Antitrust regulators pounce on Big Tech

Why investigators in the EU and USA have expressed 'widespread concerns' about social media, search engines and online retail services

he crackdown on Big Tech is intensifying as flanks of the government across the US try to rein in the industry's immense power.

Nearly every US state -California and Alabama being the notable exceptions — joined in a bipartisan investigation of Google, just days after a smaller group announced a probe into Facebook. State attorney generals are looking at how these two companies capitalised on the popularity of their free services to dominate the lucrative online ad market.

Though experts say breakups are unlikely in the short term, Facebook, Google, Amazon and Apple could face new restrictions. Here's a look at how these companies dominate and what their defences could be.

Facebook

Facebook is certainly big. But is it an illegal, competitioncrushing monopoly?

Critics believe a breakup—possibly by spinning off Instagram and WhatsApp — is needed. Facebook can squash competitors either by buying themorusing its enormous resources to mimic services they offer - as it's done with Snapchat, for example.

Facebook has stressed that it has competitors in messaging and digital communication, including Apple and Google. New York University law professor

Eleanor Fox said that because antitrust law focuses on companies that raise prices too much, and Facebook is free, it will be tough to break up the business.

Google

As Google becomes a leading email service provider, search engine and advertis-



ing platform, critics worry the company is able to squash rivals. The tech giant can show its products above competitors' or feature its own ads prominently.

The company might argue it doesn't have an obligation to do business with its rivals at all. It's Google's technology and Google can use it as it wishes, goes one line of reasoning. Under existing laws, it is difficult to make the case that Google has monopoly power, "even though I think a lot of people think it's obvious," NYU's Fox said.

Apple

Apple's pioneering app store has given customers instant access to services that entertain, en-



lighten and engage. But it's also a place where Apple controls all the access and sets commission rates for subscriptions and other purchases made through the apps.

App makers periodically allege that they are blocked because Apple wants people to use their own services. Apple says it typically blocks only apps with buggy



Amazon

The European Union's antitrust chief has been exploring whether

Amazon is using data to gain an edge on third-party merchants, which are both its customers and rivals. Italy has been looking into whether Amazon abused its dominance by offering preferential

Amazon insists it's far from dominant. In a letter to shareholders, CEO Jeff Bezos called Amazon

dominate online.



treatment to companies that used "a small player in global retail". Amazon's own delivery-manage-He notes that nearly 90 per cent of retail is offline, in brick-andment services. mortar stores. But Amazon does