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Is Tech-Giant Monopoly Helpful or Harmful for World?

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ABSTRACT

What is a monopoly? Not all people know about monopoly although they undergo it on regular basis. It is the dominant position of industry or by one company with no competitors. During the outbreak of Covid-19, many changes have occurred in our society. But the majorly affected sector is IT (information technology) not negatively though, but it has its downside also. In the IT sector also many technologies rose which is already dominated by big tech giants like Google, Amazon, Facebook, Microsoft. During pandemic situations, companies and institutions have instructed their employees to work from home as a precautionary measure to reduce the risk of contagion. Though amidst of pandemic all work has to be taken to work from home and throughout this changing in a work culture that tech-giant played an important role. Due to monopoly only those companies survive in this situation and gain their fortune. This paper will focus on how tech giants established their economic market structure and the rise of monopoly and what possibly the future holds in this stream.

INTRODUCTION

A monopoly that takes placewhilst a onecorporation controls productionstrategiesimportantto provide a sure product, or has extraordinary rights over the technology used to produce it.The tech industry has experienced a meteoric rise this millennium, growing into one of the world's largest industries, with investment increasing by £3.1 billion in 2019 alone. Amazon, Apple, Facebook, and Google have a combined worth of $4trillion, giving them unprecedented power over the marketplaces they facilitate. This affords them enormous control as they set the rules that other businesses operate under In this way, these companies take responsibility for democratizing access to AI and enabling advancements in this field. However, can these companies be trusted to do it?In early 2021, the 5 largest corporations within the us by value– Amazon, Apple, Facebook, Google, and Microsoft – had a combined value of over $8 trillion and operated globally. Apple, for instance, includes a market value of $2.53 trillion, providing services in one hundred seventy five countries and regions round the world. Many economists, lawyers, and politicians say that economic features of these companies' product markets—such as network effects, economies of scale, data collection, tying of complementary goods, or operating online marketplaces—create unfair competition or insurmountable entry barriers for new competitors. They conclude that "forward-looking" antitrust policy is needed to prevent persistent market dominance from undermining consumerwelfare.The economist Joseph Schumpeter warned against such a monopoly fatalism and admittedthat the most important long-term competitive pressure comes from new products that cannibalize established companies through significant improvements in product quality. unpredictable freedom of competition to the detriment of consumers.

THE DOMINANCE OF MEGA-FIRMS

Everyone knows Google now Google has become the household name whenever we don't have any answer probably googling is the answer to everything even YouTube is a part of Google so the biggest web searcher which their secret algorithm controls more than 70% of the market share so the company has grown into web of the services interlinked with each other. The company has left its competitor Yahoo and Microsoft Beyond with-it innovation and technological advancement. social media is a new market in the current century while the users are offered free services companies earn from advertising revenue Facebook with its huge chunk of market share almost has a monopoly in this business the companies ahead of all its competitors like Google+ Twitter and so on. What role does the monopoly play in everyday life? This is the fundamental question that will be addressed in the following section.The global economy is merging around certain digital superpowers. We see compelling evidence that a winning world is emerging in which a small number of "hub companies" - including Alibaba, Alphabet / Google, Amazon, Apple, Baidu, Facebook, Microsoft and Ten cent - occupy basic positions. While creating real value for users, these companies also capture a disproportionate and growing share of value, which shapes our collective economic future. The same technologies that promised to democratize businesses now threaten to make them more monopolistic.

HOW BIGTECH FIRMS ESTABLISH MONOPOLY?

Network effect: Due to strong network effects, it is not possible to prohibit or restrict these services. Even when other options are available (such as Signal and Telegram for messaging), networkeffects connect customersto your frequently used platform (WhatsApp) even if they are not their favourites.Brand Loyalty - Major players have taken advantage of technology that enables devices and people to be in sync in a way that is often superficially referred to as "brand loyalty."

Link or bundle specific products: Large technology companies have certain soft ware preinstalled with the operating system, often preventing users from using other alternatives.

