

The EU and Big Tech

Overview

Big 5 tech companies together are worth more than 282 other companies

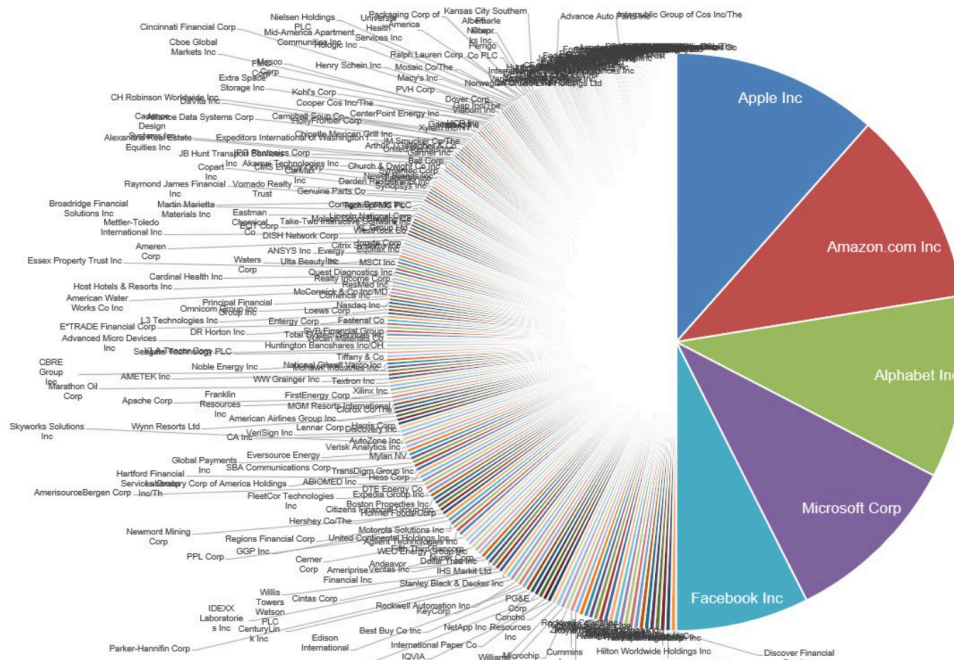


Figure 1: Chart depicting Big Tech in comparison with 282 other Tech Companies in 2018.¹
Since this has been posted, Big Tech has doubled in worth to 8.9 trillion.²

“Big Tech” refers to the most valuable and dominant companies in the technology industry today.³ Although there is no consensus on the definition of Big Tech, five companies that are widely associated with this term are Apple, Amazon, Meta (Facebook), Google, and Microsoft, each of which is dominant in their respective areas of technology, including: search engines, e-commerce, social networking, artificial intelligence, and computer software.⁴

In their global dominance, Big Tech companies provide services to millions, and are thus able to control user data and employ oligopolistic market behaviours, with oligopolistic markets being those that are completely dominated by a small number of powerful sellers. Unlike a monopoly,

¹ Sue Chang, “One Chart Puts Mega Tech’s Trillions Of Market Value Into Eye-Popping Perspective,” *WatchMarket*, July 19, 2018, <https://www.marketwatch.com/story/this-1-chart-puts-mega-techs-trillions-of-market-value-into-eye-popping-perspective-2018-07-18>.

² Antoinette Siu, “Big Tech Is Even Bigger Than You Think: \$2.7 Trillion Apple Is Now Worth 11 Disneys | Charts,” *Yahoo! Entertainment*, March 22, 2022, <https://www.yahoo.com/entertainment/big-tech-even-bigger-think-130000056.html#:~:text=>

³ Linda Rosencrancem, “What is Big Tech,” *WhatIs.com*, n.d., <https://www.techtarget.com/whatis/definition/Big-Tech>.

⁴ Ibid.

oligopolistic markets rely on a band of companies to exert significant influence, maintaining this even if it means unfair and anticompetitive acts. Big Tech companies constitute the defining institutions of the modern world and dominate political economies, societies, and politics such that it is nearly impossible to exist in the digital world without interacting with these companies.

It was not until the 2016 United Kingdom European Union membership referendum when Big Tech companies found themselves in the midst of heavy political backlash due to a loss of public trust; this led policymakers to begin regulating the industry to a far greater extent. Most notably, the European Commission has passed antitrust laws—a set of laws which regulate and ensure fair competition investigations—and developed policies to promote fair competition in the technology industry due to concerns over Big Tech companies on privacy, market freedom, free speech, and national security. Within the EU, the European Commission is the governing body responsible for the creation and enforcement of legislation.⁵

The most recent action taken by the EU has been instituting the Digital Markets Act (DMA).⁶ Proposed by the European Commission and adopted by the Council of the European Union in December 2020, this act intends to prevent Big Tech companies from using their overwhelming market power to instate barriers to entry for other companies in the technology industry.⁷ The DMA established a list of obligations for designated companies ranging from regulating data collection to prohibiting anti-competitive agreements from occurring.⁸ With these obligations, the European Commission hopes to “establish a level playing field for businesses.”⁹

In spite of the recent surge in action against Big Tech both in Europe and across the world, Big Tech companies are still able to restrict access to digital markets, collect user data, impose unconscionable contracts, and charge exorbitant fees to maintain and abuse their power in the digital age.¹⁰ As such, establishing a firm stance on how Big Tech companies are to be managed in the EU is of paramount importance.

⁵ “European Commission,” European Union, n.d., https://european-union.europa.eu/institutions-law-budget/institutions-and-bodies/institutions-and-bodies-profiles/european-commission_en.

⁶ Arianne Sikken, “DMA: Council gives final approval to new rules for fair competition online,” *European Council*, July 18, 2022, <https://www.consilium.europa.eu/en/press/press-releases/2022/07/18/dma-council-gives-final-approval-to-new-rules-for-fair-competition-online/>.

⁷ Isabel T. Nadkarni and Yasmina Yakimova, “Deal on Digital Markets Act: EU rules to ensure fair competition and more choice for users,” *European Parliament*, March 24, 2022, <https://www.europarl.europa.eu/news/en/press-room/20220315IPR25504/deal-on-digital-markets-act-ensuring-fair-competition-and-more-choice-for-users>.

⁸ Ibid.

⁹ “The Digital Services Act package,” *European Commission*, n.d., <https://digital-strategy.ec.europa.eu/en/policies/digital-services-act-package>.

¹⁰ Jerrold Nadler, “Investigation of Competition in Digital Markets,” *Subcommittee on Antitrust*, July 2022, <https://www.govinfo.gov/content/pkg/CPRT-117HPRT47832/pdf/CPRT-117HPRT47832.pdf>.

Timeline

April 1, 1976 — Apple, which is largely considered to be a part of Big Tech, is founded with the goal of changing how computers are viewed and creating computers small enough to fit in homes and offices.¹¹

1990 — Tim Berners-Lee creates the World Wide Web, a means of accessing information online and connecting computers globally.¹² It allowed for an easy way for information to be shared and communicated to everyone, beginning the digital age and the eventual rise of Big Tech.

