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Sommaire

"Between the Hammer and the Anvil: The Predicament of US Big Tech Giants in the US and Abroad"

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Abstract

US Big tech companies have enjoyed great development in this era that Robert Reich has termed the "second Gilded Age." In fact, Apple, Google, Microsoft, Facebook and Amazon have turned in one twinkling of an eye into economic mastodons making skyrocketing revenues worldwide. However, their power, behavior for some, and size inspire fear at home and in Europe. They are being investigated for monopolizing the market, accused of mishandling the trove of data in their possession, gobbling up competitors and evading tax payment in Europe. While France is studying ways to levy a 3% digital tax on them and European Union is fining them for tax evasion, at home some think they are guilty of anticompetitive practices and should consequently be broken up; big tech companies are thus caught between the hammer and the anvil. This article investigates the topical issue of the big tech companies which has even invited itself in the 2020 US presidential elections debate. It analyzes the situation of big tech companies, measures the fairness of the accusations made against them and the pertinence of solutions proposed to prevent them from falling into the excesses of monopoly and power.

Keywords: big tech companies; monopoly, anticompetitive practices; antitrust laws; violation of privacy; breaking up; tax evasion; digital tax.

Résumé

Les entreprises américaines de big tech ont connu un développement extraordinaire durant cette ère que Robert Reich a dénommée le « deuxième âge doré. » En effet, tout juste créés dans les années quatre-vingt-dix, Apple, Google, Microsoft, Facebook et Amazon se sont transformés en un clin d'œil en mastodontes économiques qui brassent des chiffres d'affaires astronomiques, et qui sont devenus plus nantis que certains pays développés. Cependant, leur pouvoir, comportement pour certains, et énorme taille inspirent des craintes en Amérique et en Europe. Cet article explique que ces entreprises de big tech sont entre le marteau et l'enclume : 1) soupçonnées de pratiques monopolistiques sur le marché américain et mal vues par une frange de la population américaine, elles font l'objet d'enquête et sont menacées de démantèlement ; 2) sous le coup de sanctions pour violation de données personnelles et d'évasion fiscale, elles sont aussi menacées en Europe. Cette étude analyse leur situation et évalue la justesse des accusations portées contre elles ainsi que la pertinence des sanctions encourues.

Mots clés : entreprises du big tech ; pratiques anti-compétitives ; monopole ; violation données personnelles ; taxe GAFA ; évasion de taxe ; démantèlement

Introduction

Over the last two decades, the growth of US big tech companies such as Google, Facebook, Amazon, and Apple has awed the entire world. Big Tech comprises top-tech companies such as Apple, Facebook, Amazon, Google and Microsoft which have succeeded through competition, innovation and subtle use of new technologies in building strong economic empires. Some of them, like Facebook created with meager means by young college graduates in the 1990s, have grown up into global mammoths making skyrocketing profits. "Collectively, the "big five" US tech companies –Apple, Amazon, Google parent Alphabet, Microsoft and Facebook – raked in more than $800 billion in revenue last year" (Moscaritolo, "How Big Tech Makes Its Money"). In 2019, Visual Capitalist said Apple made a revenue of $265.6 billion, Amazon earned $232,9 billion, Microsoft $110.4 billion, Alphabet $136.8 and Facebook $55.8 billion. Only set up in 1998, Google for instance has been one of the fastest-growing American companies with massive annual revenues. It earned "a record revenue of $805.9 million for the quarter ending on Sept. 30, up 105% year over year" (Information Week Oct. 2004). The combined revenues generated by the businesses owned by Google during the first nine months of last year were estimated to $97.1 billion according to the company's 10-Q and $83 came from advertising.

