



# From the perspective of anti-monopoly, data privacy protection and digital economy develop in synergy

Yan Shiyu

Xiang Minzu University, School of Law, 712082

E-mail 1742198328@qq.com

**Abstract.** In the era of digital economy, data is considered to be the core resource for the development of digital economy. However, the improper use of data has also become a means for the digital giant to monopolize the market, and data privacy disclosure will not only lead to damage to consumer interests, but also affect economic, cultural and political development. Large Internet companies have successively leaked user privacy data, such as Alibaba Group's anti-monopoly penalties in 2020. In 2019, Facebook was fined 2.44 billion euros for violations of user privacy protection. Therefore, it is an urgent problem to seek the coordination mechanism between data protection and the development of digital economy. From the perspective of anti-monopoly, this paper explains the current situation and problems of digital economy development, and puts forward suggestions for future development.

**KEYWORDS:** Digital Economy; data privacy protection; anti-monopoly;

## 1 Introduction

With the rapid development of the digital economy, data is becoming more and more important. However, the issue of data privacy has also aroused widespread concern. From the perspective of anti-monopoly, this paper discusses the relationship between data privacy protection and the coordinated development of digital economy. This paper first introduces the importance of anti-monopoly law in the development of digital economy, and then expounds the challenges of data privacy protection. Then, it discusses how to protect data privacy and promote the coordinated development of digital economy by analyzing some cases introduced by anti-monopoly law in the field of digital economy. Finally, some policy suggestions and practical measures are put forward to strengthen data privacy protection and promote the sustainable development of digital economy.

## **2 The development of digital economy needs the intervention of anti-monopoly supervision**

For the general consumer, the digital economy of popular services, including e-commerce, search engines and social media three categories [1]. These digital economy platforms usually have the following three characteristics. First, digital economy platforms often have network externalities, that is, the value of an economic activity increases with the number of participants [1]. In a digital economy platform, the value of the platform increases as the number of participants on the platform (such as users, vendors, developers, etc.) increases because more participants can provide more products and services, attracting more users to the platform creates a positive cycle. Secondly, the platform of digital economy has the characteristic of scale economy. The cost of platform decreases with the increase of scale. The marginal cost of platform is low, even equal to zero. Third, with zero-price services, platforms often offer free online services in order to attract users, with the added benefit of advertising or user privacy data[2]. Its mode is through to the big data collection, the analysis and the appraisal, the big data platform provides the corresponding service to the user. This creates huge barriers to transactions in the digital marketplace. This also shows that the platform economy brings many hidden risks as well as benefits to users. In particular, digital giants tend to occupy a monopoly or dominant market position, which leaves less and less room for competition for start-ups, so the global call for anti-digital monopoly is growing.

## **3 Current situation and problems of anti-monopoly in digital economy**

The issue of antitrust in the digital economy is one of the hot topics. With the rise of major technology companies and the digital economy giant has a huge market share and influence, has aroused the concern about its monopoly position and market competition. For now. Global anti-trust issues in the digital economy have attracted attention, and a series of related investigations and lawsuits have emerged [3].

In 2020, China's market regulator launched an antitrust investigation into Alibaba. The findings found that Alibaba had abused its dominant market position, including forcing platform sellers to operate exclusively, price fixing and exclusive transactions. As an anti-monopoly penalty, Alibaba was fined 1.82 billion yuan (\$280 million) and ordered to make changes.[4] In 2021, China's market regulator also launched an antitrust investigation into Tencent Holdings. The investigation focused on Tencent's market practices in social media and gaming. Tencent has been asked to improve the trading and payment environment on its platform to promote fair competition and provide more options to users. The punishment of Alibaba and Tencent by China's state administration of supervision is a wake-up call for other platforms. The anti-monopoly investigation of the platform economy is a general trend, and the regulation will be more strict in the future.[5]

At the same time, the anti-monopoly problem of digital economy has also aroused extensive concern and action in European and American countries. The European Commission has launched numerous antitrust investigations and imposed numerous fines on Google. In 2018, the European Commission fined Google 2.44 billion euros (\$2.78 billion) on charges of abuse of market position, accusing the company of unfair competition in the search engine market. The Commission also launched an investigation into Google's advertising business and its Android operating system. In 2019, the Federal Trade Commission imposed one of the largest fines ever on Facebook. The FTC accused Facebook of violating privacy rules and violating a 2011 settlement it reached with Facebook to protect users' privacy. The settlement requires Facebook to take a number of steps to protect users' personal information. In the end, the FTC and Facebook agreed to pay a \$5 billion penalty. In addition, the agreement also sets out a series of requirements and restrictions on Facebook's privacy policy and the way it handles data. The European Commission has also investigated Facebook's data privacy and anti-competitive practices [6]. These cases illustrate the extent of global concern about antitrust issues in the digital economy. Governments and regulators are taking action to investigate and penalize the market behaviour of technology giants in order to maintain fair competition, protect consumer rights and promote innovation and market diversity. These actions have important implications for the development of the digital economy and the sustainability of the industry.[7]

