

# EXPLAINED

Relevant for: International Relations | Topic: India - USA

**The story so far:** On June 24, the U.S. House of Representatives Judiciary Committee [voted to advance six Bills](#) outlawing business practices that sit at the core of tech companies such as Google, Facebook, Amazon and Apple. The [package of Bills](#), which would stop the Big Tech from competing on the platforms they run, will become law once they are passed in the House and in the Senate. These Bills constitute the biggest action to come out of the anti-trust scrutiny these companies have been facing in the U.S. over the last few years. While many nations have taken legal or legislative routes to limit the influence of the Big Four, this is the first major move on their home turf.

Anti-trust is an American term for laws meant to prevent unfair business practices such as monopolisation, which leads to fewer choices for consumers and higher prices. A prime example of anti-trust law in action is when Microsoft was sued in 1998 for giving away the Internet Explorer web browser for free with its Windows operating system, which led to the collapse of browser-maker Netscape. Microsoft was found guilty of using its market dominance in operating systems to build a monopoly in browsers and was forced to open up Windows to other developers.

## Global anti-trust and the challenge of Big Tech

The major anti-trust laws in the U.S. are the Sherman Act of 1890 and the Clayton Act of 1914, with the Federal Trade Commission charged with upholding them. The evolution of technology has, however, taken the edge off these anti-trust laws. A report submitted in October last year after a 16-month probe by the U.S. Congress stated that since rise in consumer prices is the currently accepted indicator of unfair practices, it is difficult to gauge the actions of companies like Google and Facebook that make money off advertising and give many products away for free.

The new package of six Bills that is now in Congress is an attempt to add more teeth to anti-trust proceedings against new-age tech firms.

The [Platform Competition and Opportunity Act](#) would prevent big tech companies from nipping competition in the bud by buying up smaller rivals, like what Facebook had done by buying up Instagram for \$1 billion.

The [Ending Platform Monopolies Act](#) would prevent companies from becoming players on their own platforms, like how Amazon sells its own brands, competing with smaller retailers that use its e-commerce platform; Apple's chokehold over developers on App Store is another example.

The [Augmenting Compatibility and Competition by Enabling Service Switching \(ACCESS\) Act](#) promotes interoperability, forcing platforms to let users take data such as contacts lists and profile information with them while migrating to other platforms.

The [Merger Filing Fee Modernization Act](#) increases the government fee on large corporate mergers to help fund anti-trust law enforcement.

The [American Innovation and Choice Online Act](#) would prevent companies from giving preferences to their own products in the marketplaces they run, such as Google search results prioritising YouTube videos or Amazon highlighting its own brands.

The [State Antitrust Enforcement Venue Act](#) would prevent companies from shifting anti-trust cases to courts that could be favourable to them.

Over the last few years, the Big Tech has lost favour with both political parties in the U.S. While Republicans perceive an anti-conservative bias in these companies on issues such as free speech, Democrats have been up in arms over weak data privacy and fake news proliferation.

These Bills enjoy support primarily from the Democrats, with some Republicans thrown in. However, legislative procedures such as a filibuster may force the Bills' supporters to get more Republicans on board. The 50-50 split in the Senate, which is the Upper House, will be another obstacle to surmount.

Big Tech critic Khan becomes U.S. FTC chair

The tech companies also have their supporters in both camps. According to news reports, some Republican legislators see these laws as excessive government control on private enterprises, which is anathema to the conservatives. On the other hand, for some Democratic legislators from California, on whose turf these companies sit, any loss to these companies translates as loss in incomes and employment in their domains.

Any behavioural change that these companies may be forced to adopt in the U.S, which is their largest market, would likely be adopted in all their global markets as well. India already has versions of some of these laws, such as the one that prevents Amazon from selling brands that it owns on its platform. If implemented globally, a level playing field for brand visibility on Google and Amazon will benefit retailers in India.

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The environmental agency in Brandenburg, the state where the 5.8 billion euro (\$6.9 billion) plant is being built, has still not given final approval - meaning a further delay cannot be ruled out, even into 2022.

In an order dated June 22, CCI said it prima facie opines that certain agreements between Google and smart TV manufacturers amounted to abuse of dominant position by Google.

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