



Internet Monopolisation by Big Tech

*This article is based on [“Regulating Big Tech: Tread lightly”](#) which was published in *The Hindu* on 27/10/2022. It talks about the internet monopolisation by big tech and the recent penalty on Google by the Competition Commission of India.*

For Prelims: Big Tech Companies, Competition Commission of India, Competition Act 2002, Competition Amendment Bill 2022, Political Polarisation, Hate Speech.

For Mains: Antitrust Issues in India, Regulating Big Tech.

Big Tech companies are transforming **India's digital economy** and society in a multitude of ways. Although tech platforms open up new opportunities for bringing products and services to market, somewhere they also wreak serious real-world harms.

These companies have been on **the government radar in many countries** for being **big spenders and trying to steamroll competition** by either buying out their rivals or pushing vendors to avoid working with their competitors.

Recently, the **Competition Commission of India** imposed a penalty of **Rs 1,337.76 crore on Google for “abusing its dominant position” in the Android Mobile Device ecosystem.**

Considering that **big tech companies transact a large volume of data across the globe**, it is necessary to harmonise, regulate them along with maintaining standards for consumer protection.

What are Big Tech Companies?

- Big Tech collectively describes the **most prolific and prosperous technology companies in today's marketplace** which have inordinate influence on internet users across the globe.
- They are often called the Big Five and include the following companies:
 - **Amazon, Apple, Facebook, Google, and Microsoft**

How does India Currently Keep a Check on Big Tech?

- At present, **antitrust issues in India** are guided by the **Competition Act, 2002** with the **Competition Commission of India** taking the lead in checking monopolistic practices.
 - Competition Commission of India has raised issues with **Google's commercial flight search option**, its dominant position in the search marketplace.
 - Google was found guilty in 2019 of misusing its dominant position in the mobile Android market to **impose unfair conditions on device manufacturers.**
 - In addition, Google is accused of following a high and unfair commission mechanism for its **Play Store apps.**
- The government has also proposed amendments to the competition law through the **Competition Amendment Bill, 2022** which is currently under review by **The Parliamentary Standing Committee on Finance.**

What are the Issues Related to Big Tech Companies?

- **Internet Monopolisation:** Big tech companies **acquire competitors to buy consumer loyalty instead of earning it.**
 - They **leverage their market power in one line of business to gain monopolies in others**, locking consumers into their ecosystem of products and services.
 - Their consolidated power can also **swing elections and change the political mood of a nation.**
- **Invasion of Privacy:** When a person searches for a product online, the ads related to it appear on almost every internet platform they use. While it has many positive aspects, it has a **massive potential of drastic negative repercussions.**
 - Also, there is a **lack of transparency** in how tech companies process user data, which has made **invasion of privacy a default.**
- **Regulatory Vacuum:** Due to **rapid innovation and advancement by the Big Tech** firms, the **regulators are only able to react, not be in readiness.**
 - These giant platforms maintain that **they are only intermediaries** and therefore, they can't be held liable for the content.
- **Arbitrary Pricing:** In the non-digital arena, **price determination happens through market forces.** However, in the digital space, rules are largely dictated by the large platforms. Consumers are products themselves on these platforms.
 - Concepts like **network effects and winner-takes-all** coupled with **gatekeeping by Big Tech firms** exacerbate the problem.
- **Moral Panic:** Tech platforms are used to **spread disinformation and propagate [political polarisation](#), [hate speech](#)**, misogynistic abuse, terrorist propaganda, all things that cause moral panic in general public.

What Should be the Way Forward?

- **From Ex-Post to Ex-Ante Approach:** There is a need to move towards an **'ex-ante' approach to regulate competition in the digital market economy** instead of the 'ex-post' model followed now.
 - This will **prevent anti-competitive behaviour**, instead of just initiating a probe and penalising after a breach occurs.
- **Regulating Platform-to-Business (P2B) Space:** India must adopt a hard approach towards regulation of the **platform-to-business (P2B) space** in the larger socio-political and **economic interests of small businesses.**
 - Big tech companies enjoy an undeniable monopoly across sectors due to regulatory gaps and consumer loyalty. As **consumers will not easily give up the convenience that this offers**, it is **necessary to create a network of regulatory measures and safeguards centred around them.**
 - To have the greatest impact, **regulation should be sensitive to regional issues.**
- **Data Management Framework:** The regulatory framework for big tech companies to manage their data can be framed through joint collaboration between **Ministries of Corporate Affairs, Electronics and Information technology, as well as the Competition Commission of India.**
 - The **government** should require BigTech companies to ensure that the **data harvested from consumers will not be used for any purpose other than serving the consumer's interest.**
- **Consumer Awareness:** The government needs to take adequate steps to promote **[internet awareness](#)**, such as **checking the authenticity of websites before any transactions are made, and not granting access to unauthorised applications.**

Drishti Mains Question

Despite transforming India's digital economy and society in a variety of ways, big tech companies are also under scrutiny for Internet Monopolisation. Critically Analyse.

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