately, Google terminated the project.<sup>250</sup> This is an example of a deliberative process that led to a corporation assuming political responsibility, as Google ultimately safeguarded data from governmental misuse.

In sum, as for the *RVE*, Google clearly assumes political CSR with regard to climate change. Regarding the human right to privacy, Google’s policy is ambivalent: in the EU and the U.S it was convicted of breaching the law, which precludes a meaningful CDR commitment. Yet, in China and some African countries, it engaged in a multi-stakeholder dialogue and adhered to self-imposed soft law that goes beyond local privacy regulation. All in all, Google only partially assumes political CDR.

## 5 Conclusion

The analysis can now be summarized in the following table:<sup>251</sup>

**Adherence of GAFA to political CSR/CDR in concrete policy fields**

	Apple	Amazon	Facebook	Google	
RBE {	Wages	√	o	√	√
	Unions	√	o	o	o
	Taxes	x	x	x	x
RVE {	Climate Change	√	√	√	√
	Human Right to Privacy	o	o	x	o

√ = corporation assumes political CSR/CDR  
 o = corporation partially assumes political CSR/CDR  
 x = corporation does not assume political CSR/CDR

Having this table in mind, some observations can be made about GAFA’s stance towards political CSR and CDR. In the following, I will differentiate between CSR and CDR to show how the practical realization of political CSR differs from the one of political CDR. Afterwards, I will outline in which respects the scope and explanatory power of the analysis is limited and give an outlook on further possible research with regard to political CSR/CDR and the IT-sector.

<sup>248</sup> Cf. Amnesty International, “Open Letter: Google Must Not Capitulate on Human Rights to Gain Access to China”, August 28, 2018, <https://www.amnesty.org/en/latest/news/2018/08/open-letter-to-google-on-reported-plans-to-launch-a-censored-search-engine-in-china/>.

<sup>249</sup> Sundar Pichai, “AI at Google: Our Principles”, *Google Company News*, June 7, 2018, <https://www.blog.google/technology/ai/ai-principles/>.

<sup>250</sup> Cf. Sheehan, “How Google Took on China”.

<sup>251</sup> It should be noted that the table is now extended by political CDR. It should be interpreted similarly as the previous one on page 25.



## 5.1 Political CSR

First, as for political CSR, all GAFA firms have set up cooperations with international NGOs or governmental organizations to monitor adequate wage and working for all of their international suppliers. As all firms dispose of some kind of a supplier responsibility program, they do not solely on the nation states' enforcement capacities. *Therefore, all firms at least partially assume political CSR.* Yet, two important drawbacks are specific to the IT-sector: micro-labor and the issue of content moderators. As for the former, Amazon as the service provider of micro-labor on *AMT* is not consistent in its endeavor to internationally ensure fair compensation or adequate working conditions. As for the latter, Facebook and Google have not yet developed a sufficient framework to protect their multilaterally operating content moderators not only from physical, but also from mental harm. If it were not for these IT-sector specific points of critique, Scherer and Palazzo's demand for corporations to engage in political CSR would be comprehensively realized by GAFA, when regarding the fulfillment of adequate compensation policies and the establishment of baseline working conditions.

Second, all GAFA firms avoid paying taxes. Apparently, setting up and monitoring tax regulation is still seen to be a task that the state is responsible for. In contrast, all GAFA firms also donate to charitable causes, fund social initiatives or invest in infrastructure somewhere. From the point of political CSR, this is an interesting observation. Scherer and Palazzo note that when adhering to political CSR, corporations take on responsibility in providing public goods.<sup>252</sup> In light of GAFA's tax avoidance policies, this holds only partly true. Corporations may make donations or invest in infrastructure, yet, by avoiding taxes, they also deprive governments of their own ability to provide public goods. Thus, in this regard, corporations do not support governments, they practically move to replace them by some extent. If this can still be regarded as political CSR in a positive sense remains questionable.

Third, *all* GAFA firms strive to be carbon neutral, not just in one country, but worldwide. All firms monitor their CO<sub>2</sub>-footprint, autonomously and in cooperation with NGOs. Even Greenpeace attests Google, Facebook and Apple a leading role.<sup>253</sup> The policy field of climate change is a prime example for Scherer and Palazzo's conception of political CSR holding true in the IT sector. The biggest, sector leading firms regulate themselves, exceed the demands and legal frameworks of several nation states and mitigate a GGV with regard to climate change.

## 5.2 Political CDR

Regarding CDR and the human right to privacy, the IT firms' behavior is more ambivalent, as their policies are more country dependent. GAFA firms do not define worldwide standards, as they did for monitoring minimum wages or for achieving carbon neutrality. The firms may have universal, self-imposed privacy policies, but how they actually use customer data or react to privacy-threatening governmental demands differs worldwide. However, this is not only a shortfall of GAFA, but lies in the nature of things when regarding privacy policy: all countries would welcome corporations providing livable wages and good working conditions, would condemn corporations that avoid taxes and would at least not object, when corporations

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<sup>252</sup> Cf. Scherer and Palazzo, "The New Political Role," 901.

