Research on Platform Monopoly Governance Strategy under Digital Economy

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Abstract: In the context of the rapid development of digital economy, while significantly improving the economy, it also brings new challenges to national governance. Due to the uncertainty of the anti-monopoly law and the imperfection of the market, the problem of platform monopoly is becoming more and more serious. This research cuts into the market from the research of platform, market and policy, based on the investigation of platform data and means, and then analyzes the problems in combination with the relevant data of domestic and foreign policies, so as to obtain the governance strategy. In order to protect the rights and interests of consumers and comply with the law of platform development in the era of digital economy, we should formulate more perfect laws and regulations and form a flexible regulatory system.

Keywords: Digital economy, Monopoly, Platform.

1. Introduction

In recent years, antitrust disputes against digital platform oligarchs have continued. Recently, with meituan, homework gang and Google being fined or otherwise punished, the exposed problem of platform monopoly has come back to the public eye. The implementation of Alibaba's "straight-line development law" has seriously violated the market balance of "first choice and second choice", which has seriously undermined the market development of Alibaba's "first choice and development law". This is not only the case at home, but also the major platforms abroad. Apple and Google were even questioned at the antitrust hearing of the US Senate, and users were also miserable.

China's anti-monopoly law has been born since 2008, but there has been no specific rectification. The first shot of Internet antitrust this time, China's State Administration of Market Supervision recently imposed a fine of 500000 yuan on the reading group and Fengchao technology invested by Ma Yun's Alibaba, and a fine of 500000 yuan on Alibaba Investment Co., Ltd., which is equivalent to a fine of 1.5 million yuan on Alibaba at once. The state subsequently imposed fines on meituan and operation Gang, which means that antitrust has been put on the national governance agenda.

2. Monopoly Form and Governance of Digital Platform

2.1. Monopoly Form of Digital Platform

Compared with traditional industrial economy, digital platform is obviously different. Its related characteristics are bilateral (multilateral) user market, cross network externality and locking effect. Moreover, the unique algorithm mechanism of digital platform makes it easy to form the disorderly expansion of capital, so it is easier to realize monopoly. At present, the monopoly types of the traditional industrial economic model in the market mainly include monopoly agreement, abuse of market position and business concentration. Different from the traditional industrial economic model, digital platform includes the monopoly form of elements (data) and the monopoly form of market. Among them, the specific elements are data monopoly behavior, while the market monopoly is manifested in five kinds: algorithm discrimination, dynamic pricing behavior, bundling and tying behavior, restrictive trading behavior, killer M & A behavior (the object of M & A is mainly startups) and self preferential treatment behavior.

2.2. Digital Platform Monopoly Governance

First, the form of digital platform monopoly is different from the past, so the traditional anti-monopoly law and anti-monopoly means are invalid. Digital platform makes use of its unique data advantages to directly conduct data monopoly, and there is no need to sign the monopoly agreement in the traditional sense. The data itself is not terrible, but the data barrier formed by mastering the data in an enterprise has a significant impact. After the formation of data barriers, the algorithm and computing power will form the unique market power of enterprises. Once the market power behind data monopoly is stimulated, it will have a severe impact on the whole industry and even the market.

Second, the market dominance of digital monopoly platform can not be defined by the size of enterprise market share, which makes the traditional anti-monopoly law unable to define monopoly behavior. Because the digital platform economy has the characteristics of cross-border, dynamic and platform competition, its market share is not clearly defined. First of all, the market where the digital platform economy is located cannot be accurately positioned, so the market share cannot be accurately calculated. Secondly, the competition of digital platform economy is not static but dynamic. The constantly changing competition makes the market share constantly changing, so the size of market share can not be defined.

Third, the supervision of relevant departments on the digital platform is insufficient and the supervision method is improper. China's anti-monopoly legal system was set late, and the governance system is relatively weak. Since the birth
of China's anti-monopoly law in 2008, there has been no specific regulation. It was not until 2020 that the first shot of Internet antitrust was fired. However, even so, due to the uncertainty of the anti-monopoly law and the imperfection of the market, the problem of platform monopoly in China is becoming more and more serious. In this first shot of Internet antitrust, the problems existing in China's supervision mode have been fully exposed. This control only carried out post control, but did not carry out pre control and in-process control. The typical ex post control is to impose a certain amount of fine on the digital platform unfavorable to the control. The typical ex post control is to impose a certain control, but did not carry out pre control and in-process control. Although the fine can make the digital platform pay a certain cost and play a warning role at the same time, under the huge profits, it is still very possible for the digital platform to implement the monopoly again, and even new digital platforms participate in the monopoly.