1996 — Ireland pledges to lower corporate taxes to 12.5% in order to help all corporations grow, specifically the ones which industrialized and innovated the market. This Finance Act, which applies to Big Tech, hoped to reach the aimed corporate tax rate by 2003.¹³

February 2004 — Facebook is created for students at Harvard University to connect with one another digitally.¹⁴ The site goes on to become the most popular social networking site and one of the most valuable companies globally, with over 2.93 billion active users in 2022.¹⁵

March 24, 2004 — The European Commission mandates that Microsoft allow interoperability between Windows and rival operating systems.¹⁶ Following a five-year investigation, Microsoft was discovered deliberately restricting rival companies' ability to exchange information or data.

2013 — The phrase “Big Tech” begins to be used by economists after technology businesses gain dominance without regulation, but it was not until the allegations of Russian interference in the 2016 U.S. election that the term gains widespread use.¹⁷

¹¹ “The Founding of Apple Computers, Inc.,” *Library of Congress*, n.d., <https://guides.loc.gov/this-month-in-business-history/april/apple-computers-founded>.

¹² “A short history of the Web,” CERN *Accelerating science*, n.d., <https://home.cern/science/computing/birth-web/short-history-web>.

¹³ Thomas Conefrey, John D. Fitz Gerald, “The Macro-Economic Impact of Changing the Rate of Corporation Tax,” *The Economic and Social Research Institute*, May 3, 2011, <https://www.esri.ie/system/files?file=media/file-uploads/2015-07/JACB201123.pdf>.

¹⁴ History.com Editors, “Facebook launches,” *History*, February 2, 2021, <https://www.history.com/this-day-in-history/facebook-launches-mark-zuckerberg>.

¹⁵ S. Dixon, “Number of Monthly Active Facebook Users Worldwide As Of 2nd Quarter 2022,” *Statista.com*, July 2022, <https://www.statista.com/statistics/264810/number-of-monthly-active-facebook-users-worldwide/>.

¹⁶ “Commission concludes on Microsoft investigation, imposes conduct remedies and a fine,” *European Commission*, March 24, 2004, https://ec.europa.eu/commission/presscorner/detail/en/IP_04_382.

¹⁷ Will Oremus, “Big Tobacco. Big Pharma. Big Tech?,” *SLATE*, November 17, 2017, <https://slate.com/technology/2017/11/how-silicon-valley-became-big-tech.html>.

2016 — IBM, a multinational technology company, reports that 90% of the world's data has been created in the past two years and that 2.5 quintillion bytes of data are created daily.¹⁸

December 4, 2018 — A former employee of Cambridge Analytica, a British consulting firm, details an abuse of user data by Facebook. He notes that throughout the 2010s, the data of millions of Facebook users had been collected without consent and used for political purposes. Facebook would soon be heavily fined for €17 million by the European Union.¹⁹

May 25, 2018 — The EU General Data Protection Regulation (GDPR), a regulation introduced in 2016 to enhance individuals' control over their personal data and privacy, becomes enforceable.²⁰ The act includes measures from mandatory data breach notifications to granting individuals the right to manage or destroy their personal data.

March 16, 2020 — France's competition authority imposes a €1.1 billion fine against Apple for anti-competitive practices for an unfair agreement to control prices. Following a complaint by eBizcuss in 2012, the French Authority discovers that Apple was favouring certain wholesalers and allocating them more stock.²¹

September 2021 — Allied Market Research releases a report on the big data and business analytics market, finding that the global market, worth €193 billion in 2020, is projected to grow to €667 billion by 2030.²²

July 18, 2022 — The Council of the European Union gives its final approval of the Digital Markets Act.²³ The Digital Markets Act aims to maintain the balance of market competition with preventive measures.

¹⁸ Bernard Marr, "How Much Data Do We Create Every Day?," *Forbes*, May 21, 2018, <https://www.forbes.com/sites/bernardmarr/2018/05/21/how-much-data-do-we-create-every-day-the-mind-blowing-stats-everyone-should-read/?sh=507fb97e60b.a>

¹⁹ Julia C. Wong, "The Cambridge Analytica scandal changed the world – but it didn't change Facebook," *The Guardian*, March 19, 2019, <https://www.theguardian.com/technology/2019/mar/17/the-cambridge-analytica-scandal-changed-the-world-but-it-didnt-change-facebook>.

²⁰ Ben Welford, "What is GDPR, the EU's new data protection law?," *GDPR*, n.d., <https://gdpr.eu/what-is-gdpr/?cn-reloaded=1>.

²¹ Angela Monaghan, "Apple Fined Record €1.1bn By French Competition Regulator," *The Guardian*, March 12, 2020, <https://www.theguardian.com/technology/2020/mar/16/apple-fined-record-1.1bn-by-french-competition-regulator>.

²² Pramod Borsai, Shadaab Khan, and Vineet Kumar, "Big Data and Business Analytics Market," *Allied Market Research*, n.d., <https://www.alliedmarketresearch.com/big-data-and-business-analytics-market>.

²³ Arianne Sikken, "DMA: Council gives final approval to new rules for fair competition online," *European Council*, July 18, 2022, <https://www.consilium.europa.eu/en/press/press-releases/2022/07/18/dma-council-gives-final-approval-to-new-rules-for-fair-competition-online/>.

July 18, 2022 — Along with the DMA, the Digital Service Act is introduced into the EU. The DSA attempts to mitigate illegal content on online platforms and ensure the protection of consumers.²⁴

Historical Analysis

The mid-20th century saw a shift of traditional industries to an economy based on information technology (IT). Since modern computers began to be theorized in 1936, this progression into the information age saw the first two of the five traditional Big Tech companies founded in the mid-1970s: Apple and Microsoft. Both began as a software and hardware company before slowly transitioning to gain market dominance.²⁵ In 2007, when Apple created its first smartphone, it had around 3% market share.²⁶ However, Apple now takes 57% of the world's premium smartphones (wholesale prices above \$400 USD), while also owning 78% of the world's "ultra-premium" (wholesale prices above \$1000 USD) smartphone shares.²⁷

It was not until the 1990s economic boom, when web browsers that gave easy access to the world wide web were released, that societal interest in the internet was raised.²⁸ This period saw computers transform from luxuries to necessities as businesses and economies began to become digitized. Apple was among the computer companies that saw great leaps, seeing a leap in stock value from 1990 to 1996.²⁹ Then, an unprecedented number of eager investors boosted the initial success of dot-com companies.³⁰ Throughout the 1990s, a flood of investors began to invest into every and all internet-related companies, especially ones with a ".com" suffix, believing these companies have the greatest future potential. This became known as the dot-com bubble.

With the dot-com bubble in full effect, 1995 was the first year the internet became commercialized.³¹ Amazon and Echo Bay, later to be known as eBay, were both founded then—they remain among the largest online platforms even today. Amazon began as an online

²⁴ Eliska Pirkova, "The Digital Services Act: Your Guide to The EU's New Content Moderation Rules," *Accessnow.com*, July 6, 2020, <https://www.accessnow.org/digital-services-act-eu-content-moderation-rules-guide/>.

