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Why We Need to Break Up Big Tech

Monopolies aren't good for anyone except for the monopolists, especially when they can influence our elections and control how Americans receive information

by [Robert Reich](https://robertreich.org)

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In 2018, Google, Amazon, Facebook, Apple, and Microsoft spent 70.9 million dollars on lobbying and supporting candidate. (Photo: Screenshot)

The combined wealth of Facebook's Mark Zuckerberg, Amazon's Jeff Bezos, and Google's Sergey Brin, and Larry Page is larger than the combined wealth of the bottom half of the American population.



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They are the leaders of a second Gilded Age – ushered in by semiconductors, software and the internet – which has spawned a handful of hi-tech behemoths and crushed competition.

Facebook, Amazon, Google, Apple, and Microsoft now have the highest market values for all public corporations in America.

As of today, only three countries in the world have a GDP higher than these companies' combined market value of approximately 4 trillion dollars.

America's *first* Gilded Age began in the late nineteenth century with a raft of innovations – railroads, steel production, oil extraction – that culminated in mammoth trusts run by “robber barons” like J.P. Morgan, John D. Rockefeller, and William Vanderbilt.

The answer then was to break up the railroad, oil, and steel monopolies.

The answer today is the same: Break Up Big Tech.

First: They have a stranglehold on the economy.

Nearly 90 percent of all internet searches now go through Google. Facebook and Google together will account for nearly 60 percent of all digital ad spending in 2019 (where most ad money goes these days).

They're also the first stops for many Americans seeking news (93 percent of Americans say they receive at least some news online). Amazon is now the first stop for almost half of all American consumers seeking to buy anything online.

With such size comes the power to stifle innovation.



potential rivals. Apple stifles competition in its App Store.

Partly because of this economic concentration, the rate that new job-creating businesses have formed in the United States has almost halved since 2004, according to the Census Bureau.

Second: Such size also gives these giant corporations political power to get whatever they want, undermining our democracy.

In 2018, Google, Amazon, Facebook, Apple, and Microsoft spent 70.9 million dollars on lobbying and supporting candidates.

As a result, Amazon – the richest corporation in America– paid nothing in federal taxes last year. Meanwhile, it held a bidding war to extort billions from states and cities eager to have its second headquarters.

Not to mention, these companies have tremendous influence over how Americans receive information. And as we've seen, Facebook and Google have enabled the manipulation of our elections.

Third: Giant tech companies also hurt the environment.

Many are failing to reduce greenhouse emissions, as they promised, and are unwilling to commit fully to renewable energy.

Finally: Their huge wealth isn't being shared with most of their workers.

Nine in 10 workers in Silicon Valley make less now than they did in 1997, adjusted for inflation. And many are part of the “working homeless.” That is, people who work full time and yet are still homeless.

The answer is to break them up. That way, information would be distributed through a large number of independent channels instead of a centralized platform. And more startups could flourish.

Even one of Facebook's founders has called for the social media behemoth to be broken up.

Senator Elizabeth Warren has introduced a proposal to do just that. It would force tech giants to open up their platforms to more competition or break up into smaller companies.

Other countries are already taking on Big Tech. The European Union fined Google nearly 3 billion dollars for antitrust violations in 2017.



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In this new Gilded Age, we need to respond to them as forcefully as we did to the monopolies of the first Gilded Age and break them up.

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Robert Reich, is the Chancellor's Professor of Public Policy at the University of California, Berkeley, and a senior fellow at the Blum Center for Developing Economies. He served as secretary of labor in the Clinton administration, for which Time magazine named him one of the 10 most effective cabinet secretaries of the the twentieth century. He has written fifteen books, including the best-sellers *Aftershock*, *The Work of Nations*, *Beyond Outrage* and, *Saving Capitalism*. He is also a founding editor of The American Prospect magazine, chairman of Common Cause, a member of the American Academy of Arts and Sciences, and co-creator of the award-winning documentary, "Inequality For All." Reich's newest book is "*The Common Good*." He's co-creator of the Netflix original documentary "Saving Capitalism," which is streaming now.

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