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Enshittification and Digital Feudalism: How Big Tech Captured the Public Square

BUSINESS STANDARD

27 May 2026

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Enshittification and Digital Feudalism: How Big Tech Captured the Public Square

 Business Standard

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INTERVIEW ANGLE

"If Cory Doctorow's "enshittification" framework explains why every platform predictably degrades — first users, then business partners, then everyone — what does that imply for India's DPDP Act, IT Rules 2021, and the proposed Digital India Act?"

BUSINESS STANDARD

| Book Review / Opinion | May 27, 2026

Reviewing

CORY DOCTOROW'S "ENSHITTIFICATION"

(Verso/FSG, 2025; paperback edition 2026), the piece traces how digital platforms (Facebook/Meta, Amazon, Google, Twitter/X) **systematically degrade user experience** in a predictable three-stage pattern: capture users → exploit business partners → extract rents from everyone. Doctorow argues this is enabled by **DMCA anti-circumvention provisions, opaque algorithms, and the absence of interoperability**. The proposed remedies — **competition policy revival, mandatory interoperability, restored worker power, and tighter platform regulation** — echo Yanis Varoufakis's *Technofeudalism* (2023).

THE ARGUMENT IN ONE LINE

Big Tech is not failing capitalism — it has invented a post-capitalist digital feudalism where platforms extract rent from both producers and consumers, and only competition law + interoperability mandates + a revived antitrust playbook can restore the lost surplus to users and creators.

THE THREE STAGES OF “ENSHITTIFICATION”

STAGE	WHAT HAPPENS	EXAMPLES
Stage 1	Platform is good to users → attracts a large user base	Early Facebook (no ads), early Amazon (good prices), early Google Search (clean results)
Stage 2	Platform pivots to business customers → locks in users + extracts from advertisers/sellers	Facebook ads cap; Amazon’s “buy box” + advertising slots; Google AdWords cost squeeze
Stage 3	Platform extracts from everyone → both users and business customers see degradation	Algorithm-throttled organic reach; Amazon ads cluttering search results; Google’s AI-summarised results that obviate clicks

The trick is that **users and business partners cannot leave** because of lock-in (network effects, data, contractual moats).

WHY IT WORKS — THE ENABLING ARCHITECTURE

ENABLER	MECHANISM
DMCA Section 1201 (US) / equivalent global laws	Anti-circumvention provisions make it illegal to break platform locks; users cannot port data
Opaque algorithms	“Algospeak”, shadowbans, reach throttling — invisible to users
Acquisition strategy	Buy potential competitors (Instagram, WhatsApp, YouTube, DoubleClick)
Vertical integration	Amazon retail + Amazon AWS + Amazon Prime Video + Kindle ecosystem
Closed APIs	Twitter API closure 2023; reduced competing client apps
Workforce precarity	Gig workers + content moderators in poor labour conditions

DOCTOROW'S REMEDIES

REMEDY	WHAT IT WOULD LOOK LIKE
Mandatory interoperability	Force platforms to allow data portability, cross-platform messaging (à la EU Digital Markets Act, 2022)
Antitrust revival	Break up dominant platforms; block strategic acquisitions; structural separation
Worker organising rights	Strong unions for tech workers, gig workers, content moderators
End "non-compete" clauses	Free movement of talent; FTC has moved to ban (April 2024)
Public option	Government-built or non-profit alternatives (think: PNB-style banking from the 1960s, but for digital platforms)

VAROUFAKIS'S "TECHNOFEUDALISM" PARALLEL

Yanis Varoufakis (2023) frames the same phenomenon differently:

- **Cloud capital replaces traditional capital** — platforms own the digital commons.
- **Rent extraction replaces profit-from-production** — Apple's 30% App Store cut is rent, not industrial margin.
- **Vassals replace workers** — sellers, creators, drivers depend on platforms like serfs to feudal lords.
- **Cloud serfs** — users who provide free labour (content, attention, data) without compensation.

Both frameworks converge: the modern economy has a **post-capitalist** layer where platform-mediated rents dominate.