²⁵ Kevin Schaul and Chris Alcantara, "How Big Tech Got so Big: Hundreds of Acquisitions," *The Washington Post*, April 21, 2021,

<https://www.washingtonpost.com/technology/interactive/2021/amazon-apple-facebook-google-acquisitions/>.

²⁶ Team Counterpoint, "Apple iPhone Market Share: 2007 to 2021," *Counterpoint*, August 31, 2021, <https://www.counterpointresearch.com/apple-iphone-market-share-quarter/>.

²⁷ Ben Lovejoy, "iPhone US market share hits all-time high, overtaking Android; dominates global premium sales," *9TO5*, September 2, 2022, <https://9to5mac.com/2022/09/02/iphone-us-market-share/>.

²⁸ History Computer Staff, "NCSA Mosaic Internet Web Browser: The Complete History," *History Computer*, October 19, 2021, <https://history-computer.com/history-of-the-ncsa-mosaic-internet-web-browser/>.

²⁹ "The Founding of Apple Computers, Inc" *Library of Congress*, n.d., <https://guides.loc.gov/this-month-in-business-history/april/apple-computers-founded>.

³⁰ Daniel Kadlec, "Day Trading: It's a Brutal World," *Time News*, August 9, 1999, <https://content.time.com/time/subscriber/article/0,33009,991726,00.html>.

³¹ William Craig, "The History of the Internet in a Nutshell," *WebFX*, August 12, 2022, <https://www.webfx.com/blog/web-design/the-history-of-the-internet-in-a-nutshell/>.

bookstore, and so most of the company's early acquisitions focused on online merchandise to sell.³² eBay, although not considered to be a Big Tech company, still quickly grew to a prominent online platform.³³

The dot-com bubble did not last long, collapsing in the early 2000 after investors realized many of these companies had outlandish and unreasonable business models. For instance, Pets.com, one of the many companies that failed, made the detrimental mistake of pricing merchandise below the cost of operations in an attempt to compete for low prices.³⁴ In December 1999, Amazon's stock value reached \$106.69, but by April 2001, the price was just \$8.37 per share—a 92% drop.³⁵ Hundreds of dot-com companies, such as Boo.com, crashed and filed for bankruptcy. However, Amazon was able to survive because “it had a viable and innovative business model built around a market-changing customer value proposition and a radical profit formula.”³⁶ Amazon's survival was in part due to its ability to diversify its business model; not only did investors find Amazon profitable due to its online market, the company had revenue from third-party sellers services, subscription services, advertising services, and far more.³⁷ Despite the stock crash, Amazon began its expansion in regions beyond retail by offering its e-commerce platform to other retailers. Amazon gave other companies the ability to sell their products using Amazon.com or by using a different website under Amazon's service jurisdiction.³⁸ Thus, it laid the groundwork for its eventual market dominance in the e-commerce industry.

Around the same time, Google was founded as a search engine startup. Unlike dot-com companies, Google started with great success as expansion was available post-bubble. It created jobs for engineers, made it easier to obtain hardware, and there was generally less competition in the digital industry and pressure to create a quick company.³⁹ Eventually, Google, Apple, and Amazon reached great success following the bubble, as they were one of the few corporations that were willing to fill in the void left by dot-com companies. Through their calculated and transparent business models that branched past their original market, the companies were viewed as viable options by investors, unlike previous unsuccessful dot-com companies. Finally, Facebook, the last of the five Big Tech companies, was founded in 2004. By providing an

³² Chris Alcantara, Kevin Schaul, Gerrit De Vynck, and Reed Albergotti, “How Big Tech got so big: Hundreds of acquisitions,” *The Washington Post*, April 21, 2021, <https://www.washingtonpost.com/technology/interactive/2021/amazon-apple-facebook-google-acquisitions/>.

³³ Brian O'Connell, “History of eBay: Facts and Timeline,” *TheStreet*, July 16, 2021, <https://www.thestreet.com/markets/history-of-ebay>.

³⁴ “The Failure of Pets.com,” *University of Kentucky*, n.d., <https://www.uky.edu/~dsianita/695ec/failure.html>.

³⁵ Danny Sheridan, “Amazon & The Dot-Com Bubble,” *Fact of the Day*, April 12, 2021, <https://www.factoftheday1.com/p/april-12-amazon-and-the-dot-com-bubble>.

³⁶ Rick Dagley, “How Amazon Survived the Dot-Com Crash to Rule the Cloud,” *eWeek*, December 27, 2013, <https://www.eweek.com/cloud/eweek-at-30-how-amazon-survived-the-dot-com-crash-to-rule-the-cloud/>.

³⁷ Ibid.

³⁸ Ibid.

³⁹ Lucy Hooker, “How did Google become the world's most valuable company?,” *BBC News*, February 1, 2016, <https://www.bbc.com/news/business-35460398>.

engaging social media platform for students to connect, Facebook was able to expand rapidly—its membership skyrocketed from 12 million in 2006 to 300 million in 2009, easily overtaking other social media platforms.⁴⁰

Amazon, Apple, Google, Facebook, and Microsoft, the Big Tech, are now the current faces of their respective markets. After conquering their original markets, these companies began acquisitions in different sectors to earn additional revenue and outdo competitors.⁴¹ An example would be the 2014 purchase of Beats Electronics by Apple. By eliminating the largest competitor in the music industry at the time, Apple was able to successfully launch Apple Music as well as its own popular AirPods series to generate more revenue.⁴² However, throughout the rise of Big Tech, there have been multiple cases of these companies abusing their dominant positions following antitrust speculations.

In 1964, the EU created the first competition—or antitrust—laws under Article 101 and 102 of the Treaty on the Functioning of the European Union.⁴³ Article 101 prohibits agreements between companies that restrict competition, such as price fixing or market sharing. Article 102 addresses abusive acts by companies in dominant positions, such as pricing unfairly and limiting production.⁴⁴ With the rapid development of Big Tech, the need for advantage against other companies increased, leading to the exploitation of consumers and the elimination of potential competitors.⁴⁵ The European Union has fined Big Tech billions of dollars due to monopolistic violations; for example, in 2018, Google was fined 4.3 billion dollars for abusing the Android operating system to promote Google’s search engine.⁴⁶ These two Articles remained the only ones that addressed antitrust issues until the recent enactment of the Digital Markets Act.

Apart from antitrust, Big Tech’s sheer control over the population’s data serves to be a pressing concern. Most of the Big Tech companies grew big by providing free services while collecting

⁴⁰ Josh Boyd, “The History of Facebook: From BASIC to Global Giant,” *Brandwatch*, January 25, 2019, <https://www.brandwatch.com/blog/history-of-facebook/>.

⁴¹ Chris Alcantara, Kevin Schaul, Gerrit De Vynck, and Reed Albergotti, “How Big Tech got so big: Hundreds of acquisitions,” *The Washington Post*, April 21, 2021, <https://www.washingtonpost.com/technology/interactive/2021/amazon-apple-facebook-google-acquisitions/>.

⁴² Adam Fawaz, “Why did Apple buy Beats for \$3.2 billion?,” *Mac O’Clock*, July 28, 2020, <https://medium.com/macoclock/why-did-apple-buy-beats-for-3-2-billion-92d3a5cab764>.