If current trends continue, the core economy will expand to more than industries, data, values , and power will continue to be concentrated in the hands of a small number of companies that employ a small fraction of the workforce. Causes widespread displeasure. Over time, we can expect consumers, regulators, and even social movements to become increasingly hostile to this concentration of values and economic connectivity. The economy, digitization, and the resulting trends could already exacerbate dangerous income inequalities, undermine the economy and even lead to social instability

If current trends continue, the core economy will expand into more than just industries, and data, values, and power will continue to be concentrated in the hands of a small number of companies that employ a small fraction of the workforce. Over time, we can expect consumers, regulators, and even social movements to be increasingly hostile to this concentration of values and economic connectivity. The economy, digitalization, and the resulting trends could already exacerbate dangerous income inequalities, undermine the economy and even lead socially. Can these trends be reversed? We don't believe The "core economy," as we shall argue in, will remain. But most companies will not become hubs and will have to react wisely to the increasing concentration of power. The digitization of operational skills will not be enough. For example, digital messaging platforms have already dealt a blow to telecommunications service providers; Investment advisers still face threats from online financial services companies. others storm out of previously separate economic sectors. Some companies have taken this path (Comcast with its Xfinity platform is a notable example), but most especially those in traditional sectors, have yet to master the competitive impact of the network.

DIGITAL DOMINO EFFECT

The emergence of monetary hubs is rooted in 3 ideas of digitization and community theory. The first is Moore's law, which states that computer processing energy will double about each years. The implication is that overall performance upgrades will preserve using the augmentation and alternative of human interest with virtual tools. This impacts any enterprise that has included computer systems into its operations— which quite a good deal covers the whole economy. And advances in machine gaining knowledge of and cloud computing have handiest strengthened this trend.

Most computing devices today have built-in network connectivity that allows them to communicate with one another. Modern digital technology enables the sharing of information at near-zero marginal cost, and digital networks are spreading rapidly. Metcalfe's law states that a network's value increases with the number of nodes (connection points) or users—the dynamic we think of as network effects. This means that digital technology is enabling significant growth in value across our economy, particularly as open-network connections allow for the recombination of business offerings, such as the migration from payment tools to the broader financial services and insurance that we've seen at Ant Financial.

This can, in turn, drive more and more markets to tip, and the many players competing in traditionally separate industries get winnowed down to just a few hub firms that capture a growing share of the overall economic value created—a kind of digitaldomino effect.

ETHICSOF NETWORK LEADERSHIP

The obligation for maintaining our (digital) financial system rests in part with thesame leaders who are poised to control it. By developing such centralpositions of power and influence, hub firms have become de facto stewardsof the long-term health of our economy. Leaders of hub companies need to realize that their organizations are analogous to "keystone" species inbiological ecosystems—playing a critical role in maintaining theirsurroundings. Apple, Alibaba, Alphabet/Google, Amazon, and others thatbenefit disproportionately from the ecosystems they dominate have rationaland ethical reasons to support the economic vitality of not just their directparticipants but also the broader industries they serve. In particular, weargue that hub companies need to incorporate value sharing into theirbusiness models, along with value creation and value capture.Building and maintaining a healthy ecosystem is in the best interests ofhub companies. Amazon and Alibaba claim millions of marketplace sellers,and they profit from every transaction those merchants make. Similarly,Google and Apple earn billions in revenue from the third-party apps thatrun on their platforms. Both companies already invest heavily in thedeveloper community, providing programming frameworks, so 鍎 ware tools,and opportunities and business models that enable developers to grow theirbusinesses. But such efforts will need to be scaled up and refined as hubfirms find themselves at the centre of—and relying on—much larger andmore-complex ecosystems. Preserving the strength and productivity ofcomplementary communities should be a fundamental part of any hubfirm's strategy firm's strategy. But community ethics aren'tpretty muchmonetary considerations. Social worries are similarly important. Centralized platforms, which include Kiva for charitable effectmaking an investment and Airbnb for lodging bookings, have been located to be vulnerable to racial discrimination. In Airbnb's case, outside researchers convincingly proven that African American visitorshave beenmainlyprobably to have their reservation requests rejected. The stress is now on Airbnb to combat bias eachthroughinstructing its owners and throughenhancingpositive platform features. Additionally, as Airbnb keeps to grow, it ought topaintings to make certain that its hosts heed municipal regulations, lest they face a doubtlessly devastating regulatory backlash.

