The Economic Characteristics of Data and Data-driven Markets

Comments by Diane Coyle
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Bennett Professor of Public Policy,
University of Cambridge
dc700@cam.ac.uk

UNIVERSITY OF CAMBRIDGE

Bennett Institute for Public Policy
Cambridge

Data-driven economy presents many policy challenges……

- Digital market concentration - "winner takes all"
  - competition policy - challenge of looking ahead
  - data as an entry barrier
  - new regulatory approaches - standards & interoperability
  - detail matters, regulators need digital skills
- Privacy/online harms and collective value of data
  - data collection, access and use policies in light of trade-offs
- Trade implications of data economy

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How to value data?

Figure 3: The Data Market of the Global Hospitality Industry
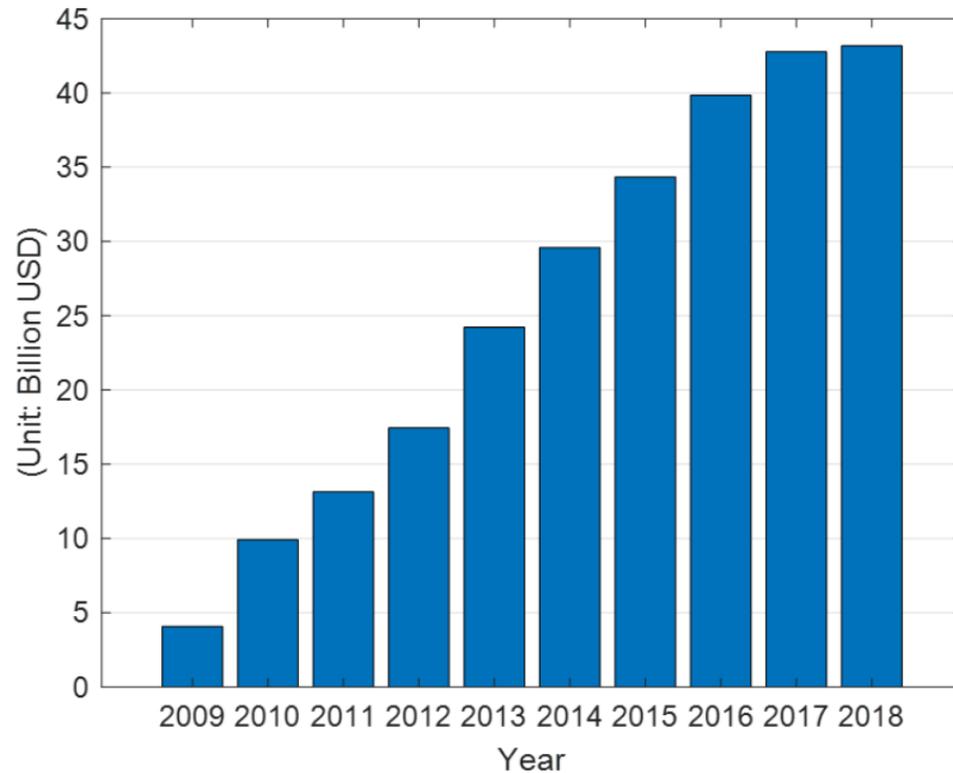
From Coyle & Li, 'The Data Economy: Market Size & Global Trade'

Implications for trade

- Few countries have dominant platforms:
  - competition policy and trade policy intersect
  - most are data exporters
- Dominant platforms reduce cost of accessing overseas markets eg use cloud services built on data science
- Local data essential to serve local markets
- Local markets can be big for dominant international platforms
- Typology - 6 types of countries (platforms, market size, income level, local tech talent & infrastructure)
- Data localisation & regulation policies vary between types

Some references

- Furman Review: Unlocking Digital Competition:

- https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/785547/unlocking_digital_competition_furman_review_web.pdf

- Bennett Institute Value of Data Report:

- https://www.bennettinstitute.cam.ac.uk/media/uploads/files/Value_of_data_Policy_Implications_Report_26_Feb_ok4noWn.pdf