⁴³ “Commission Decision of 23 September 1964 relating to proceedings under Article 85 of the Treaty,” *Eur-Lex*, September 23, 1964, <https://eur-lex-europa-eu.translate.goog/legal-content/EN/TXT/?uri=CELEX:31964D0566>.

⁴⁴ “Antitrust Overview,” *European Commission*, n.d., https://competition-policy.ec.europa.eu/antitrust/antitrust-overview_en.

⁴⁵ Tom Wheeler, Phil Verveer, and Gene Kimmelman, “The Need For Regulation Of Big Tech Beyond Antitrust,” *Brookings*, September 23, 2020, <https://www.brookings.edu/blog/techtank/2020/09/23/the-need-for-regulation-of-big-tech-beyond-antitrust/>.

⁴⁶ “Europe’s battle with Big Tech: billions in fines and tough laws,” *The Economic Times*, September 14, 2022, <https://economictimes.indiatimes.com/tech/technology/europes-battle-with-big-tech-billions-in-fines-and-tough-law/s/articleshow/94190848.cms?from=mdr>.

data about the consumer and proceeding to sell advertisements accordingly.⁴⁷ For example, Google and all of its services remain to be free due to profits in consumer search traffic and display ads.⁴⁸ In recent years, however, this same data has been used to manipulate the public. In the 2016 U.S. election and the 2016 Brexit Referendum, a consultancy gathered information from millions of Facebook users to influence votes.⁴⁹ Moreover, Big Tech's platforms have been used in malicious manners. In 2018, a group of Myanmar nationalists used Facebook to pose as fans of pop stars and national heroes to shed hatred toward Islam in a local language, feeding propaganda and violence.⁵⁰ Before Facebook took down these accounts, the propaganda had amassed a following of 1.3 million people.⁵¹

Today, the question remains whether Big Tech companies should be held accountable and liable for the hate speech spread across their platforms. Since the world is so heavily dependent on Big Tech companies' services, the push for regulation has been a highly contentious topic.

Past UN/International Involvement

European Commission Investigations

With the threat of Big Tech, the European Union opened two antitrust investigations into Apple in June 2020. Following complaints from Spotify, the EU began its first investigations into Apple distorting competition in the music streaming market.⁵² The European Commission found concerns in Apple applying certain restrictions on different app developers that prevent Apple devices, such as iPhones, iPads, and MacBooks, from finding cheaper music alternatives.⁵³ Moreover, Apple's mandatory in-app purchasing mechanism used for music streaming apps via Apple's App Store was put under question. Through in-app purchases, Apple charges a 30% commission fee, which leads other music streaming apps to increase subscription prices to make up for lost revenue.⁵⁴ Thus, Apple's practices grant Apple Music a more favourable price point. Although holding a monopoly is not unlawful in the EU, using market dominance to restrict

⁴⁷ Aliza Vigderman and Gabe Turner, "The Data Big Tech Companies Have On You," *Security.Org*, July 22, 2022, <https://www.security.org/resources/data-tech-companies-have/>.

⁴⁸ "If Google is free, how does it make so much money?" *4 News*, November 12, 2012, <https://www.channel4.com/news/if-google-is-free-how-does-it-make-so-much-money>.

⁴⁹ Carole Cadwalladr, "The Great British Brexit Robbery: How Our Democracy was Hijacked," *The Guardian*, May 7, 2017, <https://www.theguardian.com/technology/2017/may/07/the-great-british-brexite-robbery-hijacked-democracy>.

⁵⁰ Paul Mozur, "A Genocide Incited by Facebook, With Posts from Myanmar's Military," *New York Times*, October 15, 2018, <https://www.nytimes.com/2018/10/15/technology/myanmar-facebook-genocide.html>.

⁵¹ *Ibid.*

⁵² Tom Warren, "EU Opens Apple Antitrust Investigations Into App Store and Apple Pay practices," *The Verge*, June 16, 2020, <https://www.theverge.com/2020/6/16/21292651/apple-eu-antitrust-investigation-app-store-apple-pay>.

⁵³ Arianna Podesta, Maria Tsoni, and Giulia Astuti, "Antitrust: Commission sends Statement of Objections to Apple on App Store Rules for Music Streaming Providers," *European Commission*, April 30, 2021, https://ec.europa.eu/commission/presscorner/detail/en/ip_21_2061.

⁵⁴ *Ibid.*

competition, which Apple was found to have done, infringes upon Article 102 of the Treaty on the Functioning of the European Union.⁵⁵

Alongside the Apple Music investigation, the European Commission opened an investigation into Apple's Apple Pay system, which embeds "tap and go" technology to connect Apple devices to payment terminals. The commission stated "Apple's dominant position in the market for mobile wallets on its operating system iOS restricts competition by reserving access to near-field communication technology to Apple Pay."⁵⁶ The accusation that Apple was restricting third-party access to the technology would result in a fine of 10% of their global turnover of €36.9 billion if the charges are upheld.⁵⁷ The investigations continue to be in progress and have yet to see a conclusive result.

The 2020 Apple investigations would not mark the only ones from the European Commission, as countless investigations and fines have been issued on each Big Tech company. The Commission has conducted investigations into Google and Facebook for online display advertising that breached EU competition rules by limiting rival third-party advertising space.⁵⁸ Amazon has been fined and accused of both a data privacy breach and also violating competition rules. Amazon's excessive data collection has been prone to data leaks and breaches; for instance, the company received a €746 million EU fine for its data privacy breach in 2021.⁵⁹ Moreover, the commission did not approve of Amazon using data on the activity of third-party sellers to benefit themselves by predicting and then disorientating the market.⁶⁰

However, these fines have been largely ineffective, as Big Tech companies still hold near monopolies and dominance. Margrethe Vestager, the European Commissioner for Competition, stated, "Fines are not doing the trick. And fines are not enough because fines are a punishment for illegal behaviour in the past. What is also in our decision is that you have to change for the

⁵⁵ Thomas Graf and Henry Mostyn, "The Dominance and Monopolies Review: European Union," *The Law Reviews*, July 14, 2022, <https://thelawreviews.co.uk/title/the-dominance-and-monopolies-review/european-union>.

⁵⁶ Arianna Podesta and Maria Tsoni, "Antitrust: Commission Sends Statement of Objections to Apple Over Practices Regarding Apple Pay," *European Commission*, May 2, 2022, https://ec.europa.eu/commission/presscorner/detail/en/ip_22_2764.

⁵⁷ Beth Timmins, "EU accuses Apple of breaking competition law over contactless payments," *BBC News*, May 2, 2022, <https://www.bbc.com/news/business-61300874>.

⁵⁸ Arianna Podesta and Maria Tsoni, "Antitrust: Commission Opens Investigation Into Possible Anticompetitive Conduct by Google and Meta, in Online Display Advertising," *European Commission*, March 11, 2022, https://ec.europa.eu/commission/presscorner/detail/en/IP_22_1703.

