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From food trade to media, water, electricity or banking, most sectors of the economy are now dominated by a handful of large multinational companies. These new oligopolies are often able to impose their interests on other economic actors, consumers and even public authorities.

This process is driven by a system that is increasingly tilted towards a winner-takes-all economy.

But, before seeing in what way this phenomenon is developing, it is important to define what a Winner-takes-all economy is in order to better understand its meaning.

According to Investopedia: *A winner-takes-all market refers to an economy in which the best performers are able to capture a very large share of the available rewards, while the remaining competitors are left with very little. roughly speaking it refers to an economic system where competition allows the best performers to rise to the top at the expense of the losers*.

in other words, winner-takes-all economy leads the market to an oligopoly, where only a small number of large and powerful companies control the majority of the market share generally by crushing or buying out the competition.

Now that the notion of winner-takes-all economy is understood, it is possible to question the presence of this economic system; Do we actually live in in a world dominated by a winner-takes-all economy?

In the first part, it will be interesting to discuss what exactly winner-takes-all economy is and what factors have led this process to dominate the world economy. Then, in a second part, it will be interesting to take different examples to show how the "winner-takes-all economy" acts on markets that directly influence our lives.

In a world where 99% of the population owns 1% of the wealth, it is only logical that a minority of transnational firms hold the majority of the market.

This huge gap is notable for example in the stock market world, as a striking performance gap emerges in global stock markets. In sector after sector, in both new and old economies, a small group of companies holds almost the entire market. At the same time, the value of their less successful competitors declines disproportionately – It is a polarisation between winners and losers that increases exponentially over time.

In addition to crushing smaller competitors, winner-takes-all markets are difficult to perturb and prevent the entry of new entrants by locking in the market shares of the major players, known as barriers to market entry.

One of the main reasons that led the economy to advocate this system is the leverage effect. To understand what leverage is, let's take an example outside of economics, but which fits this logic:

Until recently, if you were a nanosecond faster than someone else, there was no real advantage. Now it does. In fact, small differences in performance are reflected in large differences in real world benefits.

Taking the example of a gold medallist at the Olympics, he can win by only a nanosecond, but he will be rewarded disproportionately for a very small advantage, this is called leverage and it is what dominates today any domain where there is competition.

Another important factor that has led to the development of a winner-takes-all economy is technology.

Without the barriers that were once associated with communication and supply networks, large companies can capture local markets wherever they set up shop. This is a huge loss for small, established businesses. When a new market appears, companies rush to create new products or services. There is a flurry of activity for a period of time. Over time, customers tend to revolve around the two or three companies they prefer. This leads to a drastic drop in revenue for other competitors, who are forced to close their doors. Technology has therefore fostered the growth of winner-takes-all markets.

So, summarising the facts of this first part, it is undeniable that a winner-takes-all economy is present in our lives and influences them exponentially.

To demonstrate this, several economic sectors and examples can be used.

Taking France as an example, it can be seen that more than half of the electricity market is held by one company, EDF.

EDF has a turnover of 71,317,000 euros in 2019 with approximately 70% of the domestic electricity customer market.

This means that more than 2/3 of French people consume electricity produced by a single company, obviously this monopoly of the market share and the importance at the social level of this company (to understand its importance at the social level it is necessary to imagine what would happen if one day out of the blue EDF would stop producing electricity) gives him a disproportionate power, that it is at the financial level that at the political level, indeed the companies of such a scale have a political impact, considering the economic surplus value that they bring to the country and the dependence that a country may have on these types of companies.

Other larger and more recent examples of territorial scope can be analysed.

This is the case with car-sharing services, which have developed exponentially thanks to the technology. In a once crowded market, there are now two big winners who are grabbing all the benefits. Indeed, Uber and Lyft have triumphed over many comparable services. But they are unlikely to lose market share anytime soon.

With this example it is possible to demonstrate the polarisation of a winner-takes-all economy, as Uber has not only completely changed the way people travel, but has literally crushed competing services such as taxis, which have seen their revenues cut by more than half since the service arrived.

So, with the arrival of Uber, the way we get from one place to another has necessarily changed, its international firms have an impact on competitors as well as on the customer's way of life.

Thus, through these examples, it is possible to understand that these companies that monopolise the market through a winner-takes-all economy influence our lives.

There are many such companies that monopolise a market to which we are closely linked (Mcdonald, Apple, Danone...) that grow by gaining a foothold in a market by crushing the competition.

So, in conclusion, in order to answer the question do we live in a winner-takes-all economy, we need to summarise the arguments presented.

Firstly, the notion and function of winner-takes-all was analysed in more depth, highlighting some of the main factors that have driven this phenomenon to develop in the global economy, leverage and technology.

After this, it was noted through numerous examples that the actors of the winner-takes-all economy, that is to say transnational firms such as Uber or EDF, directly or indirectly influence our lives, so it is undeniable that today we live in a winner-takes-all economy.

But, in my personal opinion, the question we could ask ourselves once we have better understood about what this system consists of is:

Is it good to live in a winner-takes-all economy?

Of course, it would be too easy if a unanimous answer could be found, but I think that more and more attention should be paid to the issue since this winner-takes-all system is widening the gaps year after year without really knowing where this could take the world economy.

Indeed, as seen in the first part, the enrichment of some causes the impoverishment of others, so there will be a time when this gap will be so large that it could provoke a real struggle against these transnational firms that leave no room for competition.