

WHY IS THIS A PROBLEM FOR COMPETITION?

“ It is better to buy than compete.” – [Mark Zuckerberg \(2008\)](#)


Facebook is the dominant company in the global market for social networks. Billions around the world use Facebook services - Facebook, WhatsApp, and Instagram - in order to connect to friends and family. There are no meaningful alternatives to Facebook's services. WhatsApp has more than 2 billion users worldwide. This gives it the power to coerce people to stick to any change of rules.


WhatsApp dominates the market for messaging services in all but 25 countries. It is the most widely used messenger app in the world, with penetration rates among Internet users aged 16-64 above 90 percent in countries such as [Kenya, South Africa, Nigeria, Argentina, Colombia, Malaysia, and Brazil](#). The growing market dominance of digital platforms stems from the personal “data” that they collect free of cost from their users, and then use to profile them.




COMPETITION AUTHORITIES RECOGNIZE FACEBOOK'S DATA-OPOLY

“As a dominant company Facebook is subject to special obligations under competition law. In the operation of its business model the company must take into account that Facebook users practically cannot switch to other social networks. In view of Facebook's superior market power, an obligatory tick on the box to agree to the company's terms of use is not an adequate basis for such intensive data processing. The only choice the user has is either to accept the comprehensive combination of data or to refrain from using the social network. In such a difficult situation the user's choice cannot be referred to as voluntary consent.” – [German Bundeskartellamt \(Competition Authority\)](#), 2019

AND COMPETITION AUTHORITIES HAVE THE TOOLS TO CURB MARK ZUCKERBERG'S POWER

 In 2017, [the Italian Competition Authority fined](#) WhatsApp Inc. €3 million for practices in violation of the Italian Consumer Code and forcing its customers to wholly accept the new “Terms and Conditions”, in particular regarding the sharing of their personal data with Facebook.

 In 2019 [the German Bundeskartellamt \(Competition Authority\)](#) held that the extent to which Facebook collects, merges and uses data in user accounts constitutes an abuse of a dominant position. It imposed far-reaching restrictions on Facebook's processing of user data to stop it from combining data from different sources, including from Facebook-owned apps like WhatsApp.

-  In December 2020, [the United States Federal Trade Commission](#) and [48 Attorneys General](#) sued Facebook, alleging illegal anti-competitive conduct and calling for Facebook to be broken up.
-  In January 2021, [the Turkish Competition Authority](#) launched an investigation into Facebook and WhatsApp over the messaging application's changes to its data sharing rules and issued an injunction for suspension of WhatsApp's new data collection rules in Turkey.
-  In March 2021, the Competition Commission of India found that the proposed 2021 WhatsApp change, to share data with Facebook, is prima facie an abuse of dominance and [ordered an investigation](#) to be completed within 60 days.

We need more regulators to act before it is too late.