Most of these economic mastodons evolve in the field of computer technology, online platforms, advertising and information science but are characterized by a great diversification of activities. Case in point, Microsoft's main lucrative area was Windows operating system, but it also has Windows mobile phone, Bing browser, Outlook and LinkedIn. Apple not only makes Mac computers but also watches, telephones, iPads, Tvs, Beats devices. In addition, it owns Apple Pay and Apple Care, and recently it has been exploring the credit card business with Apple Card. The famous social network Facebook has acquired the popular WhatsApp and Instagram. As for Amazon, it specializes in online retailing but it is also implanting physical stores throughout the country to sell its 140 private labels. It has acquired several other profitable businesses in various sectors since 1998, including IMDB, Quidsi, and Zappos, an online shoe and apparel retailer. It also bought websites to help drive consumers to their products, such as Goodreads, a book review website, and Twitch, a streaming platform where people watch others play video games. Two years ago, the big tech company bought Whole Foods, and planned to buy Target in 2018 to continue its move into physical stores and capture more parents as customers (Myers, "Amazon doesn't Have an Antitrust Problem: An Antitrust Analysis of Amazon Practices"). Google businesses are organized under the name of Alphabet, Inc. and they comprise 200 companies involved in various sectors including robotics, mapping, video broadcasting, telecommunications and advertising. Google, the advertising mastermind, acquired YouTube to tap into the market of video-advertisement.

Whereas these US tech companies have witnessed an unprecedented growth and prosperity over the last two decades, they are more and more facing accusations and legal assaults in the US and Europe. One can say that they are caught between the hammer and the anvil. What are the accusations made against these big tech companies? What threats are looming over their heads? What could be the consequences of eventual measures taken against these US giant Internet companies in the US and Europe? Which solutions would be more suitable? These are questions this article aims at answering. First, it will take stock of the situation of big tech in the US and Europe. Then, it will analyze the solutions proposed to avoid situations of monopolies, privacy violations and tax evasions. Finally, it will give its position as far as these solutions are concerned.

Big tech under heavy scrutiny in the US

The Big Tech companies have for some time been caught between the hammer and the anvil at home as well as abroad. They are taken to task in the US for monopoly, unfair competition and privacy violation. Indeed, the Department of Justice (DOJ) and the Federal Trade Commission (FTC) have been investigating big tech for decades now under the pretense of competition in the US market. Now a coalition of states has joined the bandwagon of probes to see if they resort to unfair practices to monopolize the market. Free competition is a sacred right in the American capitalistic system because, as Jay Greene, in *The Washington Post* explains, legislators consider that "a lack of competition can reduce the quality of some services and erode consumer privacy." Even if some of these allegations against top-tech have not been documented by valid investigations, it goes without saying that Big tech are extremely powerful financial empires which inspire fear in the free market economy for several reasons. They enjoy a situation of quasi-monopoly resulting from their power and size: it is almost impossible for small size companies to compete with them as a result of their power. Big tech companies may also ensure their dominance over economic sectors by buying out startups and smaller companies. According to the Bloomberg Data, big tech companies made over 500 acquisitions in 2019, which testifies to the fact that big tech gobble up smaller ones to develop.

These big tech companies have massively acquired start-ups and rivals in their sectors, thus gaining important shares of the markets in their sectors. As noted earlier, Facebook acquired Instagram and WhatsApp thus gaining dominance over the social media sector. Amazon also bought several businesses to grow including IMDB, (the Internet Movie Database), Quidsi, and Zappos, websites, Twitch, a streaming platform, Whole Foods, and Target was also targeted in its acquisition process. Amazon has not achieved monopoly of online shopping but its share has grown to 46% of the sector (Lina 712-3) and it owns a platform that many competing businesses use. Google has bought YouTube and now it dominates the fierce and profitable world of online search with a share that some estimate to 62.5%, 70% (Manne 221) or around 90% of the US search market. Since 2015, Apple had been facing accusations of violating antitrust laws. First, it was probed for “conspiring with several major music labels” to unfairly compete with Spotify, its main rival in the paid subscription music sector (Linshi 1). In Europe, Spotify recently brought charges against the Iphone maker for “abusing the App Store” and blocking it from Siri virtual assistant, Home pod voice-activated speaker and Apple Watch” to limit competition (Tripp 1).

