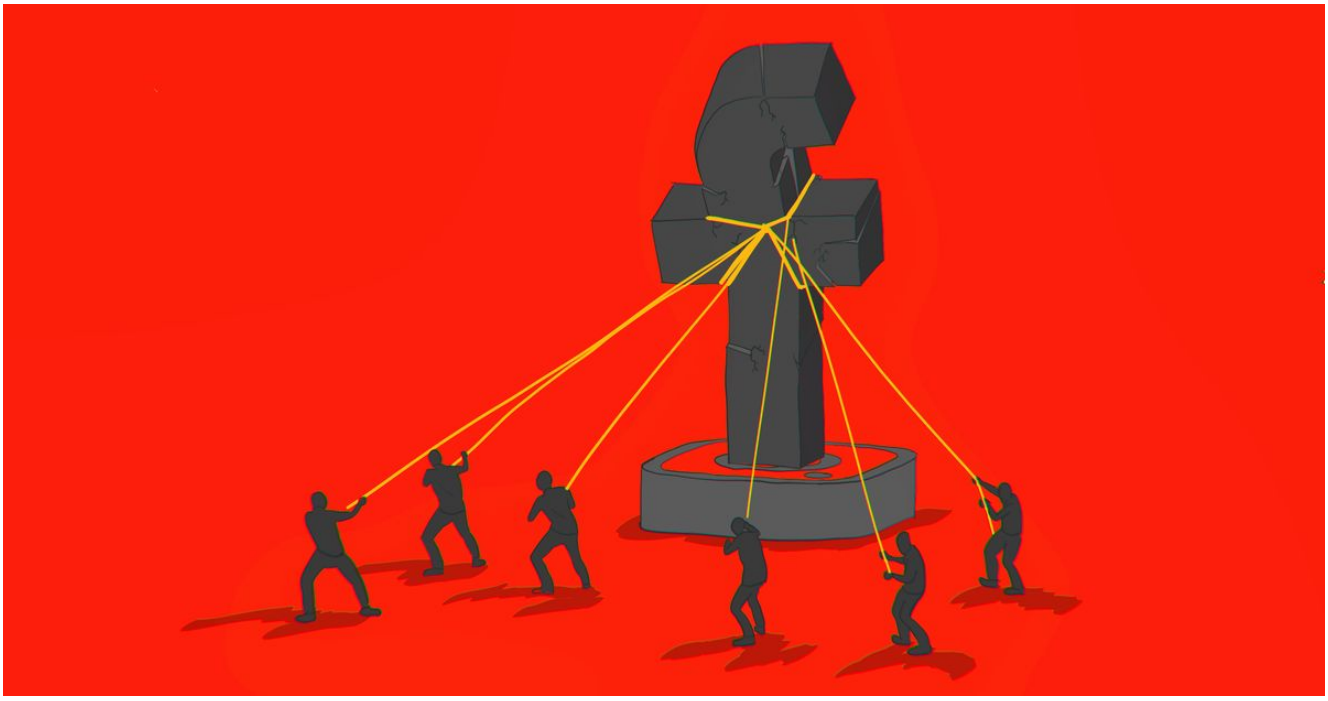
Big Tech's problem is its lack of competition



According to *Recode* editor-at-large Kara Swisher, one of Silicon Valley's biggest problems right now is its lack of competition. That big tech companies like Amazon, Apple, Facebook, and Google have become too dominant and have thus stifled competition and creativity.

Here is a lightly edited excerpt of Kara Swisher and *Verge* editor-in-chief Nilay Patel discussing the importance of competition and the possibilities of breaking up the tech giants that rule the land.

You can hear this and more in the latest episode of *The Vergecast*.

This interview has been lightly edited for clarity.

Nilay Patel: One of the major themes at the Code Conference this year was antitrust break-ups. My connection between those two things is pretty simple. It's that Google has gotten so big we cannot tell it apart from the government right?

Kara Swisher: Right.

It behaves like a government institute. It makes decisions about what you may or may not buy. Decisions about what you may or may not see. It is a gateway to the economy for most. Is the solution to just break them up?

Well, it's interesting because the people from these large tech companies were onstage at Code Conference and what they were saying is that in order to solve these problems, they need to be big. But that's what got us into trouble in the first place. So it's like, you were so big that you made a mess. And now the bigness is going to solve the mess? I just… I don't buy it. I don't buy it in any way.

Something that my *Pivot* co-host Scott Galloway was talking about is that if you break these companies up, you unlock a lot of value. Like if you're a Facebook investor and they break it up and take off Instagram and WhatsApp, you're going to be richer because they are allowed to compete. If they took YouTube off of Google, the first meeting of the YouTube board is "let's do search." The first meeting of the Google board is "let's do video." And so you create a competitive environment. And the fact that we have no new search engine since forever and no new social network since 2011 — which is Snapchat — no substantive social networks, no one's going to go into those businesses because no one's going to be able to compete. No one's going to try to create. No one's going to say I think I'll create the safe YouTube. I think I'll create the safe Facebook. Why do it? It's easier to do the unsafe one and make a ton of money and or try to sell your content. You can't beat them. You can't beat them at their current size.

Do you see this as being solvable in the way that these companies are currently constituted? Or do you think it's always solved by competition?

I think it's always solved by competition. That's the best way

to do it. Some regulation is needed. There should be some more around privacy and there should be real teeth around these laws and certain laws already in place that they aren't enforcing. They're not acting or investigating enough and there is some value to fearing the government. They should investigate more because when they do, people behave better. There's a place I drive in Washington and I know to slow down there because I got like 20 tickets. If people have a perception that the government is watching in a fair way, they will behave differently and so I do think there's some things that need to be solved by some regulation, maybe some of the Apple store pricing, that kind of stuff. Where you don't want to break them up, but figure out how to smartly apply laws to it. And then there are some things that we should break up and spin off.

I think Google is a good candidate for that. Probably YouTube from Google. That seems obvious. There's a lot of others. Facebook could lose Instagram and WhatsApp. Amazon… I don't know, Prime? Could you pull off Prime? Probably not. Apple is tricky, too. There's other remedies there and so there's all kinds of things you could do with each of these companies. But the principle ones are Facebook and Google.

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