

BIG DATA– PRIVACY, POLICY AND PLATFORMS

Big Tech companies that collect data – Google, Facebook, Amazon -- are under scrutiny around the globe.

“No company should have this much unchecked power over our personal information and our social interactions and that’s why we are taking action today and standing up for the millions of consumers and millions of small businesses that have been hurt by Facebook’s illegal behavior,” New York Attorney General Letitia James said on Wednesday. “ (Howley, Keenan, December 2020, Finance.Yahoo.com)

“Google’s market power and control over users’ data faces intense scrutiny in Germany as the nation’s antitrust watchdog added it to the list of U.S. tech giants targeted by expanded new rules.”... “The authority will conduct an in-depth analysis of Google’s data processing terms, saying the Alphabet Inc. unit enjoys a “strategic advantage” from the information it collects. Regulators also questioned whether users “have sufficient choice as to how Google will use their data.””(White, Matussek May 2021 Bloomberg.com)

There is growing support that companies with monopoly power over data/information need to be reigned in either structurally or with penalties. Concern over the impact of any policy on innovations is of importance. Is the market structure needed to bring long term benefits in innovation and if so what about a laissez fair approach? Can technology innovation and a strong start up culture bring needed change? Can the monopoly structure be considered a needed cost to fast paced innovation? Should policy support these competitive ventures?

On PRIVACY

Search engines and internet companies collect data about our lives- where we walk, what internet sites we visit and what we purchase. Copyright law describes use of images on the internet and establishes rules of monetization. Are personal actions when captured by a camera on the street or a click on the computer a “digital autobiography?” Do individuals have rights to it? Should individuals be able to monetize it and control it? What would the market for this private information look like? Can individuals take it further and supply the data to companies that align with their interests?

On POLICY

My dissertation “ Innovation, Concentration and the Residential Real Estate Brokerage Industry” (Columbia University 1989) concluded that a laissez-fair approach to the monopolization of homes for sale data via the MLS could foster a more competitive market prices if technological changes in process and product innovations were adopted by a competitive fringe. The results stemmed from simulating market equilibrium using two differentiated products models --a cartel-fringe model and a two-cartel model. Equilibrium was a price market structure pair of a two –stage game where firms first choose market affiliation and then set price. Technology was introduced as a process innovation and as a product innovation. The indirect and direct effects of changes in firm size and concentration on equilibrium prices and stable market structure were examined. Evidence suggested that states existed through which industry technological and structural changes on their own could foster a change in the quality and variety of brokerage services. In short, a laissez-fair result could create needed competition – if certain circumstances were met.

On PLATFORMS

The ability to monetize data has exploded. Big data and AI can take the oceans of data and extract valuable information, analyze it and sell it. But can new platforms challenge existing dominant platforms? Can new pricing structures for data and the power of the platform disrupt the status quo monopolies over data and internet service in lieu of payment? Specifically, could a platform that makes direct payments to the owners of data bring needed competition?

... OurDataRules.com looks to use the power of the platform to harness individual property rights to data, establish a price for data thus creating a true market for data, challenging the current "service in lieu of payment " option and spur competition in the big data marketplace.”

OurDataRules.com exists in theory and in development at www.ourdatarules.com @ourdatarules or contact Tina Karen Fine at tkf@ourdatarules.com .