Data, platforms, consolidation and the Internet!

Why the Internet must be at the center!

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Drivers for Value Creation in the Digital Economy

A. **Data**: the ability to collect and process data.

B. **Data agents**: the proliferation of data agents – mostly in the form of platforms – to allow a more competitive environment.

C. **The Internet**: the foundation and the essence.
Platforms: Love to Hate them!

• The number of platforms is constantly growing in every sector of the economy. Gaming. Healthcare. The Internet of Things.

• The most innovative companies all now operate as platforms, partner with platforms, or become part of one or more platforms.

• The benefits of platforms include: Convenience. Flexibility. Inclusiveness. Accessibility. New opportunities. We love to share our stories on one or more of the available platforms.

  But....

• Too much dependence on just a few platforms. These super platforms have gradually started to control our lives. It is not surprising that some economists warn us that we are entering a new age of Feudalism.

• We lose our autonomy, as platforms “profile” us. The platform is like a Feudal lord redistributing the wealth of the society.
Few Platforms, less choice, more control: consolidation

• In 2019, the Internet Society released a report on the consolidation of the Internet economy and its implications.
• The largest Internet platforms are capturing fundamental human interactions.
• Their dominance, and the finances and reach that accompany it, enable the platforms to extent their influence and reach into new markets spaces, from autonomous vehicles, to AI, to cloud services and beyond.
• This leverage is built on unprecedented network effects, vast troves of user data, business agility, and regulatory freedom that few other companies enjoy.
Challenges can be opportunities and opportunities can be challenges!
Regulation

a. When it comes to the barriers for the passing and implementation of data privacy regulations, the top obstacles are:
   • a lack of clarity regarding consumer rights, roles and responsibilities, and scope of regulations.
   • Data localization rules that negatively impact both trade and impede the Internet’s full potential.

b. Competition
c. Taxation
d. Trade
Regionalization

• Big platforms must adapt to regional considerations and not the other way around.
• Collaboration and partnership with existing, regional and/or local businesses.
• Investment and innovation: it should happen in and for the region.
Market Access

• Easier access to regional and global consumers and business support, including financing, insurance and digital marketing.

• Adjacent services: platforms can encourage the development of adjacent services, like for instance digital wallets.

• Growing customer base: businesses can leverage established digital platforms to reach untapped markets and grow their customer base.
Forget about platforms. Think ecosystems!

- Ecosystems aren’t solely defined by the companies/platforms that started them.
- Ecosystems are about people and communities.
- Inclusion – the Internet ecosystem helps overcome data gaps and information asymmetries. The emergence of e-commerce platforms, for instance, has made it much easier for small producers to find and connect with customers and to sell even within national and overseas markets.
- Impact assessment analysis: ensure a healthy Internet ecosystem that supports platform creation and competition.
Thank you.

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