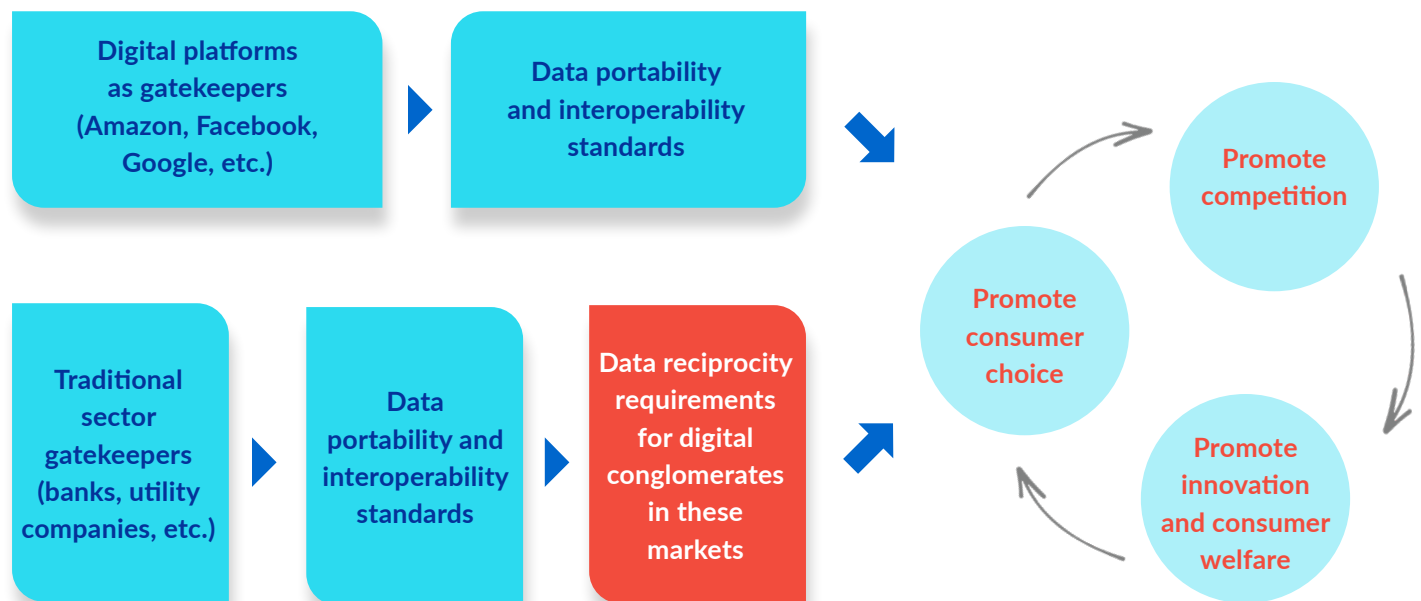


A face-off between large tech firms and governments—notably the US, Europe, and China—is taking place over the rules that will govern digital markets for the foreseeable future.

In [“Share the Data: Overcoming Trade-Offs in Tech Regulation,”](#) we show how different tech regulatory approaches among governments seek to achieve similar goals: to find the right balance between promoting innovation while minimizing antitrust issues, strengthening financial inclusion while ensuring financial stability, and improving consumers’ welfare while limiting data usage misconduct.

The competitive edge of digital platforms lies partly in the data they collect on their network. We believe that giving consumers greater control over their data, and consequently their decision for which service provider they use, will help address issues related to competition, innovation, and consumer data privacy protection.

DATA SHARING: A NECESSARY TECHNICAL STANDARD



INTEROPERABILITY

The ability for two or more systems to exchange information and to mutually use the information.

DATA PORTABILITY

The capability for a consumer to transfer data from one platform or service to another.

DATA RECIPROCITY

Any accredited participants, such as large digital platforms, competing in a specific market using consumer data collected outside that market, needs to share that data with the rest of the participants, at the request of the consumer.

GATEKEEPER

Company with an entrenched and durable position in a market and that plays a strong intermediary role.

POLICY IMPLICATIONS

CONSUMER-CENTRIC POLICY

Data sharing will enhance consumers' ability to choose between service providers. With a convenient switching process, consumers will be more likely to sanction firms' poor behavior or quality of services. As a result, strengthening consumer choice will promote innovation and consumer welfare, including data privacy.

EFFECTIVE DATA SHARING

Data-sharing policy must be tailorable. It should require different degrees of interoperability depending on the market in question (social network, search engine, e-commerce, or from traditional sectors).

DATA RECIPROCITY REQUIREMENTS

When used in traditional sectors, such as finance, data sharing must include reciprocity requirements. Digital conglomerates looking to enter these sectors could qualify as data recipients, which would leave incumbents with a data disadvantage: They have limited access to data about consumers' behavior (preferences, habits, and conduct) and less analytics capacity. The data reciprocity requirement would require digital conglomerates to share the behavioral data used when designing their offering to a customer. At the consumers' request, the enhanced circulation of their data will:

- strengthen innovation as incumbents develop analytics capacity,
- promote competition due to the increase of market participants, and
- improve services offered to the consumers as companies compete for their business.

For questions or comments, please email us at research@milkeninstitute.org.

To view the full report and a timeline of the regulatory changes for China, Europe and the US, visit <https://milkeninstitute.org/reports/share-data-tech-regulation>.

