

Regulation and Competition Policy in a Marketplace of Giants

Three comments

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1. Digital platforms and switching

- Reducing barriers to switching promotes competition
- Examples: telecommunications (number portability), electricity, Kiwisaver and banking
- Is a switching regime more complex for digital platforms (Uber, Facebook or Trade Me)?
 - Absence of common standards
 - Large incumbent has little to gain
 - Data may be group generated (eg rating)

2. How do you regulate price when the price is already zero?

- A zero price for consumers is common to many digital platforms (eg Facebook, Google) who earn advertising revenue
- What is the equivalent of a “monopoly price”?
 - Showing excessive advertisements
 - Overtaxing our attention
 - Collecting too much data and low transparency
 - Not paying for our attention (sharing the advertising revenue)
- What does “price regulation” look like?

3. Do we need to enlarge our concept of “regulation”?

- To this audience: “regulation” = “economic regulation” = facilitating competition or replicating competitive outcomes
- But, platforms also give rise to issues around privacy (surveillance capitalism), social media harms, algorithmic decision-making, fake news, micro-targeting of election ads, unreasonable persuasion, price discrimination, addiction, etc.
- Can we carve off economic regulation, or is a more holistic approach required?