Besides these alleged anticompetitive practices, some US big tech companies violate data privacy. In Britain, a parliamentary report rightfully labeled Facebook and its executives as “digital gangsters” earlier this year after an investigation found the company deliberately broke privacy and competition law. Indeed, cases of unethical handling of users’ private data have been noticed in the recent past. The scandal Facebook-Cambridge Analytica, first reported by *The Observer*, is no doubt the most prominent one. Cambridge Analytica is accused of having used the private data of more 87 million users of Facebook to influence their voting intentions in favor of political leaders such as Ted Cruz. Cambridge Analytica is believed to have influenced the 2016 elections. Christopher Wyllie, a former executive at Cambridge Analytica even conjectures that Cambridge Analytica made the Brexit possible. Facebook had to pay $5bn to settle Federal Trade Commission (FTC) allegations that it repeatedly deceived users about their ability to keep their personal information private and “released 400 million phone numbers of its users” (Winfield, “Antitrust Investigations Cannot Stop Big Tech’s Impact”). Facebook is not the only big tech thought to have mishandled consumer data: YouTube owned Google was fined for collecting children’s personal data and violating their privacy. The FTC fined YouTube $ 170 million over violating children’s privacy laws (Stewart, “Poll: Two-thirds of Americans Want to Break Big Tech”). Be that as it may, big tech companies possess a trove of data on users and there is a need to have clear regulation to prevent unscrupulous employees or partners from using it for dubious purposes.

Whereas, as seen above, fines have been used to deter companies from violating consumer privacy, breaking up big tech companies is thought the best means of punishing anticompetitive practices. Former secretary of Labor Robert Reich, a fierce advocate of the breaking up of big tech companies, argues in a YouTube video that these big tech companies have the power to stifle competition through their stranglehold on information and their capacity to buy out small competitors and even have power to influence political decisions. For him, as well, Facebook, Amazon, Google and Microsoft, “the leaders of the second Gilded Age,” need to be broken up because they are too powerful; they have a combined wealth higher than the market value of all public corporations in America. To illustrate their tremendous financial power, he states “as of today only three countries-USA, Japan, and China--have a GDP higher than these companies combined market values.” Reich considers that this power represents a threat because these companies not only have a stranglehold on information but they can influence decisions through lobbying. He estimated that big tech companies have spent around 70 million dollars in lobbying in 2018.

The debate over the breaking up of big tech companies has spread to the American political circles. Presidential candidate Senator Elizabeth Warren also argues that companies such as Amazon, Facebook and Google have too much power over US economy, society and democracy and should therefore be broken up. Maybe less harsh than Warren in his assessment, President Donald Trump however thinks there is something going on in terms of monopoly with the big tech and “it’s a bad situation.” Many Americans consider that these big techs should be dismantled to guarantee fair competition, especially in a context where some have been found guilty of manipulating users’ data to influence elections.

In a September 18th issue of *Vox*, Emily Stewart explains “nearly two-thirds of Americans would support breaking up firms by undoing mergers, such as Facebook’s acquisition of Instagram, it means ensuring more competition in the future.” The same polling from progressive think tank Data for Progress in partnership with YouGov Blue shows that almost seven out of ten Americans believe big tech should be broken up if “the content they are showing people is ranked depending on whether the company is making money off of it or not,” meaning for example if Amazon is showing more options from Amazon Basics line instead of from a company it doesn’t own.

