

DAY 1, SESSION 2.4. BIG TECH AND PLATFORM REGULATION

Big Tech and Platform Regulation

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Global platforms, particularly those originating in the US and China (e.g. Apple, Microsoft, Google, Amazon, Facebook, Baidu and Tencent), are dominating digital transactions worldwide prompting national governments to counteract international dependency. India however, may be confronting a challenge of its own where a small number of billionaires, together with a weak regulatory system, are potentially driving a new kind of dependency. These local actors control large sectors of the economy and dampen the local influence of foreign companies. For this reason, this group has been portrayed as the “gatekeepers” of Indian industry. This association of national development and resilience with corporate interests may be fuelling anticompetitive policies in India.



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Key Takeaways

1

A concentration of wealth and power is shaping the dominant business models in India's digital economy.

The concentration of wealth and power in a small number of billionaires, favourable regulations, and orthodox notions of market competition are driving a new kind of dependency in India. Big Tech controlling a significant percent of the country's GDP has been identified as a “rent fixed sectors”. These billionaires are influential players who generate value through their links with the state.

2

Digitisation, data and network infrastructure concentration may lead to anti-competitive processes in India.

The concentration of services by individual corporations has grown in recent years changing how the markets operate in India. Internal developments relating to the implementation of 5G capabilities has created a new opportunity for a digital infrastructure dominance by local companies. This has, in turn, been presented as advancing India's self-reliance. This, taken together with the vision that data constitutes a national resource fuelling national development, produces a concern that digital barriers impeding foreign trade are being created.

3

Low International finance reliance and the dominance of Reliance.

International finance and foreign investors have increased over the last 18 months. Reliance has seen improvements and has managed to retain control of the digital sector, despite the growing influence of companies like Facebook and Google. As a result, Reliance is in a strong, competitive position for the rollout of 5G in India and is increasing operations in different markets segments. As a result, Reliance, has become an example of a “monopolistic national champion”, lessening the impact of foreign Big Tech in India.

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