

Mother Jones

Cyberselfish Redux

Meet Cisco Systems, the latest technogiant to illustrate the social hazards of the digital elite's hyper-libertarian ethos. Author Paulina Borsook wonders if we can sustain a society in which the wealthiest industries resist taxes and regulation, but benefit from government programs.

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Four years ago, I published an essay in *Mother Jones* magazine called “Cyberselfish,” in which I criticized the dominant libertarian culture of the high-tech universe. Now, it's almost a half-decade later, and in the dot-com bubble that has bloomed and mostly burst, where high-tech has gone mainstream, and the Brownian noise of day-trading hums incessantly, surely nothing I wrote way back then could possibly still be true.

Wrong.

My new book, “Cyberselfish: A Critical Romp Through the Terribly Libertarian Culture of High-Tech,” describes the *religion* of high-tech, if religion is understood to be a set of mostly unconscious, commonly-held, collective beliefs. And religion, like all human culture, perseveres, even when regimes change (or fail to — witness the 2000 elections.)

For example, consider the case of Cisco, that fine company which, along with Al Gore, brought you and continues to bring you the Internet. Cisco has a valuation far far in excess of any Old Economy company you can think of, and is one of the Big Three of the New Economy — Intel and Microsoft being the other two.

Funny thing, Cisco ended up paying *no* federal income tax last year. Amazing what you can do with the wonders of stock-option accounting. But what's even more amazing, and more telling, is that folks all over Northern California high-tech think this a fine thing: Cisco creates jobs and wealth and isn't this enough?

Yet, as I wrote in the introductory chapter to my book:

“Quiz: where would you want to do business in 2000? In Russia where there's no regulation, no central government, no rule of law; or in Northern California where the roads are mostly well-paved and well-patrolled and trucks and airplanes are safer than not, where the power grid is usually intact and the banking system is mostly fraud-free and and mostly works, where construction of new buildings is inspected to make sure they are basically safe and sound, where people mostly don't have to pay

protection money, and the majority of law enforcement personnel are not terribly corrupt or brutal? If gangs steal computer chips from factories, these thefts are investigated and the perps prosecuted. And government, through subsidy and regulation and supervision, is the invisible hand behind this relatively peaceful, mostly prosperous scene, making wealth-creation possible.

That government had anything positive to do with any of these structures, checks, and balances that influence so much of how we all live and work (and high-tech so flourishes) is invisible to technolibertarians. Yet these political technolibertarians driving their Hummers home to pricey mansionettes off Woodside Road derive as much benefit from these government interventions as do the poor schnooks driving their Ford LTDs to so-passé factory jobs within commuting distance of Kankakee.”

I won't even mention the decades-long government funding for the Internet and the microprocessor industry without which there wouldn't have been a Cisco. But I will instead mention a recent nasty epidemic of food-poisoning that just erupted at a Mexican restaurant in San Mateo county (that's north Silicon Valley). Turns out the restaurant hadn't been inspected in more than a year because — surprise! — it turns out budget cuts made it impossible to hire enough health inspectors. But hey, government is the Great Satan and we all believe in self-regulation and who needs taxes?

Cisco has also been in the middle of a recent controversy because it wants to develop a 688-acre, 22,000-person campus in Coyote Valley, the last undeveloped open space in the environs of San Jose. The current mayor and planning commission are for it; the Sierra Club and the local Audubon Society are against it — these two opponents we would expect.

But also against the development are a former San Jose mayor and a former San Jose planning commissioner, as are the cities and counties to the south and west of the proposed complex. They have all seen what unregulated growth and no planning or funding for infrastructure can do. They have witnessed the effects of the '70s-era tax-revolt ballot initiative known as Proposition 13 — which capped property taxes and in turn encouraged cash-poor municipalities zone light-industrial to nurture their impoverished taxbases — has done to Northern California in general and their own communities in particular. It's not a pretty sight. They don't want Silicon Valley's housing, social, environmental, and transit problems to continue to be further exported to them. But these are complex political and social issues, which the Valley *always* likes to pooh-pooh away.