In Europe as well, Big Brother is closely watching them

Big tech companies have faced even greater animosity in Europe than in the US. Before the FTC and the DOJC, the European Union had since 2016 been going after them for allegedly avoiding to pay taxes and exploiting user data for dubious objectives. Similarly, they have been hit by fines and will be submitted to heavier taxation. Luigi Serenelli paints this situation of double jeopardy with accuracy in an article entitled "In Europe, Big Tech seen as invaders, not innovators" when he writes: « While the tech giants have not gotten a free pass on competition and privacy issues in the U.S., they run up against a higher degree of suspicion, or even animosity, in Europe. » (1). For Europeans, these companies embody a form indeed of American digital colonization or imperialism. They are perceived as economic predators with no ethics and are accused of depriving European governments of billions of Euro in revenue a year through tax avoidance strategies such as having have headquarters in countries with more favorable taxation schemes. Luxembourg, Malta, Ireland, the Netherlands and Ireland levy lower taxes on companies and offer them some benefits for settling in their countries. These European countries, at least countries such as Ireland require significant presence in Ireland in exchange, more specifically administrative and sales job should go to the Irish. For this reason, Apple and Facebook have chosen to establish their headquarters in Ireland like many other major computer and hardware companies such as Intel, Dell, AOL, PayPal, and Microsoft. Amazon has its European headquarters in Luxembourg. European countries have for long suspected them of benefiting from unfair tax schemes or avoiding paying taxes on revenues normally.

Back in June 2013, the EU Commission had already launched an investigation on Apple to see if the company received unfair tax breaks from Ireland. Similarly, the EU Commission looked at the tax agreement between Amazon and Luxembourg. The EU commission and France are taking actions to put an end to the Big Tech giants' tax avoidance strategies by inflicting fines and imposing new taxes. In August 2016, The European Union, more specifically Margrethe Vestager, the EU Competition Commissioner who oversees antitrust and competition ruled that Apple must pay $14.5 billion for unpaid taxes to Ireland. Apple and Ireland both dispute the charge, but the lady remains adamant on the issue. She accuses Ireland of giving selective favors to Apple, which makes competition unfair. Some believe that Google, Microsoft and Facebook could also face similar charges as they benefit from favorable tax deals in EU member countries.

Although some may conjecture rightfully or unrightfully that European countries are exclusively targeting American Big Tech companies, it is worth making the precision that some other foreign companies such as the French power company Engie and the Italian car manufacturer Fiat are also being investigated for unfair tax advantages in Luxembourg. US Big Tech companies, revered at home for their innovative efforts and job creations, have been for years been considered “as tax cheats, copyright infringers and privacy violators” in Europe and “their size and power viewed with suspicion and growing concern” (Serenelli 1).

More recently, since 2018, France has been pushing for tougher European regulations. Macron, for instance, openly said that he thinks the high-tech giants should be subjected to tougher taxation rates and commit to protecting user data. The French President, as Angela Charlton and Sylvie Corbet, summarize in an article, defends the idea of a 3 percent digital tax on tech companies’ gross revenue in the European Union.” He “also wants new regulations to combat extremist propaganda online and cyber-bullying.” The French Senate has even passed a bill approving the levying of a new digital tax on companies with revenues higher than 750 million euros. The digital tax will not be applied to profits but rather to French sales.

Like in the US, Big tech companies also face probes of privacy violations and have been hit with heavy fines. Europeans accuse big tech companies, more specifically Google and Facebook of violating data privacy, not protecting enough data privacy and controlling what is happening in their networks. Zuckerberg was taken to task in Brussels by European lawmakers and he had to apologize “for the way the social network has been used to produce fake news and interfere in elections.” In 2018, European countries have adopted new data protection laws. The French data protection authority fined Google 50 million euros or about $57 million for not for not properly disclosing to users how data is collected across its services.

Assessing the measures proposed against big tech companies

Thus, big tech companies are not only hit with fines for privacy violations and tax evasions, but regulators want to levy new taxes on them and even plan to break them up to avoid monopolies and/or punish them for anticompetitive practices. Whereas, one may understand the imposition of fines as a punitive measure for violations of privacy and infringements in data use, heavy taxation and dismantlement may not be good solutions for many reasons.