⁵⁹ Stephanie Bodoni, "Amazon Given Record \$888 Million EU Fine for Data Privacy Breach," *BNN Bloomberg*, July 30, 2021, <https://www.bloomberg.com/news/articles/2021-07-30/amazon-given-record-888-million-eu-fine-for-data-privacy-breach>.

⁶⁰ Arianna Podesta and Maria Tsoni, "Antitrust: Commission Sends Statement of Objections to Amazon For the Use of Non-Public Independent Seller Data and Opens Second Investigation into Its E-commerce Business Practices," *European Commission*, November 10, 2020, https://ec.europa.eu/commission/presscorner/detail/en/ip_20_2077.

future.”⁶¹

Case Study: Germany

In January 2021, Germany became the first state to adopt legislation tailored towards combatting the marketing power of large digital platforms. Germany’s new framework attempted to address the ineffectiveness and slowness of the previous European Union Competition Policy Rights by adding on new requirements. Instead of the previous system where competition authorities may only act after a company has abused their dominant market position, the reformed law would put the responsibility of prohibiting abusive behavior in the first place to the *Bundeskartellamt*—the German authority.⁶² The *Bundeskartellamt* would compile a list of companies that would be considered “significant” in their market, and these companies would then be subjected to a set of regulations that prohibit actions such as hindering supplies from other firms, collecting data without user permission, and more.⁶³ If deemed necessary, other EU countries may adopt or add regulation accordingly.

Current Situation

EU Competition Laws (Antitrust)

On July 5, 2022, the Digital Markets Act (DMA) and the Digital Services Act (DSA) were approved by the European Commission a year and a half after they were proposed. The basis for competition rules stem from past EU policies that address anti-competitive agreements and the abuse of dominant positions.⁶⁴ The Digital Markets Act attempts to classify companies on significance, and then use this classification to ensure a free and contestable market, while the Digital Services Act attempts to regulate Big Tech services online. The DMA defines a large company, or “gatekeeper,” to have a market capitalization of at least €75 billion or an annual turnover of €7.5 billion.⁶⁵ The annual turnover of a company is the total income of sales before any expenses such as taxes.

⁶¹ “The Hearing of Margrethe Vestager,” *The Executive Vice President of the European Commission*, October 8, 2019, <https://www.europarl.europa.eu/resources/library/media/20191009RES63801/20191009RES63801.pdf>.

⁶² Simon V. Dorpe, “Germany shows EU the way in curbing Big Tech,” *Politico*, January 13, 2021, <https://www.politico.eu/article/germany-shows-eu-the-way-in-curbing-big-tech/>.

⁶³ Jens-Uwe Franck and Martin Peitz, “Taming Big Tech: What Can We Expect from Germany’s New Antitrust Tool?,” *University of Oxford*, February 22, 2021, <https://www.law.ox.ac.uk/business-law-blog/blog/2021/02/taming-big-tech-what-can-we-expect-germanys-new-antitrust-tool>.

⁶⁴ Matthew J. Homewood, “EU competition law: Article 101 and 102 TFEU,” *Law Trove*, September 2020, <https://www.oxfordlawtrove.com/view/10.1093/he/9780198854999.001.0001/he-9780198854999-chapter-8>.

⁶⁵ Isabel T. Nadkarni and Yasmina Yakimova, “Deal on Digital Markets Act: EU rules to ensure fair competition and more choice for users,” *European Parliament*, March 24, 2022, <https://www.europarl.europa.eu/news/en/press-room/20220315IPR25504/deal-on-digital-markets-act-ensuring-fair-competition-and-more-choice-for-users>.

Once the DMA becomes applicable in 2023–2024, companies that have been designated as gatekeepers by the commission would have to comply with a set of obligations and prohibitions. If a gatekeeper violates any of the rules, the Commission would have the ability to impose hefty sanctions from 10% to 20% of the gatekeeper’s turnover. Obligation and prohibition include, but are not limited to:

1. Gatekeepers will not be allowed to combine user data or offer other services that belong to the gatekeeper for the purpose of combining data.⁶⁶
2. Gatekeepers will not be able to favour their own products and services when rating against similar third party offerings.⁶⁷
3. Business users will have the right to negotiate for more favourable terms with other companies and communicate contracts directly to consumers.⁶⁸
4. Consumers must have the ability to customize default settings, switch to different services, and manage their data.⁶⁹

Along with the DMA, the Digital Services Act was approved to protect consumer rights online, establish a distinct accountability framework for online platforms, and promote market growth and competitiveness.⁷⁰ Unlike the DMA, the DSA is tailored towards most large digital service platforms, including online marketplaces, social networks, and online travel platforms. The legislation classifies “very large” platforms as those with 45 million users or more in the EU; this includes TikTok, Instagram, Spotify, and Facebook.⁷¹ These platforms must demonstrate they are taking measures, such as abusive notices, and using the correct risk management tools to protect consumers and their integrity.⁷² The DSA applies to Google, Amazon, Facebook, Apple and Microsoft—the traditional Big Tech companies.

Once the DSA comes into effect in 2023–2024, digital service platforms would be required to include and incorporate the following, among other conditions:

- Complaint and reparation procedures and out-of-court resolution of disputes
- A entity with the responsibility of tackling and moderating illegal content online

⁶⁶ “The Digital Markets Act Is Almost Here: 10 Things to Know About the EU’s New Rules for Big Tech,” *Sidley*, June 1, 2022, <https://www.sidley.com/en/insights/newsupdates/2022/06/the-digital-market-act-is-almost-here-ten-things-to-know-about-eu-new-rules-for-big-tech>.

⁶⁷ *Ibid.*

⁶⁸ *Ibid.*

⁶⁹ *Ibid.*

⁷⁰ Jan-Jan Lowijs and Hugo Atzema, “The Digital Services Act,” *Deloitte*, n.d., <https://www2.deloitte.com/nl/nl/pages/risk/articles/digital-services-act.html>.

⁷¹ Miranda Miller, “7 Things You Need To Know About The Digital Services Act (DSA),” *Search Engine Journal*, April 28, 2022, <https://www.searchenginejournal.com/digital-services-act-overview/447789/#close>.

⁷² *Ibid.*

- Trusted flagger systems
- Transparent online advertising between consumers⁷³

Failure to comply may result in fines up to 6% of a company's turnover. In essence, the DSA will serve to help even the current playing field, allowing for smaller organizations and businesses to start up easier with opportunities for fair advertising.⁷⁴

Privacy Practices and Data Collection

It is not uncommon for companies to collect vast amounts of personal data for their services. For example, when Apple announced a privacy tool in iOS 14 that informed users about apps that collect their data, many users learned of the extent to which Facebook Messenger tracks their information. The only personal data Signal, another messaging service, collects is a phone number. iMessage only collects a user's email address, phone number, search history, and device ID. In comparison, Facebook Messenger collects purchase histories, financial information, physical addresses, email addresses, names, user IDs, device IDs, search and browsing history, contacts, photos and videos, product information, and far more.⁷⁵

Moreover, in April of 2021, over 533 million Facebook users' personal data were leaked online by hackers. The leak provided cybercriminals enough information to impersonate the users or scam them into giving their login credentials.⁷⁶ Clearly, the vast amounts of sensitive data that Big Tech companies collect on users pose both a privacy and security risk, affecting the lives of hundreds of millions and making the need for regulation even more pressing.

