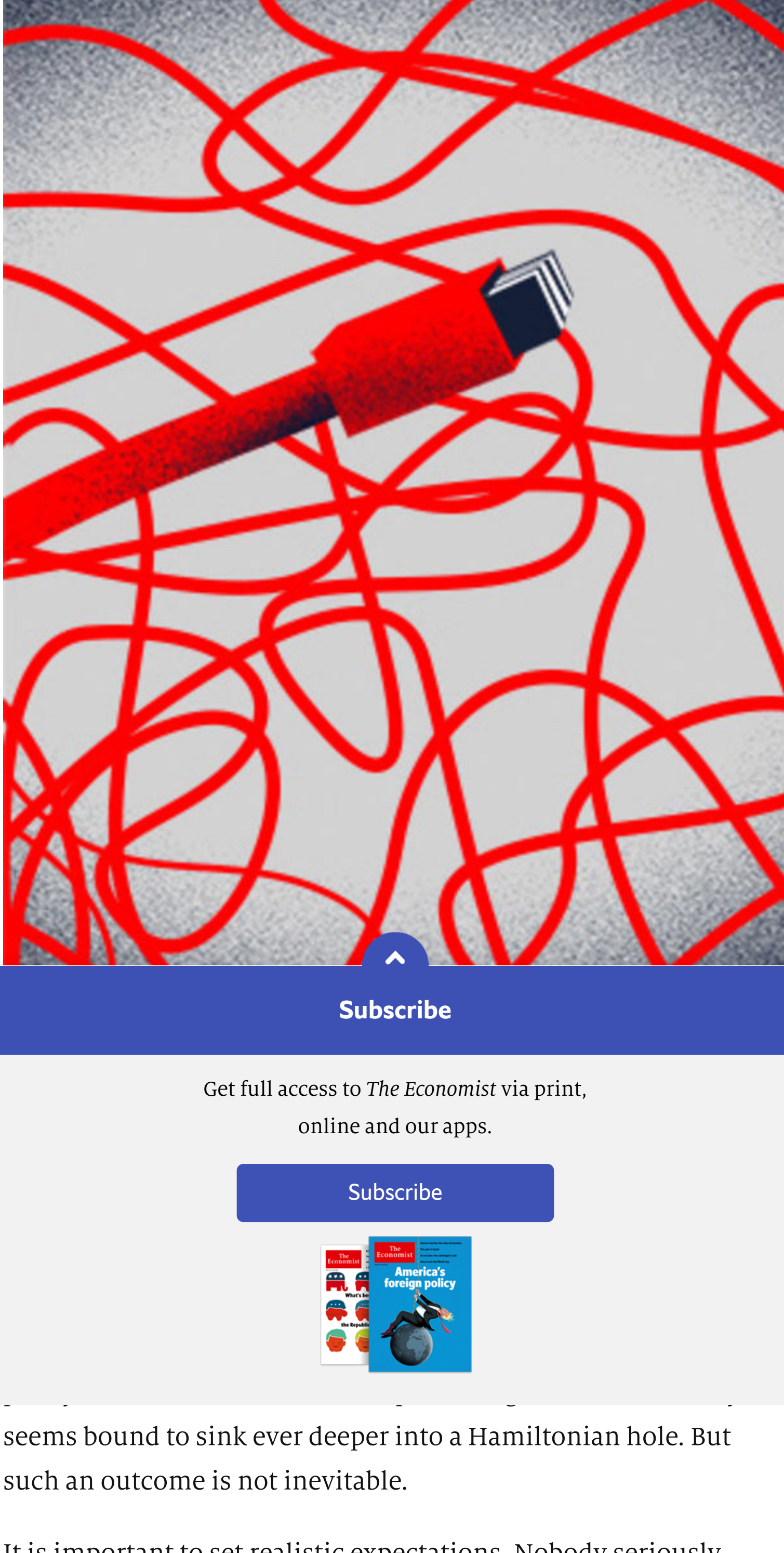


The art of the possible

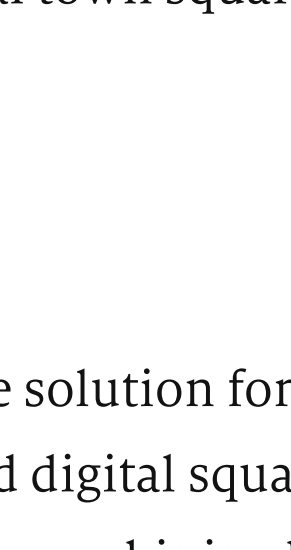
# There is no single solution to making the internet more decentralised

*Stopping the internet from getting too concentrated will be a slog, but the alternative would be worse*

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seems bound to sink ever deeper into a Hamiltonian hole. But such an outcome is not inevitable.