RESHAPING THE ANTITRUST FRAMEWORK

The damagingresults of enterprise consolidation and declining competition, an apparentareato begin is antitrust law and enforcement. The U.S. technique to antitrust has developedappreciably over the beyond century. In the Fifties and 1960s, many mergers—even ones that might have brought abouthighly modest will increase in attention—have beenmechanically challenged, howeverwith inside theSeventies the antitrust framework commenced to shift closer todifficult many fewer mergers. Lawyer-judges Robert Bork and Richard Posner and Nobel laureate economists George Stigler and Oliver Williamson laid the highbrowbasis for this shift, which unfold to the coveragearea and the courts within side the early 1980s. The extra lenient techniquetrusted3 ideas: that damage from extendedattentionneeded to be weighed in opposition to the efficiencies to be achieved, that horizontal mergers amongcompetitionhave beendangeroushandiest if they brought aboutmuch less output, and that vertical mergers amongdealer and buyer normallyhave beennow no longer a problem. This questioning solidified beneath Neath the Reagan Justice Department, and for higher or worse, the antitrust government stood with the aid of using over the approachinga long timebecause theeconomic system grew extra concentrated. In the 2000s, beneath Neath Barack Obama, the stance have becomeratherextra aggressive, however it staysdoubtfulwhether or not his government orders to sell competitive markets, issued within side thelast innings of his administration, have been mere symbolism or a severe effort.

Kwoka's meta-evaluation indicates that antitrust government must be extra inclined to block mergers in order to increase competition. Consider the wireless telephone business. In 2011, AT&T sought to acquire a struggling competitor, T-Mobile USA, in a $39 billion deal that would have reduced the number of major competitors in the industry from four to three. Unable to overcome the opposition of the Obama administration, however, AT&T abandoned the deal five months after announcing it. After the merger fell through, some argued that T-Mobile was doomed. It wasn't. As writer Mark Rogowsky recounted in Forbes, "Within a year, T-Mobile hired John Legere as its new CEO and he threw out the business-as-standard approach. Legere dumped subsidies, lowered prices, offered more data and often poked fun at rivals." T-Mobile thrived, signing up 4.4 million new subscribers in 2013. By 2017, competition among wireless carriers was so stiff that Federal Reserve chair Janet Yellen cited falling prices for cell phone service as a cause of low inflation. Antitrust authorities must also tackle the vexing question of what constitutes illegal "predatory" pricing in today's market. Consider Amazon's alleged use of below-cost pricing to pressure and ultimately acquire a potential competitor. After the e-commerce company Quidsi—the owner of Diapers.com—rejected a 2009 acquisition overture from Amazon, Amazon responded by cutting prices for diapers and other baby products by as much as 30% on its site and rolling out Amazon Mom, which offered discounts and free shipping.