Misinformation

Misinformation on Big Tech platforms continues to be prevalent. Many hateful posts and misinformation are spread without moderation. The concern around Big Tech giving malicious users a platform to harm the public must be addressed. Misinformation and fake news around contentious topics such as politics threaten EU citizens with the lack of knowledge to judge better.⁷⁷ Although it is impossible to completely rid misinformation online, there are many ways to mitigate it, whether by increasing Big Tech accountability or through media literacy campaigns in education curriculums.

⁷³ Miranda Miller, "7 Things You Need To Know About The Digital Services Act (DSA)," *Search Engine Journal*, April 28, 2022, <https://www.searchenginejournal.com/digital-services-act-overview/447789/#close>.

⁷⁴ Ibid.

⁷⁵ Chris Smith, "Visualized: The Terrifying Amount of Data Facebook Messenger Collects Compared to Signal, iMessage, and WhatsApp," *BGR*, January 5, 2021, <https://bgr.com/tech/app-privacy-labels-facebook-messenger-vs-imessage-signal-whatsapp/>.

⁷⁶ Aaron Holmes, "533 Million Facebook Users' Phone Numbers and Personal Data Have Been Leaked Online," *Insider*, April 3, 2021, <https://www.businessinsider.com/stolen-data-of-533-million-facebook-users-leaked-online-2021-4>.

⁷⁷ "Why Do People Fall For Fake News," *TRU Libraries*, n.d., <https://libguides.tru.ca/fakenews/falling>.

Tax Avoidance

In 2020, Amazon revealed in its corporate filings a record sales income of €44 billion in Europe alone; however, Amazon did not pay its corporation taxes. Despite Amazon's Luxembourg unit (the unit responsible for the entirety of Europe) selling millions of products to the U.K., France, Germany, Italy, the Netherlands, Poland, Spain, and Sweden, it recorded a €1.2 billion loss, effectively exempting it from taxes.⁷⁸ Additionally, Amazon was given €56 million in tax credits by the European Union, so when the company does eventually record profit, these credits can be used to offset any future tax bills. These credits are designed as encouragement and reward for companies believed to be beneficial to the economy or environment in most countries. Currently, in the European Union, Amazon stores over €2.7 billion worth of these tax credits to be used against any tax payable on future profits.⁷⁹ In 2021, an effort to coerce Amazon to pay its tax debt failed when the company successfully appealed a €300 million fine, as the EU court determined there was insufficient evidence Amazon had violated any law that would have given it unfair tax treatment.⁸⁰

Technology giants have a history of using the court to find loopholes and defend against European regulators, appealing over billions of dollars in fines and taxes. Apple won an appeal in taxes to Ireland worth €14.9 billion earlier in 2020 while Google has appealed over three decisions issued by the European Commission.⁸¹ The European Union wishes for a new Europe-wide "tech tax" against Big Tech companies, but has failed to come to a consensus. Low-tax countries such as Ireland or the Nordic countries do not deem such a tax necessary as current tax rates allow for a healthy economic environment.⁸² As such, another area of debate would be closing the loopholes that allow Big Tech companies to exploit EU tax laws.

Possible Solutions and Controversies

Media Literacy

Media literacy is the ability to correctly analyse, reflect, and use the power of information in the media. Implementing media literacy into European education will allow for EU citizens to better comprehend and distinguish information presented online. Harmful content and misinformation

⁷⁸ Rupert Neate, "Amazon Had Sales Income of €44bn In Europe In 2020 But Paid No Corporation Tax," *The Guardian*, May 4, 2021, <https://www.theguardian.com/technology/2021/may/04/amazon-sales-income-europe-corporation-tax-luxembourg>.

⁷⁹ Ibid.

⁸⁰ Adam Satariano, "Amazon's \$300 Million European Tax Charge is Rejected By an E.U. Court," *The New York Times*, August 3, 2021, <https://www.nytimes.com/2021/05/12/business/amazon-taxes-european-union.html>.

⁸¹ Ibid.

⁸² Leigh Thomas, "EU Ministers Fail To Break Digital Tax Deadlock," *Technology News*, December 3, 2018, <https://www.reuters.com/article/us-eu-tax-digital-idUSKBN1O22MR>.

campaigns are fairly common throughout the media, maliciously attempting to influence those who lack the capacity to evaluate information.⁸³

Most European schools have semi-autonomy in regards teaching media literacy practices, but most have yet to fully adopt it into curriculums.⁸⁴ Media literacy has been proven to be effective for strengthening a student's knowledge and skills in analyzing and critically understanding misinformation.⁸⁵ With this solution, students will be slowly introduced to the internet in a manner which will protect them further on. However, implementing media literacy in school curriculums will require dedicated courses taught by teachers with pertinent education. Moreover, despite being a proven method of combatting the information that Big Tech companies allow on their platforms, this solution puts the onus on the population rather than the companies.

Digital Services Tax

In 2018, a temporary Digital Services Tax (DST) was proposed alongside the Digital Service Act but was rejected at the EU level. It failed due to many low-tax countries, such as Ireland and other Nordic countries, generally not believing in raising taxes, as doing so would harm economic growth. The DST was aimed towards reforming the corporation tax by granting countries the ability to tax profits generated online.⁸⁶ Although the DST failed, short-term unified tax reformations throughout Europe may still be a viable option in the battle to regulate Big Tech. Several countries have implemented some sort of digital tax; Hungary and Austria collect tax revenues from online advertising, while France collects tax revenues from targeted advertising to installations of digital interfaces.⁸⁷ Between the seven different European Union countries that have digital service taxes, the rates currently range from 1.5% in Poland to 7.5% in Hungary.⁸⁸ Enacting a DST for every country in the European Union will help solidify the current issue of Big Tech companies avoiding taxes; moreover, to prevent Big Tech from abusing their tax credits, the DST can look to include clauses that disallow companies worth more than €80 billion from gaining tax credits. However, a limitation of this solution is overtaxation. Big Tech companies may become desensitized from serving their products and services in the EU if they are overtaxed, which inevitably leads to economic troubles.

⁸³ Daniela Flamini, "Why is fake news so prevalent?," *Poynter*, August 7, 2019,

<https://www.poynter.org/reporting-editing/2019/why-is-fake-news-so-prevalent-researchers-offer-some-answers/>.

⁸⁴ J. McDougall, M. Zezulakova, B. Van Driel, and D. Sternadel, "Teaching Media Literacy in Europe: Evidence of Effective School Practices in Primary and Secondary Education," *NESET Analytical Report*, 2018, https://nesetweb.eu/wp-content/uploads/2019/06/AR2_Full_Report_With_identifiers_Teaching-Media-Literacy.pdf.

⁸⁵ Ibid.

⁸⁶ "Fair Taxation of the Digital Economy," *European Commission*, March 21, 2018, https://taxation-customs.ec.europa.eu/fair-taxation-digital-economy_en.