The proposed Cisco complex will provide 22,000 parking spaces, but no retail and no housing. Traffic? Pollution? Housing costs? These are someone else's problem. We believe in the free market!

The fight is an interesting one, for the argument made by the San Jose planning commission in favor of the project is that its “economic, legal, social, and technological benefits outweigh its environmental impact.” Which is truly weird, because last time anyone looked, Silicon Valley was not hurting for jobs. After all, the Valley seems to be a gaping maw for ever greater numbers of imported workers arriving with H1-B visas.

In any event, Cisco's concession is to offer \$3 million in to help preserve open space, and help the local Greenbelt Alliance raise the other \$97 million needed to effectively protect what little remaining open space remains. This last-ditch effort hinges on a proposed ballot measure to raise \$50 million in taxes — taxes the region wouldn't need to scrape for if its mega-rich local high-tech businesses like Cisco paid any taxes at all.

Yet Cisco isn't nearly as bad a corporate citizen as others in high-tech. Its obliviousness to the notion of the commons is strictly par for the technolibertarian course, as further evidenced by the company's rather typical track record with philanthropy.

Consider the complicated pavane between high-tech and philanthropy. There is a universally acknowledged truth that if a cat loves you, it will give you a dead rat, whether you want a dead rat or not. In high-tech, pretty much the most common instantiation of communitarian impulses is in the donation of computers, i.e. dead rats.

Ted Turner and John Chambers, CEO of Cisco, got into a fine row out in California this summer past at an Entrepreneurs'

Forum luncheon. Chambers went on about Cisco's fine corporate largesse, evidenced through its Cisco Academies, the fancy name given to the curricular materials Cisco provides to high-schools and junior colleges to train the next generation of Cisco technicians. Oops, I mean network troubleshooters.

Turner rightfully blasted Chambers for his primo cat-dead rat thinking: "Half the people in the world don't have electricity. How are you going to get a computer in their hands? I think it's a little self-serving of the computer industry to give away computers, not unlike drug dealers giving out the first hit on the house."

And as for Cisco, what about those people who have other or more pressing desires and talents than those that might lead them to being graduates of the Borg Institute of Technology? Where does the company get off on saying there is other than *at best* enlightened self-interest in offloading the cost of training its future technicians onto public institutions?

But there's John Morgridge, Chairman of the Cisco board, giving an address to the Commonwealth Club of California, about "Philanthropy in the New Internet Economy" and the glories of the Cisco Academies: "The Internet has spawned a new generation of philanthropists — with a vision that doesn't always mesh with the old way of doing things."

Yeah, it's called tunnel vision, and unfortunately there isn't 20-minute laser surgery available in the local strip-malls to correct it.

These proposals, that schools ought to be treated like startups (yeah, right, what do you do with the kids who aren't best of breed? What's the IPO here?), that philanthropy ought to be treated as a startup (what is the meaning of business discipline when funding the arts? What the ROI on funding 2.3 ballets as opposed to 1.7?) are religious pieties, and not fieldnotes from the frontlines of a new economy and a new society.

A friend of mine who writes for *Business Week* tells me on the monthly conference call he's part of with the CEO of Cisco, dark mutterings are intimidated about the threat of government, a dark force always present just below the horizon, to high-tech. Which is ridiculous, for both Bush and Gore and their parties have come a courtin' like mad to high-tech. (Money! Status! Export dollars!)

Their doing so is an interesting gesture, because the question could be asked, "Why should those in mainstream politics be pining after those in high-tech, when high-tech, for the most part, could care less?" Unrequited love affairs, one-sided crushes, are so much less interesting than meaningful relationships of endowed with the capacity for some sort of mutual aid and assistance.

And what's really loopy about someone from Cisco carrying on like this is that when Cisco first got going back in the late '80s, its main customer was the federal government, because who else was funding the Internet back then, and buying internetworking equipment? Cisco and the US government are long-time companions.

But Cisco is as fine an exemplar as one could hope to find of how that technolibertarianism just keeps on biting the hand that gives it the hand-outs.

FACT:

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