

NSR Tech Policy Quick Take: What Musk's reversal of Twitter's Trump ban means for the tech sector?

By [Matt Perault](#) | May 11, 2022

What's new: Elon Musk announced yesterday that he plans to reverse Twitter's ban on President Trump. The decision will likely have several impacts on regulatory risk in the tech sector:

Republicans may be less likely to support tech reform in areas like antitrust and content regulation. Musk's decision means that Big Tech reform may fall in priority on the Republican legislative agenda. Republicans historically have favored market solutions over regulatory ones, and may be inclined to wait to see if a Musk-owned Twitter will address their concerns about anti-conservative bias on tech platforms, rather than voting in support of more government regulation. We highlighted this possibility in our Q2 review of tech regulatory risk ([LINK](#)).

Other tech platforms may now face more competitive pressure in their content moderation policies. In the last 5 years, there has been convergence in content moderation, with platforms like Twitter, Facebook, and YouTube adopting increasingly similar approaches. Faced with the threat that conservatives might increase their use of Twitter if they perceive it to be more friendly to their political views, other platforms may shift their policies and practices as well. If Twitter's decision incentivizes other platforms to adopt more conservative-friendly practices, Republicans will be even less likely to support more regulation of the tech sector in the long run.

Conservative social media startups may experience challenges in user growth and monetization. Several Big Tech competitors — ranging from Parler to President Trump's TruthSocial — have gotten off the ground based on the value proposition that they can attract conservative users who are frustrated by content moderation on platforms like Twitter, Facebook, and YouTube. They have faced their own content and product challenges. If President Trump is able to return to Twitter and conservatives follow him there, alternatives like

Parler will likely become less appealing. The result may be increased concentration in the tech sector, as more established platforms face less competition from conservative upstarts.

Full 12-month historical recommendation changes are available on request

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