Should We Expect a Spanish Tech Inquisition?

By Enrique Dans

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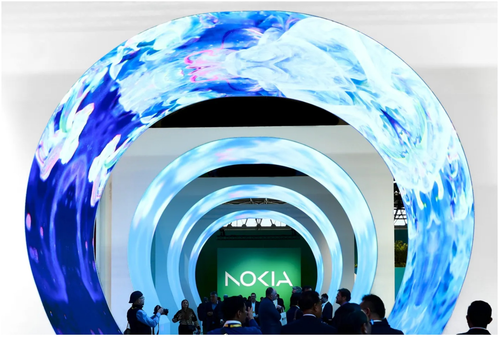
As Spain prepares to assume the Presidency of the Council of the European Union on July 1, the country carries a reputation for hostility towards technology. The criticism is overstated.



Google News fled, Deliveroo, a gig platform, pulled out. The country's remaining tech companies railed against a special digital tax. Little wonder Spain has earned a dubious reputation as one of Europe's most anti-tech countries.

The reality is nuanced. Spain is turning out to be a leader in calling for balance and fairness in the digital future.

Start with Google News. In 2014, the Spanish government passed a law requiring news aggregators and search engines to pay publishers for displaying snippets.

At a dinner with a few journalists, academics, and bloggers, Google told us about plans to execute what we called "the thermonuclear option:" to pull Google News out of Spain. I supported the company. The process was a disgrace. Critics singled out Spain as the only democratic country in which Google News was closed, This episode nourished our negative reputation.

But eight years later, the story has shifted. A growing number of countries led by Australia have followed Spain and imposed fees to link to news articles. The European Union's new copyright law requires Google and Facebook to negotiate payments to publishers.

Personally, I still see these required fees as misguided. They stifle innovation, limit access to information, and make the press dependent, like a drug addict, on subsidies from governments and tech companies.

Gig work was the next tech sector to face a crackdown. In 2021, the Spanish government passed a law requiring platforms to classify ride-hailing drivers as full-time employees. UK delivery company Deliveroo responded by pulling out.

But it is essential to view this law within the context of Spain's commitment to workers' rights and fair labor practices. By classifying drivers as employees, Spain aims to ensure that they receive appropriate benefits and protections. This decision was not an attack on technology. Rather, it aimed to prevent the exploitation of workers.

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Many other countries and territories, including California, have followed suit —or attempted to do so.

Finally, there's the issue of taxing tech companies. Like other countries, Spain seeks to address the challenge of ensuring that multinational tech giants pay their fair share. In 2021, it imposed a 3% tax on digital services.

While critics argue that this move may discourage innovation and foreign investment, the issue of tech taxation extends beyond Spain's borders. In 2021, more than 137 countries representing 90% of the world economy agreed on a plan to increase levies on tech giants. Spain's attempts to tax tech companies represented a desire for economic fairness and a need to adapt tax policies to the digital age.

Like any other country, Spain enjoys a diversity of opinions regarding technology's impact on society and the economy. These discussions contribute to forward-looking well-rounded policies. Overall, where Spain goes, the rest of Europe follows.

This "leadership" can be problematic. Spanish policymakers sometimes confuse means with ends or proceed too fast without allowing technology to evolve. While most European legal systems try to "anticipate" the potential negative aspects of innovation, Anglo-Saxon Common Law takes a balanced case-based approach that gives leeway to entrepreneurs. The US approach allows companies to "move fast and break things" — without considering the negative impact.

In contrast, Spain and the rest of Europe often take a "by the book" approach that prevents good entrepreneurs from achieving success. Spain's low salaries and the weakness of its capital market — it's home to few venture capitalists and angel investors — drain talent away to other countries. As a professor in a business school for the past 32 years, I witness this worrisome phenomenon every year: my best students cannot even consider remaining in Spain since that would mean being paid less than what they made before their MBA.

Contrary to the notion of Spain becoming an anti-tech country, Spain's impending Presidency of the Council of the European Union should be seen as an opportunity to foster a balanced and constructive dialogue on technology. Google News has reopened in Spain. Uber and other gig platforms remain.

As Monty Python often said, "Nobody expects a Spanish Inquisition." Despite its critic's charges, Spain does not practice tech persecution. Its motivations are rooted in fairness, workers' rights, and adapting to the challenges of the digital era.

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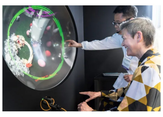

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Photo: BARCELONA, SPAIN - MARCH 2: Congress visitors passing by the entrance of the Nokia stand that featured the new redesigned logo. The Finnish company announced the rebranding and the change on their logo, the first in 60 years, to let customers know that they not only make phones, but they also have a huge role on networks and industrial digitalization during the Mobile World Congress 2023 on March 2, 2023, in Barcelona, Spain. Credit: Photo by Joan Cros/NurPhoto

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