



Selected Papers of #AoIR2022:
The 23rd Annual Conference of the
Association of Internet Researchers
Dublin, Ireland / 2-5 Nov 2022

Assessing Policy Tradeoffs and Silos in Regulating Platform Power, Platformization, and Datafication

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Introduction

Policymakers' inquiries into digital platform markets to address a range of political, economic, and social concerns represent evolving policy responses to platform power, platformization, and datafication. These different, but linked processes challenge existing policy frameworks, not least because of their scope and their reconfiguration of existing business models (Cohen, 2019). While platform power derives from individual companies, platformization denotes platform business logics that systematically reconfigure swaths of the economy and human activity (Poell et al., 2019). Similarly, datafication includes the concentration of data infrastructures among dominant platforms, but also extends surveillance logics to the public sector and the global economy (Mejias & Couldry, 2019). The increasingly international policy debates contemplate policy overhauls that assert meaningful oversight over these processes, yet sometimes advance different, contradictory policy goals, which reflect sometimes conflicting normative values.

This study critically assesses how platform inquiries, often explicitly attempting holistic proposals, tackle issues arising from datafication, platformization, and platform power. Following other studies (e.g., Flew & Su, 2021), I examine a sample of prominent international expert platform inquiries. Unlike previous studies, which evaluate policy recommendations, my focus falls on critically analyzing gaps and tensions that emerge within these inquiries, which I theorize as policy silos and tradeoffs falling along four dimensions: 1) policy area silos, 2) market and sectoral silos, 3) temporal silos and tradeoffs, and 4) normative and value tradeoffs.

This typology and accompanying analysis introduce a conceptual schema for identifying gaps in policy framework design that thwart robust policy responses to platformization and datafication, and raise key questions about the scope of and assumptions underlying platform regulation internationally. While policy specialization and siloed analysis is not *de facto* problematic, it becomes problematic when it is unexamined.

Suggested Citation (APA): Popiel, P. (2022, November). Assessing Policy Tradeoffs and Silos in Regulating Platform Power, Platformization, and Datafication. Paper presented at AoIR 2022: The 23rd Annual Conference of the Association of Internet Researchers. Dublin, Ireland: AoIR. Retrieved from <http://spir.aoir.org>.

Accordingly, I foreground tensions in problem definitions, policy recommendations, and normative goals that privilege certain solutions over others, while narrowing potential policy responses.

Methodology

To build my sample, I drew on two lists of platform inquiries: 1) one maintained by Puppis and Winseck (2021) and 2) one by the University of Chicago Booth School of Business (*World Reports on Digital Markets* 2019). I assembled a corpus of 18 reports, following three heuristics. First, I included inquiries that were frequently cited in platform oversight debates (e.g., ACCC's Report, Stigler Report). Second, I prioritized final reports over interim ones. Third, despite most reports originating from Europe and North America, I also sought to include underrepresented regions, including Latin America (e.g., Mexico) and South Asia (India).

I analyzed the data qualitatively using the content analysis software *Atlas.ti*. I uploaded the reports into *Atlas.ti* and coded each based on the following criteria derived from my research focus: a) the scope of policy problem definitions (e.g., market power); b) the breadth of actors implicated (e.g., platforms, competitors); c) the scope of policy areas invoked (e.g., competition); d) disparities and tensions between problem definitions and proposed solutions (e.g., merger reform); and e) tradeoffs and tensions in normative principles guiding the problem definition and policy solutions (e.g., innovation). Using these codes and guided by platform policy literature, I constructed a typology of policy silos and tradeoffs presented below.

Policy Tradeoffs and Silos

Policy area silos denote disconnects and imbalances between policy areas and jurisdictions, which sometimes persist even when policy experts attempt to bridge them. They manifest as either 1) a lack of or unequal attention to policy areas implicated in datafication and platformization; or 2) as narrow bridges between policy areas that privilege one policy approach over another at the expense of more comprehensive interventions. For instance, while the inquiries collectively engage a range of policy areas, competition policy not only dominates, but is also often framed as the policy approach with which other frameworks should be harmonized. Its prevalence impacts the policy options that are proposed, narrowing potential interventions. Conversely, key areas of labor rights and environmental impact receive almost no consideration.

Market and sectoral silos involve misdiagnosis of the dynamics between various markets implicated in datafication and platformization. For instance, as platformization extends into the infrastructure layer, including cloud architectures, so does the control of dominant companies like Amazon and Microsoft. Yet, the inquiries focus primarily on the app layer, with few exceptions. The shortcomings of the competition policy frame become especially prominent here: although dominant platforms do not have market power in these sectors, they strategically expand their economies of scope to encompass the entire internet stack. The key policy challenge with respect to market and sectoral silos involves assessing platform cross-sectorization strategies and economies of scope, including the linkages between platform entities and other sectors.

Without broadening analysis, such silos may contribute to a mismatch between narrow policy approaches and expansive policy problems.

Temporal silos and tradeoffs: How policymaking conceptualizes time shapes the scope of possible interventions (Strassheim, 2016). Several inquiries stress that the regulation must match the pace of technological change, emphasizing the importance of regulatory dynamism. However, such temporal concerns introduce tradeoffs that can constrain policy interventions. For instance, some inquiries openly oppose divestiture due to concerns about future market uncertainty and impacts on innovation. Similarly, to avoid jeopardizing potential future benefits like innovation and competition, certain inquiries articulate principle- or standard-setting proposals, which maximize flexibility, encourage private sector feedback, and empower co-regulation. Yet, such future-proofing proposals risk becoming “frictionless regulation,” namely private sector-driven co-regulation, with the state serving a minimal coordinative role to facilitate platform incumbents’ smooth operations (Popiel & Sang, 2021). Ultimately, concerns about future uncertainty and innovation risk narrowing potential policy futures, unduly restricting crucial interventions tackling problems arising from datafication and platformization.

Normative and value tradeoffs: While the silos outlined above emerge partly due to the policy challenges introduced by platformization and datafication, normative goals and values legitimate and intensify them. The inquiries are animated by various normative and geopolitical commitments, yet most inquiries adopt innovation via competition as a key policy normative lodestar. Innovation is both key to competition and at the heart of the data revolution on which the platform inquiries focus. As a normative frame and a policy goal, innovation alongside competition borders on technological solutionism, mirrors big tech’s own discourses, inevitably introduces policy tradeoffs, and ultimately constrains policy responses to datafication.

Conclusion

This typology offers three key lessons. First, policy area and market silos focus policy attention more on platform power—as market power (competition policy) and as social infrastructure (content standards and algorithmic regulation)—than on datafication and platformization. Second, relatedly, the dominant market competition policy frame yields downstream blind spots that thwart not only addressing the scope of platformization (e.g., eliding labor concerns), but also datafication (e.g., framing privacy as product quality or data trusts as competition inputs). Third, temporal and normative concerns about harming potential innovation also constrain robust policy responses, while legitimating ongoing datafication, often with limited consumer protections. Such concerns are partly about unduly restricting the data flows that characterize datafication and fuel surveillance capitalism. However, regulating data flows and infrastructures involves shaping, not thwarting innovation to preserve public interests with respect to data collection and processing. Reticence to impose robust public oversight over digital platform markets will cede policy ground to dominant incumbents, heavily invested in shaping policy interventions.

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