Targeted taxation on big tech may trigger an economic war between the US and France in a context where the two Presidents already don't see eye to eye on several issues. If France were to apply the 3 % digital tax, the American administration would negatively perceive such a move, which may even trigger an economic battle between European nations and the US. Indeed, this tax will hit four global Internet giants — Google, Facebook, Amazon, and Apple, which raises suspicion. U.S. Trade Representative Robert Lighthizer even declared in a statement "The United States is very concerned that the digital services tax which is expected to pass the French Senate tomorrow unfairly targets American companies." Trump has even asked the competent services to investigate the matter and reprisals are not excluded, especially in a context where he is far from being in cordial terms with Emanuel Macron. It is true that these economic giants face probes at home; however, Trump places American interests higher than local disputes. He believes in "America first," which means that he is not going to watch France and the European Union sink the US Big Tech companies without rescuing them. The Trump administration could eventually raise taxes imposed on French and European products or impose heavier taxes to European companies doing business in the American market. Trump, an expert on trade war as the examples of China and other countries have shown, even threatened to retaliate should France as a country hit big tech companies with a new digital tax. "The Trump Administration is threatening to extend its trade war to France as the country prepares to hit big tech companies – many of them American – with a new tax."

In my view, some analysts are right to conclude that Europe has nothing to gain by going after these US Big Tech giant companies, especially as the latter contribute to innovation and job creation in Europe, and therefore should be seen as opportunities. Ben Tonra, head of the school of politics and international relations at University College Dublin considers that Europeans "are wrong, however, to look at these companies in an antagonistic way." In his view, they should rather consider them as an opportunity not only "in terms of their own direct employment within Europe and the innovation they bring to Europe" but also as means to redefine technology and its use. Joseph Stenberg also is not convinced it is a good idea to tax heavily big tech companies in France because it will stifle investment and may make the latter take their investments elsewhere. He wonders whether any government is able to increase effective corporate taxes anymore in a world of globally mobile capital and asks himself if any government can afford to do so from the standpoint of competitiveness ("Why Macron Wants to Tax America First?").

While there has been much talk about breaking up big tech companies, experts doubt whether it is a good idea or even possible to do so as easily politicians and the average American think. In a post on BU website, "Is Breaking Up Amazon, Google, a Good Idea," Toria Rainey presents the standpoints of five experts: antitrust expert, Michael Salinger, Garret Johnson, assistant professor of marketing, Timothy Simcoe, an associate professor of strategy and innovation, Kabrina Chang, a clinical associate professor of markets, public policy, and law, and Marshall Van Alstyne, Questrom Professor in Management. Like scholars such as Manne who master the field, they caution and explain that before breaking up a company, you need to identify clearly what antitrust laws they have broken. Kathrina Chang points out also that the other main obstacle to break up the big tech companies will reside in the difficulty to determine their markets. Before you can prove that a company monopolize a market, you need to be able determine clearly its market, which is impossible to do for companies such as Amazon. "What does it mean when Amazon enters healthcare or groceries, or Google enters self-driving cars ?" Van Alstyme wonders to explain that boundaries between markets are extremely blurry. Like Chang and Van Alstyme, many scholars point out the need to study carefully the new marketplace characterized by rapid changes and an inverted firm system in which companies orchestrate the goods of pothers rather than produce them. Geoffrey A Manne and Wright Joshua D, in an article entitled "Google and the Limits of Antitrust: The Case Against Google" published in *the Harvard Journal of Law & Public Policy* warn against the difficulty to identify antitrust practices in today's fast changing structure of the market and technology.

