

Google's Missouri problem mirrors woes in EU

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The US state of Missouri is following the lead of European antitrust watchdogs in examining Google's business practices

As an aggressive antitrust investigation plays out in Europe against Google, its practices have drawn comparatively little scrutiny from regulators on the US side of the Atlantic. But the midwest state of Missouri wants to change that.

The state's Attorney General Josh Hawley has launched an investigation which appears to mirror the probe by EU authorities, demanding information on how Google uses data gathered on consumers, and examining whether the internet giant abuses its dominant position in search.

"No entity in the history of the world has collected as much information about you as Google. My office wants to know what Google is doing with this information," said a tweet from Hawley, a Republican who is running for the US Senate.

Hawley added that he sees "substantial evidence" that Google manipulates [search results](#) to list affiliated websites higher than those of rivals.

"If true, these actions may reflect an unlawful attempt to leverage Google's monopoly power in the search-engine market to stifle competition," he said.

In the US, the Federal Trade Commission in 2013 dropped a two-year antitrust investigation of Google after the company agreed to make changes to some practices to ease competition concerns.

But a number of Google critics and competitors have argued the US probe did not go far enough. They point to the European Commission's three-pronged inquiry into Google's dominance in search, its advertising platform and its Android mobile operating system.

The EU has already imposed a fine of 2.4 billion euros (\$2.7 billion) over search results and could impose stiffer penalties as the investigations proceed.

Scott Cleland, a consultant and longtime Google critic—who operates

the "watchdog" website Google Monitor—said the EU probe may represent a turning point for stiffer actions against Google.

Even if the federal government remains on the sidelines, "the states represent a law enforcement and a political and government force that Google can't ignore," Cleland said.

If several state regulators band together, "they are very formidable," he added.



European Commissioner for Competition Margrethe Vestager is leading the EU antitrust probe of Google, which could open the door to actions in other parts of the world

Shifting political landscape

Google's position has become more precarious with the election of President Donald Trump, following years of close—some say too cozy—ties between Silicon Valley and the White House.

And the failure of firms such as Google, Facebook and Twitter to crack down on disinformation and Russian-sponsored propaganda has also eroded support of the tech sector in Washington.

"Google's biggest challenge is that the American [political landscape](#) has shifted beneath its feet," said Mark Blafkin, a co-founder of the technology and business consultancy Vrge.

"In the age of Trump, there is growing political momentum in both parties for holding Google and other tech giants accountable on competition, fake news, and a series of other issues."

Google's share of search is estimated at around 90 percent in many markets. Google and Facebook are scooping virtually all the growth in digital advertising revenues, according to analysts. And its Android system powers more than 80 percent of smartphones worldwide.

Europe's top antitrust regulator Magrethe Vestager has argued that firms with dominant market share have a "special responsibility" not to misuse their power.

But in the US, an antitrust action against Google could be complicated by a decades-old standard of measuring consumer harm. Since Google's services are mainly free, it could be hard to argue its actions are hurting consumers or raising prices.

But antitrust standards in other parts of the world are different, and some analysts see the EU probe as opening the door to more legal woes for Google.

"After nearly a decade of holding competition regulators around the world at bay, the European Commission's ruling represents the first significant break in the dam for Google's legal and public affairs strategy," Blafkin said.

"Not only will Google face years of ongoing European Commission investigations covering search, AdSense, and Android, but history suggests a ruling like this could provide the foundation for other regulators to launch investigations or scrutinize mergers and acquisitions."

John Simpson at Consumer Watchdog, another longtime Google foe, said it appears the winds are shifting against Google.

The latest actions in Missouri and congressional hearings on online abuse "are symbolic of a growing awareness... that the big tech companies deserve a harder look," Simpson said.

"From the left and the right, we can see a new attitude, which is questioning some of the procedures of the tech industry."

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