

# Competition rules for Big Tech and the digital economy

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# Moligopoly?

- Hypothesis
- Test
- Data and observable indicators
- Proof
- Model building

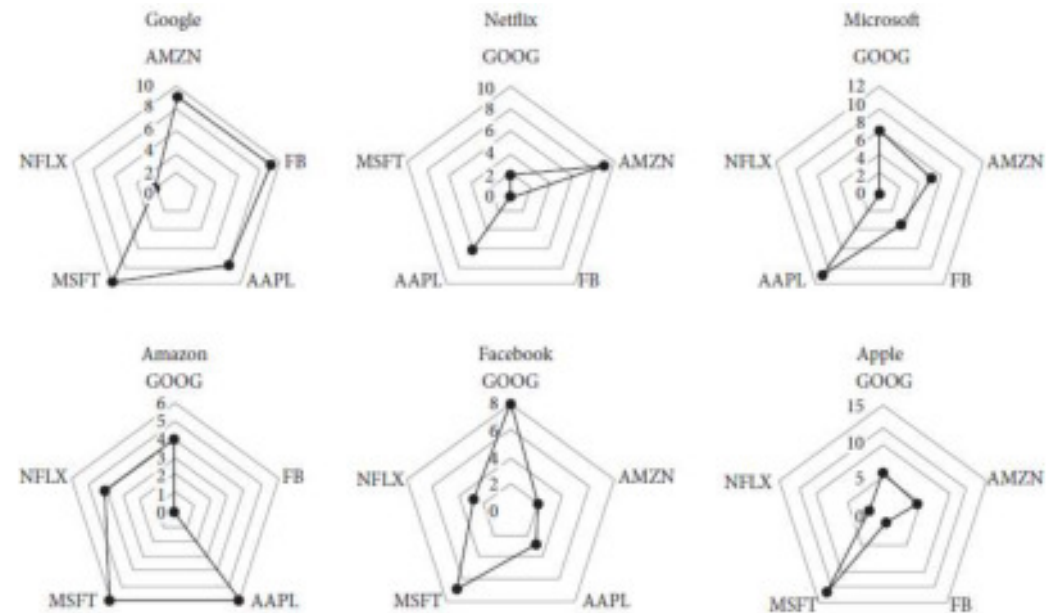


Figure 2.9 Spider Chart: Diversity of MAGNAF Competition

# Theory

## **Game**

- Coexistence of monopoly and oligopoly
- Dynamic
- Finite
- Cheating
- Indirect entry
- Reconfiguration of channels of competition

## **Features**

- Diversification
- Discontinuity
- Long termism
- Growth
- Exploration
- Flexibility

# Antitrust in oligopoly markets

## Policy

- Priority
  - Focus enforcement resources towards tipped markets
- Constraint
  - Avoid losing efficiency of large market shares
- Focus on pressuring monopoly *rents*
- Agnosticism toward conduct or transaction by both incumbent and new firms in untipped markets

## Rules and tests

- Indirect antitrust limitation of monopoly rents
  - Multisided market theory revisited
  - *Broadcast Music, Inc v CBS, Inc* [1979] 441 US 1.
  - *Expedia, Inc. v Autorité de la concurrence and Others* [2012]
- Presumption against horizontal mergers in tipped markets
  - DoJ, *Google/Yahoo*, 2008
  - CMA, *Google/Waze*, 2012

# Compare w/ EC policy options

	EC	Book
Institutions	Procedural-institutional	Substantive
Target	“Tipping markets” (tipping is potential)	Tipped markets (tipping <i>has</i> occurred)
Timing	Incipiency (bf <i>ex ante</i> )	<i>ex post</i>
Philosophy	Regulated competition (agency) as a discovery process	Market competition (firms) as a discovery process

Tipping?



<https://www.protocol.com/videoconferencing-startups-zoom-racing-to-build-next-gen-chat>

# Thank you

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