WHY IT'S A BAD IDEATO LETAFEW TECH COMPANIES MONOPOLIZE OUR DATA

"It's no true combating an election marketing campaign at the facts," Cambridge Analytic a's coping with director instructed an undercover reporter, "due to the fact actually it's all approximately emotion." 1 To goal U.S. citizens and enchantment to their hopes, neuroses, and fears, the political consulting corporation had to educate its set of rules to are expecting and map persona traits. That required plenty of private information. So, to construct those psychographic profiles, Cambridge Analytical enlisted a Cambridge University professor, whose app collected information on approximately 50 million Facebook customers and their friends. Facebook, at that time, allowed app builders to accumulate this private information. Facebook argued that Cambridge Analytical and the professor violated its information regulations. But this became now no longer the primary time its regulations had been violated. Nor is it probably to be the last. This scandal got here at the heels of Russia the usage of Facebook, Google, and Twitter "to sow discord within side the U.S. political system, such as the 2016 U.S. presidential election." It heightened issues over today's tech giants and the impact they have. That impact is available in component from information. Facebook, Google, Amazon, and comparable businesses are "information-poleis." By that I imply businesses that manipulate key platform, which, like a coral reef, draws to its atmosphere customers, sellers, advertisers, software program builders, apps, and accent makers. Apple and Google, for example, every manipulate a famous cellular telecellsmartphone running system platform (and key apps on that platform), Amazon controls the most important on line service provider platform, and Facebook controls the most important social network platform. Through their main platforms, a giant quantity and variety of private information flow. The pace in obtaining and exploiting this private information can assist those businesses acquire giant marketplace power. Is it OK for some corporations to own a lot information and thereby wield so an awful lot power? In the United States, at least, antitrust officers thus far seem ambivalent approximately those information-poleis. They're free, the questioning goes, so what's the harm? But that reasoning is misguided. Data-poleis pose incredible risks, for consumers, workers, competition, and the overall fitness of our democracy. Here's why.

HOW DATA-OPOLIES HARM ?

But higher prices are not the only way for powerful companies to harm theirconsumers or the rest of society. Upon closer examination, data-opolies canpose at least eight potential harms.

LOWER-QUALITYPRODUCTS WITHLESSPRIVACY

Companies, antitrust authorities increasingly recognize, can compete onprivacy and protecting data. But without competition, data-opolies face lesspressure. They can depress privacy protection below competitive levels andcollect personal data above competitive levels. The collection of too muchpersonal data can be the equivalent of charging an excessive price.Data-opolies can also fail to disclose what data they collect and how theywill use the data. They face little competitive pressure to change their opaqueprivacy policies. Even if a data-opoly improves its privacy statement, sowhat? The current notice-and-consent regime is meaningless when there areno viable competitive alternatives and the bargaining power is so unequal.

LOSSOF TRUST

Market economies depend on agree with. For on-line markets to supply their benefits,human beings should agree with companies and their use of the non-public records. But as technologyevolves and greater non-public records is collected, we're an increasing number of conscious that afew effective companies are the use of our non-public statistics for his or her personal benefit,now no longer ours. When records-opolies degrade privateness protections beneath competitivelevels, a few clients will pick out now no longer “to percentage their records, to restrict theirrecords sharing with companies, or maybe to lie whilst supplying statistics,” asthe UK’s Competition and Markets Authority placed it. Consumers can also additionally forgothe records-opolies’ services, which they in any other case could have used if privatenessopposition have been robust. This loss could constitute what economists name adeadweight welfare loss. In different words, as mistrust increases, society overallturns into worse off.

LESSINNOVATIONIN MARKETSDOMINATEDBYDATA-OPOLIES

Data-opolies can chill innovation with a weapon that earlier monopolieslacked. Allen Grunes and I call it the “now-casting radar.” Our book BigData and Competition Policy explores how some platforms have a relativeadvantage in accessing and analysing data to discern consumer trends wellbefore others. Data-opolies can use their relative advantage to see whatproducts or services are becoming more popular. With their now-castingradar, data-opolies can acquire or squelch these nascent competitive threats.