It is important to set realistic expectations. Nobody seriously thinks that the internet could ever return to its first, totally decentralised beginnings. Most markets are somewhat concentrated, and no technology is likely to change that. In the metaphor by Niall Ferguson quoted at the start of this report,

rather than tear down the data towers, the task at hand is to create a sufficiently vibrant digital town square to make diversity flourish.

Similarly, there is no single solution for decentralising the internet. But a decent-sized digital square could be maintained through a mix of measures, combining both Jeffersonian and Hamiltonian approaches, as well as regulation. What might that look like?

Looking back, forcing the tech giants of the past to share some of their wealth seems to have been a good idea. Intel would have found it harder to develop microprocessors without a consent decree in 1956 that forced AT&T, then America's telephone monopoly, to agree to license all its past patents free of charge, including the ones for the transistor. Microsoft might never have come to rule PC software if IBM, accused of monopolising mainframes, had not decided in 1969 to market computers and their programs separately, a move that created the software industry. Google might not have taken off in the way it did had Microsoft not agreed, at the end of its antitrust trials in America and Europe in the 2000s, not to discriminate against rival browsers and to license technical information which allows other operating systems to work easily with Windows.

The equivalent course of action now would be to force today's giants to open up their data vaults, thus lowering the barriers to market entry and giving newcomers a better chance to compete. A useful case study might be the European Union's Second Payment Service Directive, which came into force early this year. On the old continent big banks must now give other firms access to transaction data at the say-so of an account-holder.

Admittedly, designing a similar solution for the world of data would be tricky. Mandating extensive data-sharing would amount to expropriation. It would also clash with privacy considerations: the reason why data on tens of millions of Americans leaked from Facebook ahead of the 2016 presidential election was that the applications on the firm's platform had some access to users' social graphs. But the information-technology industry has solved more difficult problems in the past.

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Equally important, governments must make it easier for decentralised alternatives to emerge. That could mean creating demand for such offerings either by using them themselves or by mandating their use, for instance by requiring that some of them, such as blockchain-based digital identities, are offered by big online-service providers. But it also means doing away with regulation that ends up strengthening existing online giants.

In America the Computer Fraud and Abuse act and Digital Millennium Copyright makes it an offence, punishable by prison, for outside firms to plug into the platforms of online giants. Such legislation should be dispensed with. It is also unhelpful to treat all crypto-tokens as securities and regulate them as such, as America's Securities and Exchange Commission seems set to do. Exceptions should be made for those that are clearly intended to power new types of services. The European Union may need to tweak its brand-new General Data Protection Regulation (GDPR) to make it less complex. Big firms have the resources to comply with its rules, whereas smaller outfits are likely to struggle.

The internet's physical infrastructure is still less concentrated than the applications that run on top of the network, and every effort should be made to keep it that way. America's recent decision to scrap strict rules requiring telecoms carriers to treat all types of traffic equally (known as "network neutrality") is counterproductive: it will give the carriers more control over the network and allow them to extract more rent. Instead, the Federal Communications Commission should expand such initiatives as the Citizens Broadband Radio Service, which allows more sharing of radio spectrum.

Some of this may sound like small beer, but the history of information technology shows that small tweaks have often been effective in bringing down the giants. Moreover, the mix of technology and regulation will have to be adjusted and re-adjusted over time. "There won't be a great moment, one great battle which you win," says Mr Benkler, the Harvard academic.

It sounds Sisyphean, but the alternative would be even more painful. Decentralisation is ultimately a question of democracy. As digital technology penetrates society ever more deeply and the two become ever more intertwined, the rules of the former will increasingly govern the latter. And the more the internet, along with its applications and everything that is attached to it, is controlled by tech titans (or indeed by the government, as in China), the less free it is likely to be. As John Sherman, the senator who gave his name to America's original antitrust law in 1890, put it at a time when the robber barons ruled much of America's economy: "If we will not endure a king as a political power, we should not endure a king over the production, transportation and sale of any of the necessities of life."

*This article appeared in the Special report section of the print edition under the headline "The art of the possible"*

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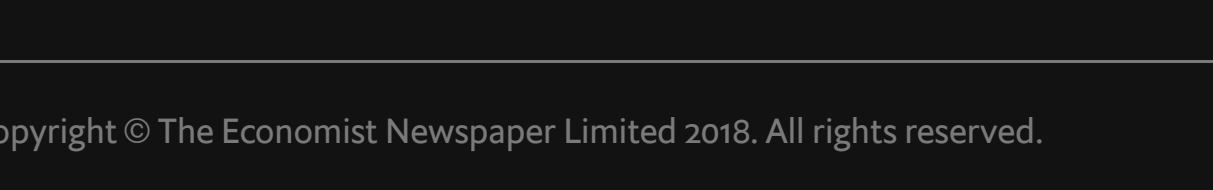
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