

# 9 - MONOPOLY IN THE TECH INDUSTRY

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## Goals

Wat aangeduid is, staat in deze samenvatting. Andere dingen zul je uit het boek moeten halen omdat het niet nuttig is dit samen te vatten

- ☐ come up with an enticing hook to capture your audience's interest both when giving a presentation & writing a text
- ☐ refer correctly to common types of sources both in-text (narrative & parenthetical) and in a list of references
- ☒ explain the concepts of brand value, monopoly, oligopoly & net neutrality
- ☒ explain why big tech giants can be said to be monopolies, why this is problematic & why current antitrust laws make it hard to curb their power
- ☐ argue why you do or do not think big tech companies can jeopardize democracy
- ☐ Use relative pronouns

## Tech giants

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### Brand value, monopoly, oligopoly & net neutrality

*explain the concepts of brand value, monopoly, oligopoly & net neutrality*

- **Brand value** refers to the worth of a brand in the marketplace, which is influenced by customer perceptions, recognition, and loyalty. It's built over time based on factors like product quality, reputation, marketing, and customer experiences. A high brand value often means the brand has strong consumer trust and can command higher prices, create customer loyalty, and maintain a competitive edge.
- A **monopoly** occurs when a single company or entity has exclusive control over a particular product or service in a market, with little to no competition. This allows the monopolist to set prices, limit supply, and have significant influence over market conditions. Monopolies are often discouraged because they can lead to unfair pricing and reduced innovation due to lack of competition.
- An **oligopoly** is a market structure dominated by a small number of large companies, each holding significant market power. While competition exists in an oligopoly, it is limited because a few companies control the majority of the market share. Examples include industries like telecommunications and airlines. In oligopolies, companies often collaborate or react to each other's actions, which can sometimes lead to higher prices or reduced choices for consumers.
- **Net neutrality** is the principle that internet service providers (ISPs) should treat all data on the internet equally, without discriminating or charging differently based on the type, source, or destination of the data. It prevents ISPs from slowing down, blocking, or prioritizing certain websites or services for financial or competitive reasons. The goal of net neutrality is to ensure an open internet where all users have equal access to content and services.

### Big tech giants can be monopolies

*explain why big tech giants can be said to be monopolies, why this is problematic & why current antitrust laws make it hard to curb their power*

#### Why big tech giants can be monopolies and why it's problematic

Amazon, Apple, Meta and Facebook have a combined worth of \$4 trillion, giving them unprecedented power over the marketplaces they facilitate, which is dangerous because the choice towards promoting self-interest over ethics is clear with these companies

- Apple controls crucial platforms, like the App Store, and sets rules that hurt smaller companies. Apple takes a 30% cut from app sales, bans in-app purchases outside its store, and gives bigger companies special treatment by letting them bypass fees. Developers can't easily complain because if they upset Apple, they risk being banned from the platform. This gives Apple unfair power and limits competition, which is a key characteristic of a monopoly.

- Apple has also been accused of buying and freezing out small start-ups to choke competition
- Companies that are dependent on Amazon services like AWS are almost always forced to use cloudservices; in which Amazon can't guarantee the security of their data.

#### **why current antitrust laws make it hard to curb their power**

1. **Focus on Price Fixing:** Antitrust laws typically target companies that raise prices unfairly, but many tech giants offer free or low-cost services (like Google Search or Facebook), making it hard to argue they harm consumers in the traditional sense.
2. **Network Effects:** These platforms grow more powerful as more people use them. For example, Facebook becomes indispensable because everyone is on it, and Amazon dominates because sellers and buyers flock to the same marketplace. This natural consolidation isn't easily addressed by current laws.
3. **Data as a Monopoly:** Tech giants amass huge amounts of user data, giving them an advantage over competitors. Existing antitrust frameworks don't adequately address data as a source of power.
4. **Vertical Integration:** Companies like Amazon control both the platform (e.g., its marketplace) and compete within it (e.g., Amazon Basics). This creates conflicts of interest, but antitrust laws don't clearly regulate such platform-competitor dynamics.
5. **Global Reach and Complexity:** These companies operate across borders and use complex business models, making enforcement difficult for national-level antitrust regulators.
6. **Lengthy Legal Processes:** Antitrust cases take years to resolve, and tech companies innovate or change their business models faster than regulators can act, often making rulings irrelevant by the time they are issued.

In short, current antitrust laws are outdated and not equipped to address the unique power structures and practices of tech giants in the digital age.