SOCIAL AND MORAL CONCERNS

Historically, antitrust has additionally been worried with how monopolies canavoid person autonomy. Data-opolies also can harm personautonomy. To begin with, they are able to direct (and limit) possibilities forstart-ups that subsist on their super-platform. This consists of third-partydealers that depend on Amazon’s platform to attain customers, newspapers, andreporters that depend upon Facebook and Google to attain more youthful readers,and, because the European Commission’s Google Shopping Case explores,organizations that depend upon site visitors from Google’s seek engine.But the autonomy issues cross past the constellation of appdevelopers, dealers, reporters, musicians, writers, photographers, and artistsdepending on the data-opoly to attain users. Every person’s autonomy isat stake. In 2018, the hedge fund Jana Partners joined the California StateT eachers’ Retirement pension fund to call for that Apple do greater tocope with the outcomes of its gadgets on children. As the Economist noted, “Yourealize you're in problem if a Wall Street company is lecturing you aboutmorality.”five The subject is that the data-opolies’ merchandise are purposefullyaddictive and thereby eroding individuals’ capacity to make unfastened choices.An exciting counterargument really well worth noting is primarily based totally at the interplayamong monopoly energy and competition. On the only hand, inmonopolized markets, customers have fewer aggressive options. So,arguably, there's much less want to addict them. On the opposite hand, data-opolies,like Facebook and Google, even with out tremendous rivals, can increasein-come through growing our engagement with their merchandise. So, data-opolieswill have an incentive to make the most behavioral biases and imperfect willpowerto addict users—whether or not looking YouTube movies or posting on Instagram.

THE BEST WAY FORWARD

The need to both craft clear, predictable rules and renew vigorousenforcement inclines us toward the progressive approach, and it shapes thefour proper steps.

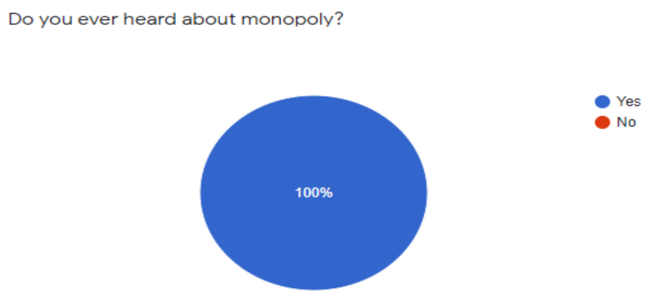
First, the antitrust agencies should reinvigorate the “structuralpresumption” against excessive sectoral concentration and tighten theenforcement standards for horizontal mergers. This includes lowering thethreshold at which prospective mergers are subject to rigorous scrutinyosals at the heart of our recent report

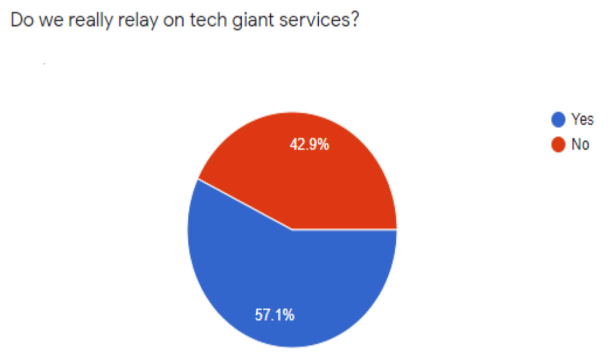
Second, the agencies should update the Non-Horizontal Merger Guidelines to reflect the reality that vertical integration can have anticompetitive effects. Revisions might include dismissing the presumption that nonhorizontal mergers are pro-competitive, paying special attention to acquisitions by dominant firms, and placing the burden of proof on the merging parties to demonstrate pro-consumer effects.

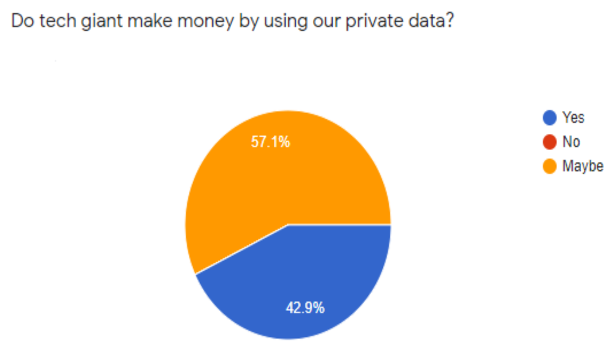
Third, U.S. antitrust enforcement wishes a brand new regime to deal withpredatory pricing.. There are few tools to wield against American antitrust.When episodes such as Mylan’s 400% price hikes for its EpiPen productstoke public outrage, the government is forced to rely on hearings and publicshaming to induce corporations to lower monopoly pricing, a strategy thatoften fails. A predatory pricing regime would also tackle price-cutting effortsthat reduce but do not eliminate a dominant actor’s profit margin but canforce weaker actors to capitulate, rendering the market less competitive.