Under these circumstances, what needs to be done is rather to carefully study the twenty-first century marketplace and set up new or improved mechanisms that would ensure that companies play fair and square and scholars and experts share this view. Lina Khan, who has published in *Yale Law Journal* a very insightful article entitled "Amazon Antiturst Paradox" showing the complexity of the issue, puts it well the need to seriously look at the new dynamics of modern markets when she states: "My argument is that gauging real competition in the twenty-first century marketplace- especially in the case of online platforms — requires analyzing underlying structure and dynamics of market" (717). Khan has demonstrated that so far, antitrust actions have merely looked at price and output to identify threats to consumer welfare and understand competition. In so doing, they have missed identifying practices of predatory pricing and gathering evidence of anticompetitive behavior. For this reason, the move from senators Richard Blumenthal and Amy Klobuchar to introduce a Monopolization Deterrence Act bill that would impose harsh sanctions to companies engaging in anticompetitive practices is for instance a great idea.

In my view, the fear of big tech companies is justified because their power is a threat to competition and consumer rights if it is not subjected to ethical behavior. Some companies have become so powerful that it is almost impossible to compete with them in some areas. In my view, legislators are to be blamed because they should have acted long ago to prevent big tech from growing so big and entering such a diversity of economic activities. For example, Amazon not only owns several apparel and hardware brands, but also it has become unavoidable as a result of its smooth platform and delivery logistics, not counting the other subsectors in which it leads.

Breaking big tech companies on the simple basis that they have become too huge and powerful or because smaller companies cannot compete with them would not be fair because the former have struggled their way up the corporate ladder and massively invested to expand and dominate their respective sectors. Amazon has, for instance, registered losses the first few years after its setting up because it massively invested to grow (Khan 717). Unless they find previous anticompetitive behavior on the part of big tech companies such as predatory pricing or failure to provide rivals fair treatment, I am not convinced that attempts to break the companies would necessarily prosper. Amazon, like several of these companies cannot be prosecuted on the basis of eroding consumer welfare. They are offering the best products at the best prices to consumers and some such as Google, Youtube, etc deliver free products to consumer and rather make money through the number of hits and advertising. It is useless to conduct a customer satisfaction survey to know that Amazon is satisfying the needs of its customers. Not only can one find many items one needs on its platform, which also hosts competing brands, but also the delivery is extremely fast. Prime members can receive their orders the day after because Amazon has invested in logistics. Similarly, Google enjoys great popularity among users and some people do not even know the existence of its rivals. Research also brandish data to prove that the sector provides numerous jobs and offer products enjoyed by consumers. Richard Sousa and Nicholas Petit demonstrate that not only does the high tech sector provide, according to estimates for the US Labor Statistics (BLS) “more than twelve million jobs” but also it has witnessed incredible job growth and better salaries compared to employees evolving in different sectors (“You Could Google It: Economic Analysis Make it Clear: The Efforts to Break Up Big Tech Companies Just Don’t Compute” Hoover Digest 4 (Sept 2018): 61+).

Bill Gates was right in saying that attempting to break up the big tech is not the adequate solution. For him, legislators should make sure companies have an ethical conduct and punish bad behaviors, a view I share because I am sure that attempts to indict big tech companies for anticompetitive behavior and break their sizes will result in never-ending trials that could last years, waste of needed tax payer money and failure. Grace Winfield, a detractor of the breaking up large and prosperous American, rather thinks that legislators should explore alternative remedies such as loosening "the companies' control of user data, to move data in a list of potential regulations and enforcement actions, to provide other companies access at a price to this data. Her solution lies in the fact that Big Tech companies have all in common "their collection, analysis and exploitation of data, whether it be from consumers, advertisers or wholesalers." Therefore, the best solution is to give smaller companies access to that data at a reasonable price so they can compete with big tech.

Conclusion

US big tech, namely the big five comprising Amazon, Apple, Google, Facebook, and Microsoft, have grown into economic giants with more financial power than developed nations and they inspire great fear. Whereas they enjoy unprecedented prosperity and popularity, their reputation is tarnished by accusations and threats of dismantlement and punishments are looming over their future. At home, politicians argue that they should be broken up and the FTC, DOJC and a coalition of states are going after them and trying to find evidence of privacy violations, monopolies, anticompetitive practices and harm to consumer welfare. In Europe, people are trying to levy new tax on these prosperous companies accused of evading taxes and accuse them of privacy violations as well. Thus, one can say they are trapped between the hammer and the anvil in the US and abroad. What is the future of these big tech companies? US and European legislators will go after them to find violations of privacy, levy new taxes on them and make them pay fines, and even try to break them up.