3. International Digital Platform Governance

3.1. Antitrust Litigation Against Digital Giants in the United States

The U.S. House Judiciary Committee directly investigated the lawsuit against the four digital giants - Google, apple, Facebook and Amazon. Among them, Facebook, apple and Amazon continue to acquire enterprises to reduce competition. Google dominates 87% of the U.S. search market. These four giants have obvious restrictions on the development of third parties. Its monopolistic behavior in four different markets makes the judicial commission form a report on it, which records the suppression and restriction of its competitors by the four platforms.

3.2. The European Union Proposed the Digital Market Law (Draft)

The EU's move has far-reaching implications because it is the first time in nearly 20 years that the EU has issued relevant laws in the field of digital platforms. The targeted measures in this draft are "prior supervision" and "case by case law enforcement". This means that the anti-monopoly process is no longer post control, but pre control and in-process control, which will be a major breakthrough in the anti-monopoly process. Ex ante supervision refers to the establishment of clear and unified rules in this draft to restrict the digital platform, and the relevant departments will monitor it in real time. Case by case law enforcement refers to the precise definition and punishment of digital platform monopoly, so as to eliminate monopoly behavior.

3.3. Japan Revised and Released Antitrust Related Guidelines

The Fair Trade Commission of Japan issued a number of antitrust related reports during 2018-2021, and revised the guidelines for the implementation of the antitrust law on merger review and the response guidelines on merger review procedures in December 2019. It emphasizes restricting the monopoly of digital platforms from data, personal information protection, industry regulations and other aspects. At the same time, in order to improve the development space of the digital trading platform and the fairness of the market, it is required to submit regular reports to the relevant anti-monopoly platforms.

4. Platform Monopoly Governance Strategy Under Digital Economy

4.1. Improve the Relevant Legal System

In 2021, the antimonopoly Commission of the State Council formulated and issued the antimonopoly guide in the field of platform economy, which is a big step in the legal system in the field of digital economy. However, this is not enough. We should further establish a perfect digital platform antitrust system. The identification of enterprise monopoly on the digital economy platform is the most basic step on the anti-monopoly road. It is the important task of government departments to effectively implement relevant laws and supervise them. Secondly, what needs to be supervised by government departments is the management of data collection and use. For the data owned by digital platforms that have the greatest impact on the market, government departments should supervise and restrict their use. Consumers are not only the beneficiaries of the market, but also the victims of the market. It is urgent to protect the rights and interests of consumers. Protecting consumers' rights and interests can find out the causes of consumers' victimization, so as to regulate digital platforms.

4.2. Innovative Anti-monopoly Analysis and Regulation Tools

First, for the digital platform, because of its characteristics, the monopoly position cannot be determined by its market share. We often don't know whether it is antitrust. In view of this situation, we should innovate antitrust analysis tools to more clearly define antitrust behavior. Analysis tools need to accurately judge the market distribution and dynamic behavior of the digital platform, so as to define the antitrust behavior of the digital platform.

Second, the regulation method required by the digital platform is also different from the traditional industrial economy. The regulation of traditional industrial economy only needs to regulate the internal structure of enterprises, while the digital platform is born in the context of the Internet, its structure is complex, and the traditional regulation methods are no longer applicable to it. Only by innovating anti-monopoly regulation tools can the digital platform be regulated.

4.3. Clear Digital Property Rights and Data Transparency

At present, a major tool of digital platform monopoly is data, which comes from users, merchants and so on. It is precisely because the data is privatized by the digital platform that the digital platform is monopolized. Clarifying digital property rights is a good way to solve this root cause. Clarifying the data as the personal property of the source user, stipulating that the platform shall not use the data without permission, and conducting data supervision can well control the current situation of monopoly. Another way is to make the data transparent, make the data public, and stop privatizing the digital platform, which can also curb monopoly behavior. As for the specific type of data, it depends on which method to use.

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