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The digital marketplace should be a public good

Regulating pandemic profiteers like Amazon is not enough. We need public ownership of essential digital infrastructure

As a turbulent year draws to a close, Covid-19 infections are again on the rise. In response, most European countries have entered another lockdown. And like earlier this year, politicians are trying to cushion the immediate social and economic fallout with furlough schemes, financial support for business and other massive state interventions. But despite governments deploying the fiscal bazooka to keep economies afloat, it's still impossible to fully grasp the long-term economic damage, let alone how the post-pandemic economy will look like.

One thing is clear though: the shutdown of the local brick-and-mortar economy has exacerbated pre-pandemic trends towards market concentration and monopolisation. It's the Big Tech companies in particular – such as Google, Microsoft, Facebook and Amazon – that have profited and further entrenched their dominance.

Take the example of Amazon. As global protests on Black Friday have underscored, the tech giant has become ever more powerful since the start of the pandemic. As local retailers — from clothing shops to household supply and electronic stores — had to close their doors during the first and second wave (and many of them since went bust), Amazon's e-commerce business flourished and its profits skyrocketed.

This year alone, the tech giant has increased its profits by a whopping 53 per cent compared to 2019, while its stock prices have risen by 65 per cent. Amazon founder and CEO Jeff Bezos has seen his personal fortune balloon by more than USD 73bn since the start of the crisis to a record of around USD 200bn — making him the richest man in human history.

For progressives then, the battle over who rules our economy will become ever more urgent in the near future. With a few companies having cemented their market dominance over the course of this pandemic,

progressives need to put forward a vision that speaks to questions of ownership — and build up alternative, more democratic ways of organising our (digital) economies.

The starting point

Amazon was in such a uniquely powerful position when the pandemic hit because of its giant e-commerce platform and delivery infrastructure – built up over years with the explicit goal to not just monopolise one sector of the market, but to 'become the market'. This was made possible by huge investments into its platform, powered by aggressive tax avoidance, almost unlimited access to global capital markets for its 'growth before profits' strategy, as well as its monopolisation of other sectors entirely – most notably web services. Naturally, notorious anti-worker and union-busting policies also add to the mix.

If total control over the marketplace in which it competes is the company's ultimate goal, then this must also be the starting point of any meaningful left-wing response to rein in Amazon's power.

In the political arena, this problem has been increasingly acknowledged. Amid Big Tech's efforts to disrupt the EU's regulatory efforts through an unprecedented lobbying network, Competition Commissioner Margarethe Vestager recently concluded that 'Amazon illegally abused its dominant position as a marketplace service provider' through collecting data on third-party retailers to cement its own retail ambitions. With a new set of rules on data usage unveiled this week, Amazon and other tech giants could face a massive fine of up to 10 per cent of its turnover.

If total control over the marketplace in which it competes is the company's ultimate goal, then this must also be the starting point of any meaningful left-wing response to rein in Amazon's power. While the Commission aims to ensure 'free and fair' competition *within* Amazon's marketplace, it falls short of questioning whether one private company should be allowed to control an entire marketplace to begin with.

A recent anti-trust report in the US also recognised that 'by controlling access to markets,' tech giants such as Amazon 'can pick winners and losers throughout our economy.' But both initiatives fail to go beyond established competition measures. They don't point towards an alternative, more democratic way of organising our increasingly digitalised economies.

Building up a local alternative

Luckily, a few hundred metres away from Vestager's office, local politicians in Brussels' regional government seem to have understood this. In early December, and just in time for the Christmas shopping period, the region's Ministry for Economic Transition and Research — in partnership with two local NGOs — launched mymarket.brussels, an initiative taking aim specifically at Amazon's usurpation of the digital marketplace.

Mymarket.brussels is essentially the digital equivalent of your weekly market. It allows local stores in the Brussels region to register on its platform — for an initial period free of charge — and promote their products to shoppers online at a price of their choice. Home deliveries are taken care of by the local bike delivery cooperative Urbike, ensuring a sustainable delivery model and decent working conditions alike.

Where small local shops often don't have the necessary skills or financial resources to build their own online store, mymarket.brussels offers them a public digital infrastructure instead. This way, they can advertise and sell their products even if storefronts need to close during lockdown. And for consumers it creates one — surprisingly well-designed and accessible — digital space to shop more locally and sustainably.

Instead of then having a private company like Amazon dictate the terms of a monopolistic online marketplace, the digital marketplace itself could become public infrastructure.

What the initiative then realises is that, in itself, the digital infrastructure Amazon has built is not the problem. In fact, such platforms can be enormously useful, even essential, allowing for an easy and — as the pandemic has shown — safe connection between people and goods and services. It's just that a corporate, unaccountable platform like Amazon has become a tool of economic domination — with all its negative effects on workers, small businesses and society at large. So the problem is really one of ownership.

A digital public good

To counter this, mymarket.brussels applies the idea of the public good to the digital world. In doing so, it doesn't just show what a progressive local government — staffed with young, tech-savvy and ambitious policymakers — can do. It also points towards a bigger vision of publicly owned digital resources, focussing on social and environmental goals as opposed to pure profit maximisation. Instead of then having a private

company like Amazon dictate the terms of a monopolistic online marketplace, the digital marketplace itself could become public infrastructure. Another digital world is possible.

Of course, mymarket.brussels is not perfect. Its governance model seems to not be inclusive — it's not offering a clear way for store owners and consumers to have influence over how the platform is run. And we will have to see whether the model turns out to be successful. Even though it comes at just the right time, the odds are certainly stacked against it. But if it succeeds in establishing itself, one could easily imagine it being scaled up. Over time, it could replicated in other European cities to durably support value remaining within each local economy.

With the Covid-19 vaccination drive having just started, there's an end to the wave of infections and lockdowns in sight. Yet it's unclear how the post-pandemic economies we inherit will look like. Big Tech's increasing power gives urgency to a political response that revolves around questions of ownership and the public good. One day then, perhaps, public ownership of digital infrastructure could become as normal as public ownership of the physical infrastructure that hosts our weekly markets.



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