#### **4 The internet platform economy anti-monopoly existence cognizance difficult problem**

1. Defining the market scope: determining the market scope of an Internet platform is a key task in an antitrust investigation. Internet platforms typically involve multiple products and services, and their business models and competitive approaches may differ from those of traditional industries. Therefore, the determination of the market scope of the Internet platform becomes complex, which directly affects the anti-monopoly identification. 2. Network effects: the Internet platform economy often has powerful network effects, in which an increase in the size and activity of users further increases the platform's value and attractiveness. This network effect may lead to the emergence of a few dominant platforms in the market, the formation of a monopoly or oligopoly situation. In this context, the determination of monopoly status and anti-competitive behaviour is complicated by the fact that the monopoly status of some platforms may be due to network effects. 3. The role of data: data in the Internet platform economy has important competitive advantages and economic value. Data can be used to improve products and services, optimize algorithms, and make personalized recommendations and ad targeting. However, the collection and control of data can lead to platform barriers that limit the entry and development of other competitors. For antitrust agencies, assessing the role and abuse of data in market competition is complicated. 4. Innovation in competition: the Internet platform economy is often more innovative, with platform operators continuously introducing new products and services to meet user needs. How-

ever, some antitrust rules may have a detrimental effect on innovation. Platform operators need a certain degree of flexibility and freedom to introduce new business models and innovative products, and excessive restrictions may hinder innovation and services to meet user needs. However, some antitrust rules may adversely affect innovation. Platform operations require a certain degree of flexibility and freedom to introduce new business models and innovative products, and excessive restrictions may hinder innovation and competition. These are just a few of the challenges in determining the economics of Internet platforms. In practice, there are other complexities, such as multinational operations, data privacy, user selection and trade-offs. Anti-trust agencies need to carry out comprehensive analysis and assessment on the basis of weighing various factors in order to determine the existence of monopoly and abuse and adopt corresponding regulatory measures [8].

## **5 Anti-monopoly law data privacy protection and platform economic development proposals**

Anti-monopoly law and data privacy protection play a crucial role in the development of the platform economy. Regulation is needed to limit them. 1. Strengthening the enforcement of the anti-monopoly law: in order to protect market competition and consumer rights, we should strengthen the enforcement of the anti-monopoly law, crack down on monopolistic behavior and enforcement, crack down on monopoly and abuse of market dominance. Regulators should proactively monitor the market and adopt the necessary measures to prevent market concentration and unfair competition. 2. Improving data privacy laws and regulations: With the advent of the digital age, data privacy protection has become particularly important. The government should improve data privacy-related laws and regulations to ensure that the data of individuals and enterprises are fully protected. This includes setting conditions for data collection, use and sharing, emphasizing the right to know and control of data subjects, and establishing systems to monitor and penalize violations. 3. Strengthen data security measures: the development of platform economy can not be separated from the collection and processing of data, so the platform should strengthen data security measures, ensure that users' personal information is not compromised, abused, or accessed by unauthorized third parties. The platform should adopt secure data storage and transmission technology, encrypt sensitive information, and establish strict data access rights management mechanism. 4. Promoting data sharing and cooperation: to balance the need for data privacy protection and data sharing, governments can encourage data sharing and cooperation among platform enterprises, but at the same time ensure that data use is in compliance with laws and regulations, and protect user privacy. Governments could set up relevant data-sharing standards and frameworks, encourage voluntary participation by enterprises and provide corresponding incentives. 5. Strengthening the capacity of regulatory and enforcement agencies: in order to more effectively regulate the areas of antitrust and data privacy, governments should strengthen the capacity of regulatory and enforcement agencies. This includes providing adequate human and financial resources, training professionals, strengthening cooperation with industry and responding

in a timely manner to emerging technologies and challenges to ensure effective enforcement of anti-trust and data privacy regulations. Raise public awareness and participation: public awareness and understanding of antitrust and data privacy are also important. Governments and relevant agencies can raise public awareness of these issues through education and awareness campaigns [3].

## 6 Conclusion

In today's digital era, data privacy protection and the coordinated development of digital economy has become a topic of great concern. With the rapid advancement of technology and the popularity of the Internet, a large amount of personal and business data is collected, stored and analyzed, which raises concerns about data privacy and antitrust. From the perspective of anti-monopoly, the rapid development of Shuyu economy has brought a series of problems, including data monopoly, market monopoly and abuse of market power. In order to protect consumer rights and promote fair competition, anti-monopoly law and policy should be combined with data privacy protection. In this regard, government agencies, regulators and legislators play a key role and need to carefully formulate and implement appropriate regulations and policies to limit data monopolies and abuses, and strengthen the protection of data privacy [9]. At the same time, the coordinated development of the digital economy also needs the support of data privacy protection. Data is the cornerstone of the digital economy. Protecting data privacy not only enhances trust between individuals and businesses, but also facilitates the flow and sharing of data, further driving innovation and development of the digital economy. Therefore, participants in the digital economy should actively take steps to ensure transparency, security and compliance in data collection, processing and sharing. It is worth noting that data privacy protection and the digital economy are not mutually exclusive. Rather, they can reinforce and reinforce each other. With reasonable data privacy protection measures, the digital economy can build a more reliable and secure data base to provide better services and experiences for consumers. At the same time, the development of digital economy also provides more technical means and methods for data privacy protection, such as data encryption, decentralized storage and blockchain. Finally, in order to achieve the coordinated development of data privacy protection and Digital Economy, cooperation and coordination are needed on a global scale. Transnational corporations and international organizations should strengthen cooperation to develop common standards and principles to advance data privacy protection globally. In addition, public participation and awareness are also crucial, and individuals and businesses should be more concerned about their own data privacy rights and take proactive measures to protect personal privacy, while supporting and participating in the development of the digital economy. In a word, data privacy protection and anti-monopoly are two indispensable aspects in the development of digital economy. Only through coordinated development, can we achieve sustainable development of digital economy and long-term social prosperity. I hope this paper can provide some enlightenment for related research and policy-making, and promote the practice process of data privacy protection and digital economy development.[10]

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