INDIA'S REGULATORY ARCHITECTURE — WHERE WE STAND

INSTRUMENT	STATUS	STRENGTH	GAP
Information Technology Act, 2000	Active; amended	Foundational	Not designed for platform economy
IT Rules, 2021 (Intermediary Guidelines + Digital Media Ethics Code)	Active; multiple challenges	Grievance officers, Significant Social Media Intermediaries (SSMIs)	Limited interoperability mandate
Digital Personal Data Protection (DPDP) Act, 2023	Rules notified Jan 2025; phased implementation	Consent + data fiduciary framework	Weak on cross-border data, light on AI
Competition (Amendment) Act, 2023	Active	Deal value threshold, settlement framework	Ex-ante regime for “Systemically Important Digital Intermediaries” (SIDIs) is still being designed
Digital Competition Bill (draft, 2024)	Pending	Modelled on EU DMA — ex-ante rules for SIDIs	Not yet enacted
Digital India Act (proposed)	Consultation	Comprehensive platform regulation	In draft phase
Telecom Act, 2023	Active	Subsumes OTT discussion	Unclear OTT-app scope
PWMR / DPDP labour provisions	Limited	Some gig-worker protection in state codes	National framework gap

WHERE INDIA IS AHEAD VS BEHIND

AHEAD	BEHIND
DPI (UPI, ONDC, Aadhaar) as an explicit alternative to platform monopoly	Antitrust enforcement capacity at CCI is still ramping up
ONDC (Open Network for Digital Commerce, 2022) is a global-first attempt at platform-side interoperability	Algorithmic transparency rules are early-stage
DPDP Act is more affirmative than CCPA / GDPR in some respects	Cross-border data flow rules still emerging
Gig-worker code (Code on Social Security, 2020)	State implementation patchy; Karnataka's 2024 Gig Workers' Welfare Fund led the way

WIDER SIGNIFICANCE

- **Public-square implications** — platform dominance affects democracy (elections, hate speech, polarisation).
- **Economic power-concentration** — Big Tech's combined market cap rivals national GDPs; Microsoft, Apple, Google, Amazon, Meta cumulative valuation ~USD 12 trillion.
- **Geopolitics** — US-China platform competition; India's role as the largest neutral digital market.
- **AI age intensification** — generative AI concentrates compute further (NVIDIA, OpenAI, Anthropic, Google DeepMind) — same enshittification risk on a larger scale.

COUNTER-ARGUMENTS

COUNTER	SUBSTANCE
Free at point of use	Most consumers don't pay; "free" services depend on ad rents
Innovation engine	Big Tech R&D budgets exceed many countries' R&D spend
Antitrust risk	Aggressive breakups may produce weaker firms that lose to Chinese competitors
Interoperability cost	Mandated portability raises security, privacy, IP-protection costs

WAY FORWARD — INDIAN CONTEXT

- **Operationalise the Digital Competition Bill** with ex-ante rules for SIDIs (modelled on EU DMA).
- **CCI capacity** — Digital Markets Cell with dedicated economists, data scientists.
- **ONDC scale-up** — protect its open architecture against capture.
- **Algorithmic audit framework** — accountability for recommendation systems used for content moderation and ranking.
- **Gig-worker rights** — extend social security; platform-fee transparency.
- **Skill the regulator** — IIT/IIM-Bangalore-trained digital competition specialists at CCI, TRAI, MeitY.

UPSC RELEVANCE

GS Paper 2 — Polity & Governance:

- Government policies and interventions for development in various sectors.
- Issues relating to information technology, intellectual property rights.

GS Paper 3 — Indian Economy / S&T:

- Effects of liberalisation on the economy; changes in industrial policy.
- Awareness in the fields of IT, computers, robotics, AI.

Analytical hooks for Mains:

- Platform economy regulation — India's emerging framework.
- Interoperability as a competition tool — ONDC vs platform monopolies.
- Big Tech and democracy — public square implications.

FACTS CORNER

Book reviewed: Cory Doctorow, *Enshittification* (FSG / Verso, 2025; paperback edition 2026).

Comparable framework: Yanis Varoufakis, *Technofeudalism: What Killed Capitalism* (2023).

EU Digital Markets Act: November 2022; effective March 2024.

EU Digital Services Act: November 2022; effective February 2024.

India's IT Rules: 2021 (Intermediary Guidelines + Digital Media Ethics Code).

DPDP Act: August 2023; Rules notified January 2025 (phased).

Competition (Amendment) Act: 2023 — added deal-value threshold (₹2,000 crore).

Digital Competition Bill (draft): released for consultation in 2024.

ONDC launched: April 2022 (DPIIT initiative).

UPI volumes (FY25): ~185.8 billion (~18,586 crore) transactions, ~₹261 lakh crore value (NPCI).

Code on Social Security, 2020: Includes provisions for gig + platform workers.

Editorial source: Business Standard, May 27, 2026

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