

The Effects of Data Siloing on the Regulation of Digital Ecosystems [Working Title]

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Type: Bachelor's Thesis, Master's Thesis

Motivation and Aim:

Whatsapp changes its data protection declaration stating that it can share data with its parent company Facebook (Weiß, 2021). Also other ecosystems such as Google can use the data gathered in one business area to improve the serviced provided in another business segment. But does this approach increase the innovation and the benefit for consumers or rather just increase the market power of the ecosystems?

Prüfer and Schottmüller (2020) examine that the level of innovation decreases in the long-run although ecosystems have lower marginal costs of innovation. This occurs due to the strong market power.

The British Competition & Market Authority (CMA) recently proposed data siloing as an intervention to decrease the market power of digital ecosystems (CMA, 2020a). Data siloing is a remedy which prohibits platforms from combining certain categories of data within their ecosystems. Another proposal are data access interventions which would require platforms to provide third parties access to certain categories of data.

The aim of this thesis is to examine the effect of data siloing as a tool for platform regulation and compare it with other remedies such as data access interventions. It should be highlighted under which circumstances each tool is more effective. Thereby, the following research questions should be considered: How does the data siloing affect competition? How may innovation be affected in the long-run? What are the advantages and disadvantages of data siloing? What are the welfare effects? Which other policy remedies might be effective and how does the findings differ across these remedies?

References:

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