

EU Commission Disrupts Google



*Martin Moore, author of **Tech Giants and Civic Power** and director of the Centre for Media, Communication and Power at King's College London, reflects on this week's announcement by the European Commission that – in its preliminary view – Google abused its dominant position by imposing restrictions on Android device manufacturers in breach of EU antitrust rules.*

Is the EU Commission's new antitrust action against Google, for abuse of the dominance of its Android mobile operating system, **preposterous**, **misconceived** or **borne of sour grapes**? It has already been accused of being all three. Preposterous, Leonid Bershidsky writes, 'to accuse Google of stifling innovation'. Misconceived because it fails to account for the openness of the Android system, as contrasted with the platforms or services of other platforms. 'Sour grapes' because Europeans are envious of US technological and commercial success.

All three accusations misunderstand the motivation for the action taken by the EU Commission. It is not that the Commission has some sort of vendetta against Google. In **her speech on Monday** EU Competition Commissioner Margrethe Vestager reminded her audience that the Commission was investigating Amazon's contracts with e-book publishers. Facebook is also the subject of various European regulatory investigations. It is not that the Commission has a problem with the Android operating system itself, but rather with the contractual requirements made of those who choose to use the system (see **Statement of Objections**). Nor is their evidence to justify accusing the Commission of an anti-American crusade. The US regulator, the Federal Trade Commission (FTC), has also considered action against Google, and **Politico quotes** one of the organisations challenging Google as saying that the US is 'outsourcing its antitrust enforcement to Europe'.

The Commission is taking action because Google, and a handful of similar information intermediaries, are now so large and so dominant that if they do not do something about one of the tech giants now, they fear it will be too late. It has aimed first at Google because it has **more than five years of antitrust evidence** on Google, some from its own investigations and some from investigations done (and then abandoned) by the FTC in the US between 2011 and 2013. From these investigations it has concluded that Google is abusing its dominant position. It has started with Google shopping last year and has now launched an action aimed at Google's use of Android this week because this is where it believes it has the highest chance of success.

Yet even should these antitrust actions succeed, and we shall have to wait years to find out if they do, they will not address much deeper questions of how democratic societies should deal with digital dominance.

It is hard to argue, though some people do, that a small number of US based technology companies do not now dominate our digital lives. Most of us now depend for much of our communication and information on Google, Facebook (and its subsidiaries like WhatsApp, Instagram, Messenger), Apple, Amazon, Microsoft and Twitter. Moreover, as I show in my new study – **Tech Giants and Civic Power** – these organisations and their services are increasingly playing vital civic functions such as communicating news, enabling collective action and giving people a voice.

At the same time these digital intermediaries are different from dominant corporations in other industries or from their technological antecedents (as I've **written about elsewhere**). In the case of Google and Facebook they offer most of their services free at the point of use to the end user. Since there is therefore no 'trading relationship' it is difficult to make the case that they are

artificially inflating consumer pricing. Equally, rather than restrict choice, as some dominant corporations do, digital search and social services can enhance and facilitate choice. There are also certain digital services where dominance, or even monopoly, may be helpful. It is costly for developers to adapt apps for multiple operating systems, for example.

For these reasons, antitrust is both a blunt and an inadequate tool by which to respond to the challenges Google or other tech giants represent. This is not to say that the EU Commission should not take antitrust action against Google or similar Silicon Valley companies where it believes they have been anti-competitive. It should. Even if these actions eventually fail it will show that these companies are not untouchable.

However, we need to recognise that these organisations, and their services, present new dilemmas for democracies. Dilemmas that are not simply economic but also political, social and civic. We do not yet fully understand these dilemmas, nor do we yet have the tools to deal with them. Though, since these organisations and their services are growing so quickly and our dependence on them is becoming so acute, we need to learn fast and, like the tech giants themselves, be prepared to be disruptive.

This blog gives the views of the author and does not represent the position of the LSE Media Policy Project blog, nor of the London School of Economics and Political Science.

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