

Thoughts on a Digital Platform Regulation Research Agenda

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Pieces of the research agenda

- **Methods**

- IO, theory and empirics
- more mechanism design
- political economy
- behavioral economics

- **Substance**

- business models
- interoperability
- access charges
- consumers with behavioral biases
- Algorithms

- **Enforcement**

- economics of organizations
- optimal rules
- political economy



DMA x Business Models

Business model->	Hardware (e.g. Apple)	Software (e.g. Windows)	Advertising (e.g. Google, Facebook)
Rule 1			
Rule 2			
Rule 3			
.			
.			
Rule 21			

Evaluate the impact of each DMA rule
on each type of business model

x add behavioral consumers
x two-sided markets



Interoperability

- Competition IN the market versus competition FOR the market
- DMA requires messaging interoperability
 - WhatsApp
 - iMessage
 - DIRECT NETWORK EFFECTS
- DMA requires access of competing app stores
 - Apple App Store
 - Google Play Store
 - INDIRECT NETWORK EFFECTS



Interoperability research issues

- Mandated interoperability versus choice
- Technical-Econ issues with APIs
 - Simple, incentive-compatible rules
 - Enable potential entrants
- Governance (how much self-governance?)
 - Analogy to SSOs
 - Involve potential entrants
 - Strategic behavior of incumbent



Behavioral Economics is critical

- Consumer manipulation on steroids
 - Restricted choices due to small screen
 - Optimization against the consumer
 - Choice architecture controlled by platform
 - Huge amounts of A/B testing by platform
- Huge scope for regulation being effective or not depending on design
- Complementarity of competition and consumer protection.



Other topics of substance

- Access charges
 - Adjust the telecom model
- Disintermediation
 - What will equilibrium look like?
- Algorithms
 - how to study, incentive compatibility, optimal regulation



The Enforcer Organization

- Economics of organizations
- Choice of rules
 - complexity v administrability
 - tailored v uniform
- Information asymmetry with the platform
- Design of agency itself, hierarchy
- Political economy, impact on elections

