

You have just woken up on a Saturday morning, and want to buy some food for breakfast. You go to your car, either a Volkswagen, a Renault, a Ford..., and go to the closest mall from your house, Auchan, Carrefour, Leclerc...? There you take a look at your shopping list on your iPhone or on your Samsung, and think about which cereals you are going to buy for breakfast, would it be Kellogg, Nestle, Jordans? No matter what will end up in your basket, at the end of your purchases, you may surely have bought products made by one of the giants of the industry, like most people nowadays.

Our daily life is indeed built on the way we consume, and constitutes the reflection of our actual society, and the mirror of the global market. If one century ago, the global offer was divided into uncountable small local businesses, we are today entering into a period where the economy is shaped by the biggest companies of the world.

If we base our thoughts on this observation, could we say that we are becoming the witnesses but also the actors of a winner-takes-all economy? And what would be the solutions to avoid the inequalities born from this process?

In the first part, this essay will try to define what is a *winner-takes-all* economy, analyse its mechanisms and illustrate this phenomenon by studying one of the online giants, *Amazon*. Then it will deal with the alternatives and solutions available to counter it, on the local and international scales.

The 1% of the richest own half of the global wealth. An impressive figure that may represent quite well what a *winner-takes-all* economy means. If we try to rephrase it, this expression could be replaced by the following definition : in a competitive environment, it would refer to an economic mechanism that only leads a small piece of competitors to enrich themselves to the detriment of the rest of the market. Those “*winners*” by forming oligopolies, would thus catch most of the global demand and capitalize most of the global wealth.

This phenomenon is the result of several trends and technical improvements. On one hand, globalization has enabled a rise of services, capital and goods flows across the world, that led companies to be able to be present not only in the area where they were implanted but all over the world. If the market was before composed of plural small local businesses, those international companies have been able to take part in foreign markets, and therefore to

access a larger part of customers, at the expense of the weaker and smaller local companies. On top of this globalization process, we got on the other hand a high improvement of the technical, digital, and technological areas. In fact, production methods have been developed thanks to industrialization, and taylorism and robotization led companies to be able to produce more for cheaper. Or in other words, companies that have enough capital to invest into their production methods and into innovation would be able on the long term to produce goods in large quantities, and therefore to respond to the growing demand while remaining competitive thanks to their low production costs and to their growing productivity. Moreover, foreign and local investors rather like to bet on wealthy and international companies that are judged more fruitful, letting those giants to enrich themselves even more. That leads this system to turn into a vicious circle.

Concrete results are the growing monopolization of some markets by a handful of companies, leading fruitful small local companies to go bankrupt because of their resources, not high enough to compete with world Giants. If we take a look at our daily life, this phenomenon is at the heart of our way of living. Let's take the example of *Amazon*, one of the leaders of the internet. Who has never ordered something on that platform? With an annual revenue approaching a hundred billion dollars for the year 2020, the company is counting more than 6 millions people visiting its website everyday in France, and around 150 millions american using its application, only in a month. Because of its strategy of monopolization, the online retail giant is today dominating the American and the Western European market and aims to maintain its expansion by getting in the Asian market, and competing with the actual giant there, *Alibaba*. Its massive presence across the world is deeply impacting local businesses. The convenience of being able to buy something without having to go out, and the delivery services and low prices proposed on the platforms have led a growing part of the consumers to stop buying from local shops, to the benefit of *Amazon*. Moreover, because of the Covid-19 and the global containment, purchases on *Amazon* have even increased, leaving behind small companies approaching bankruptcy, because of the crisis.

Furthermore, one of the main reasons for Amazon's success is its way to have revolutionized the market. As the place of the internet has highly increased in our daily life, *Amazon*, like *Google* and *Facebook* have found the perfect opportunity to surf on this new lifestyle, while reducing their costs. In fact, those last ones are first avoiding some important taxes because of their lack of physical presence in some States, and also are spending very low production costs as they are only using their platforms to sell other ones goods, services or datas, like *Facebook* does by selling personal informations of its users, to other companies.

However, by stealing the customers of the traditional sellers and offers, those giants are increasing the global income inequalities. In fact, every consumer represents a potential source of income, and by giving our money to *Amazon*, *Uber*, or even *Primark*, we are in a way cutting the local businesses incomes. To counter this process of enriching the wealthiest to the detriment of local companies, a first and simple solution would be to stop buying products or services from giant industries, in order to support the local market. It could go from buying its bread at the bakery instead of Casino, to boycotting online retailers in order to foster for example local jewelry stores, independent clothing shops... We don't have to forget that even if we are only a drop of water in the sea, we are all taking part in the Ocean currents that are guiding the boat of our modern society, and by shaping ethical waves, we can lead this boat where we want it to go, to a fairer system.

Furthermore, State regulations are essential to enable healthy and homogeneous markets, and therefore to provide a system close to the ideal of the *pure and perfect competition*. For example, the French parliament voted on a law that forbids online book sellers to benefit from an Amazon discount while getting free delivery fees. This regulation was made in order to protect book stores, by helping them to remain competitive against kind of an unfair competition.

Another key to counter inequalities could be to favor a Keynesianist system. In fact, by increasing taxations of the wealthiest, the State would be able to redistribute this money through grants, to smaller companies, and therefore to enable them to compete against giant industries, thanks to innovation, advertising, low prices... For example, a French law has been adopted in 2019 in order to tax the giants of the Internet : *Google*, *Amazon*, *Facebook*, and *Apple*, that were before exempted from taxes because of their none physical presence on the territory. This would enable the government to generate an important amount of money that would be relocated into companies in difficulty.

To conclude, the environment is changing, impacting therefore the global market. With globalization, capital, financial, services and goods flows have increased, leading companies to be able to cover not only their local markets but the whole world. Furthermore, technical progress and digitization have enabled international firms to respond to the growing demand, but also to develop alternative systems to enrich themselves. Those changes are letting a few companies become giants of the economy. However concentration of capital by only a handful of firms is deeply impacting traditional markets, and also the health of the competitive system. As we have explained with the example of Amazon, monopolistic

strategies of some firms are placing smaller companies in serious difficulties and that method is leading big firms to enrich at the expense of the weaker ones.

To avoid this monopolistic structure, the disappearance of the traditional offer, and thus rising inequalities, it is essential to adapt our consumption pattern to the moving structure of the global market. Fostering local companies and avoiding to buy products that come from international and wealthy companies must enable the smaller ones to remain competitive and to adapt themselves to the moving environment. Furthermore, government regulation and intervention is most of the time crucial to frame and control the giant's growth, to re-establish balance, and to support traditional companies.

Nevertheless, sometimes the *winners* are too big to be controlled and manage to influence the government as it suits them. That was the case of the bill willing to forbid the use of *glyphosate* in France, as it was judged too dangerous for the human's health. But lobbies managed to negotiate in order of maintaining its use in the country, despite its risks.