Big Tech companies guilty of wrongful practices as far as data privacy and use of consumer data are concerned should in my view be hit with heavy fines proportionate with to their revenues and profits to put an end to violations. Like Emily Stewart in the September 18th issue of *Vox,* I believe that it is not effective for the FTC to make Facebook pay only $5 billion for mishandling private data in the Cambridge Analytica scandal or fining

Google's YouTube just $170 million over violating children's privacy laws. Regulators should hit these prosperous companies guilty of data privacy violations with fines "in the grand scheme of how much money they make" to set examples.

However, as far as market practices are concerned, I consider that an aggressive approach will not pay off because these companies have for years sped up between the radars to acquire great power and hold over diverse markets. Legislators should have in the first step not allowed them to gain such proportions and invest in so many sectors if they equate size to power and monopoly. Timothy Simcoe, an associate professor of strategy and innovation sees eye to eye with me when he notes that "we should pay more attention to Big Tech mergers" such as Facebook's acquisition of Instagram and WhastApp (Toria, "Is Breaking Up Amazon, Facebook, and Google a Good Idea?"). They have acquired promising start-ups and bought rivals, massively invested in growth to the detriment of profits, may have even been guilty of predatory pricing. Now these companies are satisfying consumers, making good business, and ready to combat even with nations that want to break them up. Litigation could take years and cost these companies and the American taxpayers lots of money. These giants will defend themselves by all means necessary as Mark Zuckerberg said in response to Senator Elizabeth Warren.

As many experts and scholars have argued, it will not be easy to prove that Amazon, Google, Apple, Microsoft, Facebook are guilty of anticompetitive behavior. Due to the blurry boundaries, it will hard to determine monopoly of markets. It will also be particularly difficult to prove allegations of erosion of consumer welfare because these giants offer products that satisfy the public. Amazon has become number one in online sales because it is able to offer a great variety of products online at fair prices and deliver them a day later for prime members. Even competitors rely on its platform to sell their products. I agree that it is extremely hard to compete with Amazon which possesses a platform where its labels compete with others and the company may be inclined to give preferential treatment to its own products. Can we blame them? However, at the end of the day, Amazon does now really hurt consumer welfare because it offers good services and products at a good price. Google gained a great slice of the search market because it also offers them free of charge. For this reason, I agree with analysts Richard Sousa and Nicholas Petit consider that "what matters is the consumer welfare generated by firms, regardless of their size. If large tech companies make our lives better by putting people to work at good wages and by innovating and creating higher quality products, they should be acknowledged for their role and their contributions to society well-being" (61).

European countries and US legislators should privilege a more intellectual approach which will consist in carefully analyzing the new and complex dynamics of the 21st century marketplace before engaging in radical measures, especially as issues of antitrust laws are concerned. They should convene these companies to a table to fix a reasonable tax on profits rather than sales in their countries because companies such as Amazon will be more inclined to accept that deal given their process of massive investments to grow. A company witnessing losses will not be ready to pay a 3% digital tax on sales. If European nations persist on going after Big-tech companies, an economic war may be triggered. Trump already thinks that France and the European Union are unfairly targeting these companies and he may retaliate by imposing some new economic measures or tariffs on European products (Webster, "Trump Administration Threatens to Extend Trade War to France Over 3% Tax on Big Tech Companies"). Finally, in the US and Europe, policies should be changed to take into account the new parameters of the global market in which companies can be based abroad and make giant profits or sales in another country. Similarly, the US legislators should devise bills enabling the protection of small companies and consumer rights.

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