

THE JEAN-JACQUES LAFFONT
DIGITAL CHAIR



THE ECONOMICS OF DATA OWNERSHIP, ACCESS AND TRADE

Brussels, 27-28 March 2017

Organisers: Bertin Martens, Jacques Crémer, Doh-Shin Jeon

*The Joint Research Centre of the European Commission
and the JJ Laffont Digital Chair at the Toulouse School of Economics*

BACKGROUND

The European Commission launched its Digital Single Market policy agenda in 2015. As part of that policy package, the Commission published a Communication and started a public consultation on "Building the European Data Economy" in January 2017. In the framework of this public consultation, the JRC co-organizes a workshop on "The economics of data ownership, access and trade", together with the Toulouse School of Economics.

The development of the "data economy", fostered by the increasing importance of platforms and the Internet of Things, is at the centre of the strategic reflections of firms, large and small. Regulators are preparing position papers and getting ready to propose new regulations. Economists on the other hand have done very little work on the economics of data ownership and data markets. The aim of the workshop is to bring together the work that researchers have done to date on the role that data play in the digital economy and to explore a number of issues around data ownership, access and trade, including: How should we analyse the characteristics of data as an economic commodity? What are the business models for firms who want to take advantage of the data they collect and/or purchase? What are consequences of the data economy for the organisation of firms?

The workshop will comprise of several sessions:

Session 1 explores the law and economics of data ownership, access and trade. In the EU and elsewhere, the legal framework for data ownership is only very partially defined. Economists are generally inclined to think that secure property rights reduce transaction costs and improve market efficiency. How does this incomplete legal setting affect data market outcomes? Are there potential data market failures due to the economic characteristics of data? How can data markets function while preserving privacy in personal data?

Session 2 examines data markets from a competition policy perspective. Are data sources ubiquitous and widely available or are they monopolized by a few key players? How should competition authorities address data access questions in the context of mergers between data-intensive multi-sided platform firms? Should competition policy be used as a tool to facilitate access to data in order to maximize the benefits from non-rivalry and economies of scope in data?

Session 3 will be a free ranging discussion on the issues raised in sessions 1 and 2.

On the second day, sessions 4 and 5 shift the debate to economic models. It takes stock of existing (scarce) economic research on data ownership and data trade in markets. The standard multi-sided markets model runs on network effects but has no explicit role for data in these markets: can we fill this gap? What can economics tell us about data market outcomes in the absence of clearly defined property rights? Data trading models usually start from the assumption that data ownership rights are clearly defined. We also explore the findings from empirical research on data. The objective of these sections is to explore new ways and methods of filling the gaps in economic research on the role of data.

Participation is by invitation only. The audience will consist mostly of academics working on data economy issues and Commission staff involved in data policy decision making.

For information about the content of the workshop, contact Bertin Martens (Bertin.MARTENS@ec.europa.eu), Jacques Crémer (jacques@cremeronline.com) or Doh-Shin Jeon (dohshin.jeon@gmail.com).

For administrative information contact Pascale Croisé (pascale.croise@tse-fr.eu) or Sandrine Wattraint (Sandrine.Wattraint@ec.europa.eu).

AGENDA

DAY 1: MONDAY 27 MARCH AFTERNOON

(This session will take place at the Berlaymont building, 200 rue de la Loi, room S7, 7th floor)

12.30-13.30 INFORMAL BUFFET LUNCH

13.30-15.45 SESSION 1: THE LAW AND ECONOMICS OF DATA

Chair: Jacques Crémer (Toulouse School of Economics)

Introduction: Steve Tadelis (University of California Berkeley)

Speakers: Wolfgang Kerber (Marburg University)

Thomas Fetzer (Mannheim University)

Aija Leiponen (Cornell University and Research Institute Finnish Economy)

Anja Lambrecht (London Business School)

Jan Wittrodt (Lead IT Law and Data Protection at Zalando)

15.45-16.15 BREAK

16.15-17.45 SESSION 2: THE LAW AND ECONOMICS OF COMPETITION IN DATA MARKETS (PANEL DEBATE)

Chair: Anja Lambrecht (London Business School)

Speakers: Fiona Scott-Morton (former Chief Economist DoJ, Yale University)

Tommaso Valletti (Chief economist, European Commission)

Paul Seabright (Toulouse School of Economics)

Inge Graef (Tilburg University)

17.45-18.30 SESSION 3: ROUND-UP DISCUSSION ON LAW & ECONOMICS ISSUES

Chair: Jacques Crémer

20.00 DINNER

DAY 2: TUESDAY 28 MARCH MORNING

(This session will take place at 33 Avenue de Beaulieu, Room 0/54)

08.30-09.00 BREAKFAST

09.00-10.30 SESSION 4: WHAT THEORETICAL RESEARCH ON DATA ECONOMICS?

(Economics only session: each presentation 15 min followed by 15 min discussion)

Chair: Aija Leiponen (Cornell University and Research Institute Finnish Economy)

Speakers: Alexandre de Cornière (Toulouse School of Economics)

Data in multi-sided markets

Jens Prüfer (Tilburg University)

Data-driven innovation

Bertin Martens (Joint Research Center, European Commission)

Data property rights

10.30-11.00 BREAK

11.00-12.30 SESSION 5: WHAT EMPIRICAL RESEARCH ON DATA ECONOMICS?

(Economics only session: each presentation 15 min followed by 15 min discussion)

Chair: Jacques Crémer (Toulouse School of Economics)

Steve Tadelis (University of California Berkeley)

(Subject TBA)

Matt Taddy (Chicago Booth and Microsoft)

Economic properties of data in machine learning

Marc Ivaldi (Toulouse School of Economics)

Data trade and pricing

12.30-14.00 INFORMAL CLOSING LUNCH