<sup>253</sup> Amazon is criticized slightly more, but shortly after the Greenpeace report, Amazon made its Co<sub>2</sub> pledge.



voluntarily establish policies that mitigate climate change. In contrast, states have a different notion of adequate corporate behavior towards privacy protection. That makes it difficult for GAFA to develop a coherent approach to political CDR: while Google breaches the law in Europe and the U.S., it still stopped the development of a censored search engine in China. While Apple protects user privacy before court in the U.S., it facilitates the Chinese government accessing iCloud data of its citizens. As the adequate level of data privacy protection is internationally more controversial than ensuring humane working conditions or a survival-securing wage, defining a common ground in privacy regulation is challenging. This makes it harder for GAFA to uniformly assume political CDR while simultaneously not losing their basis of business in some regions.<sup>254</sup>

However, GAFA's ambiguous approach to political CDR in privacy protection cannot exclusively be explained by the diversity of different governmental demands. This can be seen in GAFA's pursuit to unlock markets in African countries, where these legal demands are often absent. GAFA firms, even though their business centers around big data, have not started to show the same commitment for political CDR as they did for political CSR: Apple, Facebook and Amazon do not co-operate with NGOs that would advance baseline requirements in privacy regulation in African countries yet.<sup>255</sup> Neither is the fulfillment of already existing guidelines sufficiently monitored by external, non-governmental actors. GAFA's privacy policies (the soft law) are theoretically valid for African countries as well, but it is non-transparent in how much the actual collection and processing of data differs, since there are few official restrictions, few corporate and NGO-statements and few academic coverages on this. All in all, it cannot be concluded that GAFA's CDR engagement on the African continent is entirely absent. Yet, there are less NGO cooperations and there is less specifically formulated soft law in comparison with GAFAS commitment to political CSR.<sup>256</sup> On the other hand, GAFA's endeavor of unlocking markets in African countries is a quite recent endeavor and (political) CDR a quite novel concept. Therefore, it is possible that GAFA still needs to find its stance towards CDR on the African continent.

### 5.3 Critical Evaluation

The previous analysis is intended to provide a temporary stock-taking of international political CSR and CDR initiatives across GAFAs business fields in the time frame between 2010-2020. As such, its validity is limited, since it depends on seven choices:

First, the choice of respective regions or countries. To illustrate political CSR/CDR measures, I focused on governance vacuums and corporate policies in regions that currently are or will become particularly important for GAFA in the future. Yet, since GAFA firms operate nearly worldwide, many regions were left out.<sup>257</sup> In addition, the differences between the EU's and Africa's individual countries were neglected. Analyzing GAFAs behavior truly globally and country specific would go beyond the scope of this thesis.

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<sup>254</sup> This can be exemplified by Google being blocked in China, because it was not willing to comply with the governmental censorship demands.

<sup>255</sup> Those cooperations were found only for Google, see page 33.

<sup>256</sup> I refer to wages and working conditions.

<sup>257</sup> E.g. Latin America or influential Asian nations such as Japan or South Korea. I

Second, the choice of the regarded time frame. Ten years seem to be long when regarding the pace and frequency in which business models change, technological innovations occur and subsequent regulations and CSR/CDR policies are introduced. In contrast, it also seems too short to judge what a corporation's general stance towards CSR/CDR is. My analysis does not allow deriving general behavioral patterns. It is intended to show regionally *selected* developments in a limited time frame in order to determine whether political CSR/CDR can be found in practice in some of GAFA's business fields. For this purpose, I judge ten years to be an adequate time frame.

Third, my choice of business areas in which CSR/CDR commitments have been exemplified. GAFA does business in different areas, some rely on manual and some on digital labor. Even though I intended to cover aspects in both, the coverage is not complete, as I could not analyze CSR/CDR commitments in *all* of GAFA's manual and digital areas of business. Neither will the analyzed ones be valid for long, as the firms might develop new business models or improve the old ones.<sup>258</sup>

Fourth, the choice of policy fields in political CSR. My argumentation was based on the policy fields of the RBE and the RVE, a categorization of Scherer and Palazzo. However, this is not an exhaustive list of topics that could possibly be regarded in political CSR. There are various aspects that could still be regarded under the umbrella term (political) CSR in relation to human or labor rights: for example, some GAFA firms promote equal gender rights initiatives and improve career opportunities for people from disadvantaged backgrounds.<sup>259</sup>

Fifth, the policy field in political CDR. The concept of CDR is still quite new and I only regarded CDR in the context of data privacy. The reason for this is that this was a key point in the CDR study I based my analysis on.<sup>260</sup> Yet, there may still be other issues of digitalization that provide fruitful research opportunities with regard to CDR and GAFA.

Sixth, the specific definition for assessing political CSR/CDR in practice.<sup>261</sup> I intended to bridge the gap between setting up precise, but also not too restrictive criteria on the basis of Scherer and Palazzo's political conception of CSR. However, identifying political CSR/CDR in practice depends on the formulation of the concept and mine is just one among many possible ones that could be used.