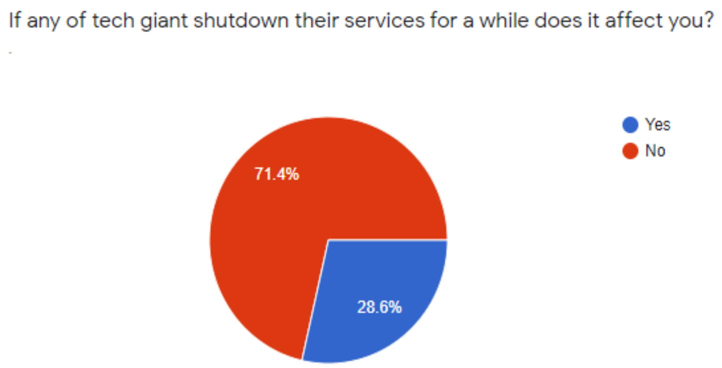
Fourth, the transaction expenses of antitrust enforcement have to be reduced. This mightencompass reinstating a rule that has allowed computerized appeals of district courts’ antitrust selections to the Supreme Court, bypassing an entire degree of appellate review. Expediting enforcement will alleviate the drain on agencies’ assets that effects from the modern-dayprolonged process. The longer that monopoly abuses are allowed to persist, the extra entrenched offenders become, and the extraillegal rents they are able to extract from consumers.

SURVEY AND ANALYSIS

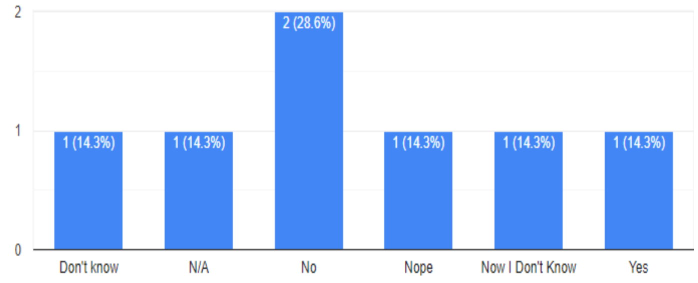




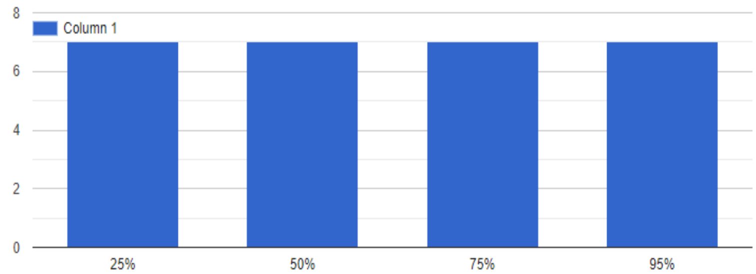




Do you know any alternative options against those tech giant services?



How much percent India is depended on others technology?



CONCLUSION

In this paper, we've got proven that the antitrust monopolists can be companies engaged in a process of fierce holistic competition. Those firms that we call the moligopolists, compete against the non-consumption, in search of new and low-end market footholds. The failure of the antitrust structure to see that rivalry – whose intensity may vary from one company to another – originates both in formal and applied economics theory. We believe those defects can be cured with a rechanneling of antitrust policy towards certain types of restraints, in certain types of market settings.

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