⁸⁷ Daniel Bunn and Elke Asen, "What European Countries Are Doing about Digital Services Taxes," *Tax Foundation*, August 9, 2022, <https://taxfoundation.org/digital-tax-europe-2022/>.

⁸⁸ Ibid.

Revision of Preventative Policies

The DMA and DSA, having been approved by the EU, are set to be enacted in 2024, so the current policies in place are still reactive: implementing measures only after a violation is committed. As such, more preventive measures to disincentivize any violations in the first place must be addressed. Previous to when the DSA and DMA were voted upon, Germany released a paper that detailed strict enforcement over how illegal and harmful content should be moderated. While current DSA rules state that companies are only liable if unremoved content is illegal, the paper promotes the inclusion of harmful content that is not yet illegal into the DSA.⁸⁹ As misinformation at any stage can still lead to serious risks, any sort of harmful media should be addressed. Moreover, the current volume of hate crime online has increased in volume exponentially to where it becomes too difficult for authorities to monitor internet providers. The procedures that follow are often lengthy and cumbersome, so Germany's paper suggested granting member states the right to punish content on their own territory if the provider is in another member state.⁹⁰ France, the Netherlands, and Belgium have also voiced support in imposing stricter rules to limit Big Tech companies.⁹¹

A concern with this solution is the issue of free speech in content moderation. The DSA mimics the German Network Enforcement Act, or NetzDG, a content moderation law. The NetzDG rules aimed to send user data to authorities if users share illegal pieces of content or hate speech.⁹² When the German government introduced the NetzDG, Facebook, YouTube, Twitter, and TikTok sued and brought the case to court due to claims of excessive government intervention. The tech companies adamantly insisted the rules will risk people's privacy and fundamental rights to free speech in several lawsuits, leading to Germany holding off the new sets of rules.⁹³ Therefore, although stricter measures may better regulate Big Tech platforms, they also risk violating free speech if regulations and moderations are excessive.

Promoting Market Competition

All of Big Tech's controversies stem from the companies' sheer market domination. In 2022, Big Tech combined for a market cap of \$8.9 trillion, which is worth more than the Japanese

⁸⁹ "Non-Paper of the German Federal Government on the Digital Services Act Package," *The German Federal Government*, November 2020,

<https://www.euractiv.com/wp-content/uploads/sites/2/2020/12/201130-DEU-Non-Paper-on-DSA-Package-EN.pdf>.

⁹⁰ Ibid.

⁹¹ "Major digital platforms: towards the Digital Services Act and Digital Markets Act," *French Ministry of Finance*, December 16, 2020, <https://www.economie.gouv.fr/digital-services-act-et-digital-markets-act>.

⁹² Clothilde Goujard, "Big Tech Takes on Germany," *Politico*, February 2, 2022, <https://www.politico.eu/article/big-tech-takes-on-germany-over-demands-to-forward-illegal-content-to-federal-police/>.

⁹³ Ibid.

economy—the world’s third highest GDP.⁹⁴ Promoting market competition would therefore help tackle the dominant position of Big Tech. With the pandemic, an unprecedented number of companies filed for bankruptcy in the European Union, with €2.3 trillion spent in national liquidity support measures.⁹⁵ While economies slowly recover from the pandemic, long-term loans for businesses can slowly be given out in larger quantities. The European Investment Bank, for example, plans to provide loans up to €200 billion for companies in the EU on top of pandemic emergency funds. In a post-pandemic world, governments will have more ability to increase financial funding with grants, tax credits, capital investments, and loans. For this long-term solution to succeed, the EU can impose short-term regulations—such as the DMA, which does not address the root of the problem—against the current market practices of Big Tech.

However, promoting market competition would mean traditional benefits of an oligopolistic market would be lost, leading to greater demands for products and less price stability.⁹⁶ Promoting market competition, which risks not even succeeding, might allow for more companies to enter, but it comes with the price of substantial grants and funding from the government.

Bloc Positions

Although there is a clear consensus that Big Tech companies be addressed, the severity of necessary measures is still contentious. With different ideologies surrounding privacy and individual countries’ digital policies, there are several blocs that make up the committee on this topic, differentiated by the extremity of their stances on Big Tech companies’ freedoms and regulations.

Extreme Tech Regulation

Germany, Italy, and France have continuously shown their stance against Big Tech: the EU must be less reliant on these companies. In March 2021, the Chancellor of Germany, along with Denmark’s, Finland’s, and Estonia’s leaders, sent a letter to the EU serving as a dire warning on the dangerous influence of Big Tech companies. This letter recognizes the EU’s reliance on these companies, stating, “At the same time, the dependencies and shortcomings in European digital

⁹⁴Antoinette Siu, “Big Tech Is Even Bigger Than You Think: \$2.7 Trillion Apple Is Now Worth 11 Disneys | Charts,” *Yahoo! Entertainment*, March 22, 2022, <https://www.yahoo.com/entertainment/big-tech-even-bigger-think-130000056.html#:~:text=>

⁹⁵Jan Strupczewski, “Exclusive: EU Faces Bankruptcies and Bad Loans as COVID-19 Help for Firms Ends - EU Document,” *Reuters*, February 11, 2021, <https://www.reuters.com/article/us-eurozone-eurogroup-solvency-idUSKBN2AB0SJ>.

⁹⁶What is an Oligopoly: Guide,” *SendPulse*, n.d., <https://sendpulse.com/support/glossary/oligopoly>.

capacities, skills and technologies have become more apparent.”⁹⁷ Previously, Germany has made a clear antagonist stance against Big Tech with Germany’s adamant approach in recent reformation of technology rules. Germany, as the EU’s economic and political powerhouse, will thus play a pivotal role, pushing for extreme and strict regulations against Big Tech. France and Italy are also notable countries in this bloc. In late 2020, Italy conducted a barrage of actions against Big Tech, fining and denouncing Amazon, Google, Facebook and others for abuse of their dominant positions and antitrust.⁹⁸ France has openly shown its ambitions by pushing for many previous European Union reforms, such as the DSA, to tackle the issues of online hate speech and misinformation.⁹⁹

Extreme policies this bloc may support include increased regulation, strict enforcement of penalties after violations, fining higher sums of money, vetoing large company acquisitions, and limiting companies’ ability to win in international courts by outlining clear precedents. Higher fines may also be a favourable option, as tech giants generate so much revenue that current fines do not affect them in a drastic way. Previous fines have proved to be ineffective, but by threatening more hefty fines, Big Tech may follow new rules. This bloc may also support government intervention. France has expressed plans to reform content moderation bills so that it would not need to be reliant on other countries’ regulators to enforce and punish larger platforms.¹⁰⁰ The Netherlands and Belgium have also voiced their opinions in the DMA, favouring stricter and heavier additions.¹⁰¹

Moderate Tech Regulation

Not all of the countries in the EU support severe regulations, instead holding a neutral stance. Although an overwhelming majority of the European Union supported the DMA and DSA, most countries in the EU, such as Finland, Portugal, and more, have yet to fully address the situation or have other priorities.¹⁰² Most countries in this bloc have not shown any intention and interest

⁹⁷ Angela Merkel, Mette Frederiksen, Sanna Marin, Kaja Kallas, “Letter On Digital Sovereignty,” *Politico*, March 1, 2021, https://www.politico.eu/wp-content/uploads/2021/03/01/DE-DK-FI-EE-Letter-to-COM-President-on-Digital-Sovereignty_final.pdf.