Seventh, my choice of adhering to the principle of *in dubio pro reo*: even when a corporation establishes a fixed soft law and reflects, monitors and enforces it in cooperation with NGOs or other actors, this is not a guarantee for (fast) improvements in human or labor rights. To ensure this, it would be necessary to evaluate the involved NGOs for effectiveness or efficiency criteria. Even if the NGOs act flawlessly and timely report supplier malpractice, it would be necessary to scrutinize the corresponding behavior of the firm: does the firm react at all? If so, does it act in a timely and comprehensive manner? That this is not always the case has been briefly described in the case of Apple's wage policy in China.<sup>262</sup> However, the analysis is

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<sup>258</sup> For example, content moderators could be replaced by AI in the future or AMT might be stronger regulated.

<sup>259</sup> See for example Amazon: Cf. Amazon Inc., "Sustainability: Thinking Big", 49.

<sup>260</sup> Cf. Esselmann, Brink, Golle et. al. "Corporate Digital Responsibility", 14.

<sup>261</sup> I refer to the "if and only if"-condition of political CSR/CDR on page 15.

<sup>262</sup> Doing similarly for the other regarded firms in different regions would go beyond the scope of this thesis.

only set out to answer *whether* political CSR/CDR initiatives exist. It does not make judgements about the qualitative sufficiency of these initiatives.

#### 5.4 Outlook

There are two aspects in which I judge further research of political CSR and CDR with regard to GAFA to be particularly relevant. One aspect that has previously been bracketed out at the intersection of business and politics is the problem of lobbying. Whereas GAFA corporations may support and lead open dialogues with (non-) governmental organizations in the context of political CSR/CDR, they also lobby for their own interests with substantial amounts of money: solely in the U.S., GAFA collectively spent \$54,7 million dollars for lobbying in 2018.<sup>263</sup> In the EU, amounts could be similar. Even though we have seen that lobbying can induce positive policy change as well,<sup>264</sup> it would be naïve to assume that GAFA only lobbies for societally beneficial causes. Scherer and Palazzo criticize lobbying practices and contrast them with political CSR as a more transparent, deliberative concept.<sup>265</sup> However, in practice, despite their political CSR and CDR commitments, the goals GAFA corporations pursue with lobbying activities often remain opaque. Therefore, they may stay in contrast to publicly discussed societal changes as promoted by political CSR/CDR. In how far this is the case and how this problem can be overcome could be subject to further research in political CSR/CDR.

A second aspect that has been bracketed out in this analysis is a *normative* evaluation of the concept of political CSR/CDR: under which conditions is it desirable, if influential corporations like GAFA assume a state-like role in regions with a weaker regulative framework? For example, GAFA provides public goods in developing countries (e.g. its digital infrastructure projects in several African countries) without simultaneously providing much eye-level support for regulators in designing a national legal framework to control these goods. This has been criticized with the term *digital colonialism* by some scholars. Scherer and Palazzo are aware of this problem, as they note that “[...] political CSR might lead to a neo-colonialist attitude of Western managers in developing countries.”<sup>266</sup> Naturally, Scherer and Palazzo would disapprove of this attitude, as they embed political CSR in the framework of deliberative democracy, to which colonialism stands in fierce contrast. However, that leads to the question of who should be included in the deliberative process and who should be neglected: is it desirable if private, Western IT-firms co-operate with NGOs in Western countries to set up digital regulation frameworks on the African continent? Or should they only deliberate with African institutions themselves? If not, how should the different political, international stakeholders be democratically balanced? Scherer and Palazzo note respectively that further research in the normative evaluation of the new political role of corporations is still necessary.<sup>267</sup>

Thus, all in all, there is still room not only for descriptive, but also for normative research in political CSR/CDR – in the IT sector and beyond.

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<sup>263</sup> Cf. Mathias Brandt, „Tech-Riesen Erhöhen das Lobby Budget“, *Statista*, March 6, 2019, <https://de.statista.com/infografik/10391/lobby-ausgaben-von-gafa-in-den-usa/>.

<sup>264</sup> See for example Google’s lobbying initiatives for cleaner energy on page 32.

<sup>265</sup> Cf. Scherer, Palazzo and Bauman, “Global Rules and Private Actors,” 520.

<sup>266</sup> Cf. Scherer and Palazzo, “The New Political Role,” 920.

<sup>267</sup> Cf. *Ibid.*

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Julian Weise hat mit der Arbeit “(Self)-Regulating Multinational Tech Firms – The GAFA Corporations and Political Corporate Social Responsibility” ein aktuelles und hoch relevantes Thema der Wirtschafts- und Unternehmensethik adressiert.

Ausgangspunkt seiner Argumentation ist der theoretische Ansatz einer Political Corporate Social Responsibility von Andreas Scherer und Guido Palazzo.

Am Beispiel der GAFA-Ökonomie erfolgt der Übertrag auf die Praxis. Im Zentrum steht die Frage, inwieweit die GAFA-Unternehmen politische CSR bereits umsetzen.

