Digitalization and the Rise of Superrich in India: Examining the Impact of Market Power on Competition and Growth

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Abstract

This paper investigates the relationship between digitalization, market power, and the growing wealth of the superrich in India. Using data on the Indian economy, we examine how the increasing concentration of wealth among the top 1% has impacted competition and growth in digital markets. Our analysis suggests that the rise of the superrich in India is not solely due to entrepreneurial skills, but rather a combination of factors, including rent-seeking, inheritance, and state support. We argue that the exponential growth of private wealth in India has led to a "winner-takes-all" scenario, where a few large firms dominate digital markets, stifling competition and innovation. Our findings have important implications for policy makers seeking to promote competition and inclusive growth in India's digital economy.

Keywords: Competition, Digital Economy, Digitalization, India, Market Power, Regulation

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