

# As US high tech surges, Silicon Valley becomes a diplomatic outpost

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Sometime in August, Denmark's newly appointed ambassador to high tech will settle into Silicon Valley and staff his embassy, a novel kind of diplomatic outpost that recognizes the global clout that U.S. high tech companies now wield.

Then he'll begin some unusual quasi-diplomatic meetings.

"We don't know what the [tech companies](#) will say when we come knocking on their doors," said Casper Klynge, the Danish diplomat. "I won't be handing over my credentials. I won't be handing over a letter from the Danish queen to, you know, the CEO of Facebook or Google."

What Klynge will be doing as the world's first high-tech ambassador is engaging companies that expand by the week. Facebook last week hit 2 billion monthly global users. Google handles nearly 4 out of every 5 internet searches worldwide. Apple is the world's most valuable company, and is in a race with Amazon and Google to be the first \$1 trillion company in market capitalization.

"The companies are increasingly becoming almost superpowers on a global scale," said Klynge, who spoke via Skype from Jakarta, Indonesia, where he concludes a stint as Denmark's ambassador.

Denmark is not a large country. It has a population under 6 million people. But it is one of the wealthier countries in Europe. And several U.S. high-tech firms have plans to build, or are in the process of

constructing, big data centers there.

The high-tech firms have economic clout, but also a voice on global issues like climate change and the fight against terrorism. Throw in concerns about cybersecurity and privacy, and some nations see the high-tech behemoths as approaching something akin to sovereign status.

For now, Denmark is the sole country with a diplomatic envoy to Silicon Valley. But Klynge may not be alone for long, some observers say.

That's because digital matters are "central to the economic, social and security interests of almost all nations," and governments juggle whether to deal with such issues through international cooperation, domestic regulation or directly with the companies themselves, said Damien Spry, a digital diplomacy researcher affiliated with the Lowy Institute, Australia's leading think tank.

"So, expect to see more digital ambassadors or cyber ambassadors, in function if not in name," Spry said in an email.

Jurisdictional issues - sometimes involving data storage, privacy or objectionable content on the internet - complicate such decisions, compelling foreign leaders to seek out direct contact with tech titans.

"Examples of this are growing, such as German Chancellor Angela Merkel lobbying Facebook's Mark Zuckerberg to crack down on hate speech," Spry said.

Industry veterans downplay any significance to the Danish diplomatic move, saying that big high-tech companies have been engaged globally for years.

"The internet, by its very nature, crosses borders, cultures and

economies, and that necessitates internet companies working with a broad group of stakeholders, including governments," said Abigail Slater, general counsel for the Internet Association, a Washington-based advocacy group representing nearly 40 high-tech firms.

Not all has been smooth sailing between Europe and U.S. tech companies.

European Union antitrust regulators leveled a \$2.7 billion fine against Google on June 27 for anti-competitive practices, charging that the Mountain View, Calif., company steers consumers unfairly to its own shopping platform, giving rivals lower placement.

The fine, while more than twice as large as any prior EU antitrust penalty, is only a fraction of the \$92 billion in cash that Google's parent, Alphabet, had on hand at the end of March.

Experts say that an element of envy may be at play in Europe, which has not succeeded in incubating a high-tech sector that can compete with the five biggest U.S. players: Apple, Google, Amazon, Facebook and Microsoft.

Together, those five companies have a [market capitalization](#) of \$2.8 trillion, and have developed transformative tools that have become parts of daily life around the world.

"They've executed incredibly well and they've focused on the right things," said Geoffrey G. Parker, an engineering professor at Dartmouth who is an expert on the internet platforms leveraged by the companies. "These are the new multinationals. The rate that they expanded across the globe was faster by far than we had seen in previous eras."

Their rise coincides with a blurring of boundaries once set by

governments, Parker added.

"If you say fraud takes place with a provider on Amazon, where do you go first? Do you go to your city council?" Parker asked. "Or are you just going to go to Amazon and say, 'Hey, fix it.' And what do they do? They fix it."

While prevailing U.S. views of Silicon Valley are largely rosy, there is a downside on matters like data privacy, and a few voices sound notes of concern.

"You have companies like Google and Facebook and Amazon which have access to what you're doing, what you're buying, where you're going, who you're talking to. Literally, it's really pervasive," said Casey Oppenheim, co-founder of Disconnect.me, a software [company](#) aiming to help people control their [personal data](#) and protect privacy. Disconnect.me in 2015 filed a complaint against Google with [antitrust regulators](#) in Europe in 2015. That complaint was not part of what led to the June 27 fine.

"Our data has become - and I mean personal data, very personal data - has become the lifeblood for these huge, the biggest corporations on the planet literally," Oppenheim said.

Klynge, the Danish ambassador, said Denmark shares some of these concerns and that data collection may occur "perhaps in a more fundamental way than most of us recognize on a daily basis."

Still, he said his appointment has a more positive orientation.

"This is not an initiative out of tech fear. On the contrary, it's an initiative that builds upon a basis that technology and innovation and digital solutions bring new opportunities to the world," said Klynge, who

is a political scientist by training.

Klynge said he will oversee a core embassy staff of five or six people, operating alongside an existing Danish innovation center in Silicon Valley. A satellite office will operate in Asia, perhaps China.

"We have a global mandate, contrary to all other Danish embassies abroad," he said. "We will also be dealing with the Alibabas of China, or the tech startup environment in Tel Aviv or the small startups in Nairobi. So we'll be on the road quite a lot but with a core base in Silicon Valley."

Klynge said Denmark's diplomatic initiative has generated "profound interest."

"We have been bombarded with emails, LinkedIn requests from companies, from media like yourself, but also from other a lot of other countries saying, 'We would really like to have a discussion with you on what is this initiative. How are you going to go about it?'"

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