Beat: Business

X Loses Over 20 Million Users After Brazilian Court Suspends Platform;

Stock Prices Plummet

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USPA NEWS - In a decisive move, the Brazilian Supreme Court has unanimously voted to suspend the social media platform X, formerly known as Twitter, after the company repeatedly refused to comply with judicial orders. These orders demanded the restriction of profiles posting criminal and anti-democratic content.

Due to Brazilian court orders, X has lost 20 million users in Brazil. Despite being the sixth-largest market for X, Brazilian monthly active users account for about 4% of X's total monthly active users.

According to the online outlet G1, the suspension will remain in effect until the platform meets the following conditions:

1) Compliance with court orders to block profiles sharing anti-democratic and/or criminal content.

2) Payment of fines imposed for disobeying court orders, currently totaling over R$18 million (approximately $3.6 million USD).

3) Appointment of a legal representative within the country.

The Supreme Court's decision comes after repeated non-compliance by X and its owner, Elon Musk, with Brazilian legal obligations. Since April, Musk has ignored multiple orders from Federal Supreme Court Judge Alexandre De Moraes to block accounts under investigation for violating democracy and Brazilian laws. Despite being fined R$18.35 million (about $3.67 million USD) for these failures, Musk has neither complied with the orders nor paid the fines.

Musk’s defiance extends beyond non-compliance; he also posted satirical images of Minister Moraes on X, leading to his inclusion as a subject in the ongoing digital militia investigation. The situation escalated further when X closed its office in Brazil on August 17, following threats from Moraes to arrest the company's then-legal representative in the country.

To prevent users from bypassing the suspension, the court has imposed a fine of R$50,000 (around $10,000 USD) on individuals and companies using "technological subterfuge," such as VPNs, to access X.

The fine was contested in an appeal by the Brazilian Bar Association (OAB), but their request was not considered and may be reviewed later.

The impact of the suspension has been immediate. X's stock price has dropped by 4%, reflecting growing concerns among investors over Musk's handling of the platform and his ongoing legal conflicts. This suspension marks another blow to the social media platform, which has seen its value decline by 71% since Musk acquired it, according to the mutual fund Fidelity.

As X’s company value continues to plummet, reports indicate that hate speech on the platform, formerly known as Twitter, is on the rise. According to the Center for Countering Digital Hate (CCDH), the messaging service has failed to remove posts containing hate speech, even after being notified that such content violates the company’s own hateful conduct guidelines. The CCDH’s findings, highlight the ongoing presence of harmful content despite X's purported policies.

Elon Musk's proclaimed commitment to "freedom of speech" stands in stark contrast to his actual business practices, which reveal a pattern of retaliating against those who challenge him. Despite his rhetoric, Musk has consistently targeted individuals and organizations that oppose or critique his actions.

The same non-profit that challenged Musk’s, hate speech increase now faces a notable ongoing legal battle against Musk’s team. Attorneys for X Corp. asked a judge to penalize the nonprofit researchers tracking rise of hate speech. This lawsuit underscores Musk's tendency to use his influence and resources to silence criticism, rather than uphold the principles of free expression that he publicly champions.

Critics are highlighting the irony in Musk's repeated claims of championing freedom of speech, while simultaneously attacking and silencing those who challenge or disagree with him better exemplified in the case of eight former SpaceX employees who are suing the rocket company and Musk himself. According to CNBC, former Space X employees alleged that Musk personally ordered their termination after they accused SpaceX of tolerating sexual harassment in the workplace.

These individuals were all fired in 2022 after circulating an “open letter” within SpaceX, which criticized Musk’s “behavior in the public sphere” as a “frequent source of distraction and embarrassment.”

The lawsuit claims that Musk's management style is outdated and inappropriate, alleging that women are treated as sexual objects based on their bra size, and the workplace is filled with crude sexual comments, and those who object to this "Animal House" environment are told they can leave if they don't like it.

A report from The Washington Post reveals that a federal agency tasked with enforcing civil rights laws has also filed a lawsuit, this time , against Tesla and Musk, alleging that the company allowed widespread racial harassment of Black employees at its California facility. The lawsuit also claims that Tesla retaliated against some workers who brought these issues to light.

According to the U.S. Equal Employment Opportunity Commission (EEOC), Black employees at Tesla’s Fremont site were regularly subjected to racial slurs, including variations of the n-word. The facility reportedly featured graffiti with nooses, swastikas, and other offensive symbols.

Adding to Elon Musk list of business management failures, a report from The Guardian says that “a US appeals court has ruled that Elon Musk violated federal labor law by tweeting that employees of Tesla would lose stock options if they joined a union.

The New Orleans-based 5th US circuit court of appeals upheld a decision by the US National Labor Relations Board that said the 2018 tweet amounted to an unlawful threat that could discourage unionizing and ordered Musk to delete it.”

Elon Musk's professed commitment to "freedom of speech" appears increasingly hypocritical, as his actions suggest a focus on enabling hate speech and misinformation, while simultaneously cracking down on criticism directed at himself. This selective application of free speech principles reveals a troubling double standard: Musk promotes an environment where harmful rhetoric can proliferate, yet he is quick to retaliate and silence dissenting voices. His history of using resources to target and harass those who oppose him underscores the dangers of his approach, raising serious concerns about his genuine commitment to open discourse.

Musk's behavior bears a striking resemblance to the tactics employed by infamous dictators throughout history. Just as totalitarian leaders have manipulated the concept of freedom and censored opposition to consolidate power, Musk's actions illustrate a similar pattern of suppressing criticism while allowing destructive rhetoric to thrive.

Until corporate leaders like Elon Musk are held accountable for their unethical behavior, misconduct will persist unchecked. The lack of real consequences for such actions creates an environment where mistakes are repeated and systemic issues are never fully addressed.

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