⁹⁸ Jonathan Keane, “Italy Has Quietly Become One of Big Tech’s Most Prolific Antagonists,” *CNBC*, January 18, 2022, <https://www.cnn.com/2022/01/18/european-regulators-in-italy-france-germany-and-uk-rein-in-big-tech-.html>.

⁹⁹ Nicolas Boring, “France: Constitutional Court Strikes Down Key Provisions of Bill on Hate Speech,” *Library of Congress*, 2020, <https://www.loc.gov/item/global-legal-monitor/2020-06-29/france-constitutional-court-strikes-down-key-provisions-of-bill-on-hate-speech/>.

¹⁰⁰ Laura Kayali, “France’s Plan to Rein in Big Tech (and Ireland and Luxembourg),” *Politico*, May 27, 2021, <https://www.politico.eu/article/france-ireland-luxembourg-big-tech-regulation-apple-amazon-facebook-google-digital-services-act-digital-markets/>.

¹⁰¹ “Major digital platforms: towards the Digital Services Act and Digital Markets Act,” *French Ministry of Finance*, December 16, 2020, <https://www.economie.gouv.fr/digital-services-act-et-digital-markets-act>.

¹⁰² Samuel Stolton, “Digital Brief, powered by Google: DSA and DMA – member states respond,” *Euractiv*, June 7, 2021,

in a DST because it would unfairly antagonize Big Tech too extremely.¹⁰³ Unlike Germany, Italy, and France, this bloc would be suffixed with the implementation of the DSA and DMA, arguing that more extreme policies would incentivize Big Tech from selling products in the EU.

However, for the future, this bloc would generally support media literacy as a way to protect citizens online, especially as this solution does not create more tension with Big Tech. Moreover, the idea of encouraging newer companies into the market to compete with Big Tech is not out of the question, but completing this requires resources and time. For instance, Greece has more pressing issues, such as its environment and economical challenges, that funding resources into new technology companies is simply not a pressing concern.¹⁰⁴ In essence, most countries within the EU would have a very moderate technology regulation approach through solutions such as media literacy instead of supporting the more extreme regulations that the previous bloc upholds.

Anti-Tech Regulation

Some countries believe the market should have little government intervention. More right-leaning countries such as Austria, Hungary, and Poland either tend to minimize regulation on businesses and reduce government spending on enforcement or introduce clauses that are applicable to all businesses, not only Big Tech.¹⁰⁵ Countries in this bloc may focus primarily on cybersecurity as opposed to limiting market dominance. After initially following Germany in banning Google Street View to protect its citizens' privacy, Austria reversed its decision in 2018. Poland and Hungary have taken measures as well to ensure free speech on Big Tech platforms, with politicians claiming content moderation would interfere with conservative opinions.¹⁰⁶ Hungary and Poland proposed legislation to ensure that Big Tech companies do not remove posts due to conflicting ideologies, relying on partisan reasoning rather than on principle.

The solutions these countries will propose will be comparatively more moderate. Delegates of this bloc would support more reactive policies, individual freedom to study media literacy, and laws against Big Tech companies from interfering with political matters. By believing that inequality is inevitable in market economics, there is no need for preventive policies with governmental interference. Instead, justification for punishment only occurs when Big Tech companies abuse their dominant market position. Because individual freedom is a large focal point for this bloc, delegates may look towards consequences for digital platforms in the

<https://www.euractiv.com/section/digital/news/digital-brief-powered-by-google-dsa-and-dma-member-states-respond/>.

¹⁰³ Elska Asen, "What European OECD Countries Are Doing about Digital Services Taxes," *Tax Foundation*, November 22, 2021, <https://taxfoundation.org/digital-tax-europe-2020/>.

¹⁰⁴ Long Vu Nguyen, "Three Environmental Issues of Greece," *UCI Donald Bren School of Information & Computer Sciences*, n.d., https://www.ics.uci.edu/~wmt/courses/ICS5_W13/Greece.html#:~:text=Although%20there%20are%20many%20issues,the%20lack%20of%20air%20quality.

¹⁰⁵ "Left Wing vs. Right Wing," *Diffen*, n.d., https://www.diffen.com/difference/Left_Wing_vs_Right_Wing.

¹⁰⁶ Valerie Hopkins, James Shotter, Javier Espinoza, "Hungary follows Poland in taking on Big Tech 'censors'," *Financial Times*, February 2, 2021, <https://www.ft.com/content/6a315d26-c6fe-4906-886d-04cec27a6788>.

circumstance they violate freedom of speech. Countries in this bloc would cautiously support the DSA, so long as its enactments do not impede on politics or freedom of speech. Unlike Ireland, the Netherlands, and Luxemburg, countries in this bloc would support the large-scale implementation of a DST, as most already have one. Under the basis that digital taxes align with previous turnover taxing of advertising or media service, this bloc favours a unified tax for every digital platform, Big Tech or not. Ireland shares this bloc's regard in the DMA but not the DSA. The Irish government is not willing to accept the phrase "gatekeepers" as Ireland believes holding a dominant position is not illegal. Moreover, Ireland claims that the DMA and DSA restrict innovation in the European Union.¹⁰⁷

Ultimately, this bloc champions freedom of speech and minimal government interference, preferring instead to limit intervention in Big Tech market economics.

Discussion Questions

1. Should more large tech companies, such as Netflix or TikTok, be put under the same restrictions as Big Tech?
2. What is the best way to transition Europe to be less reliant on Big Tech companies?
3. What dangers do Big Tech companies pose to the market and to citizens? What benefits do they bring?
4. Are the current solutions, such as the DMA and DSA, only temporary or long term? How will the solutions hold up to new evolutions and advancements of the digital world?
5. What role do data privacy, free speech, media literacy, and content moderation play in the debate around the EU and Big Tech?
6. What other enforcements can the European Union add other than fines? Are fines even effective against Big Tech?

Additional Resources

The War on Big Tech:

<https://www.youtube.com/watch?v=jyxS2bvQGxc&t=541s>

¹⁰⁷ "National submission to the EU consultation on the Digital Services Act package," *Department of Enterprise, Trade and Employment*, September 13, 2021, <https://www.gov.ie/en/publication/09a22-national-submission-to-the-eu-consultation-on-the-digital-services-act-package/>.

Consolidated Article 102 Treaty on the Functioning of the European Union:

<https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX%3A12008E102>

Teaching media literacy in Europe: evidence of effective school practices in primary and secondary education:

https://nesetweb.eu/wp-content/uploads/2019/06/AR2_Full_Report_With_identifiers_Teaching-Media-Literacy.pdf

Letter On Digital Sovereignty:

https://www.politico.eu/wp-content/uploads/2021/03/01/DE-DK-FI-EE-Letter-to-COM-President-on-Digital-Sovereignty_final.pdf

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