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Centre on Regulation in Europe

WEBINAR

Effective governance for data sharing

30 SEPTEMBER 14:00 CEST

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Improving network and digital industries regulation

Context

- ▶ There is (too) **little data sharing** today while data sharing has important potential for innovation
- ▶ This lack of efficiency may be due to high transactions costs and other **market failures** (including market power)
- ▶ **European Commission is keen to promote data sharing generally** by addressing those market failures
- ▶ By proposing a legislative framework for the governance of common European data spaces

The basic 'regulatory architecture'

Trust and confidence amongst participants

- ▶ Both donors (limited) and recipients (unlimited) subject to detailed rules to ensure proper and secure use of data (cf Open Banking)
 - Donors may be exposed to harm if recipients abuse trust (or may simply refuse to share data)
 - Recipients may be unable to sustain operations if donors interrupt supply
- ▶ Address resolution and assignment of liability in the event of failures
- ▶ Difficult to regulate use to which data is put (cf GDPR purpose limitation)

The basic 'regulatory architecture'

Low transactions costs and rapid implementation

- ▶ Pursue adoption of common standards independently of obligations to share
- ▶ Universalise as far as possible
- ▶ Democratised standards fora

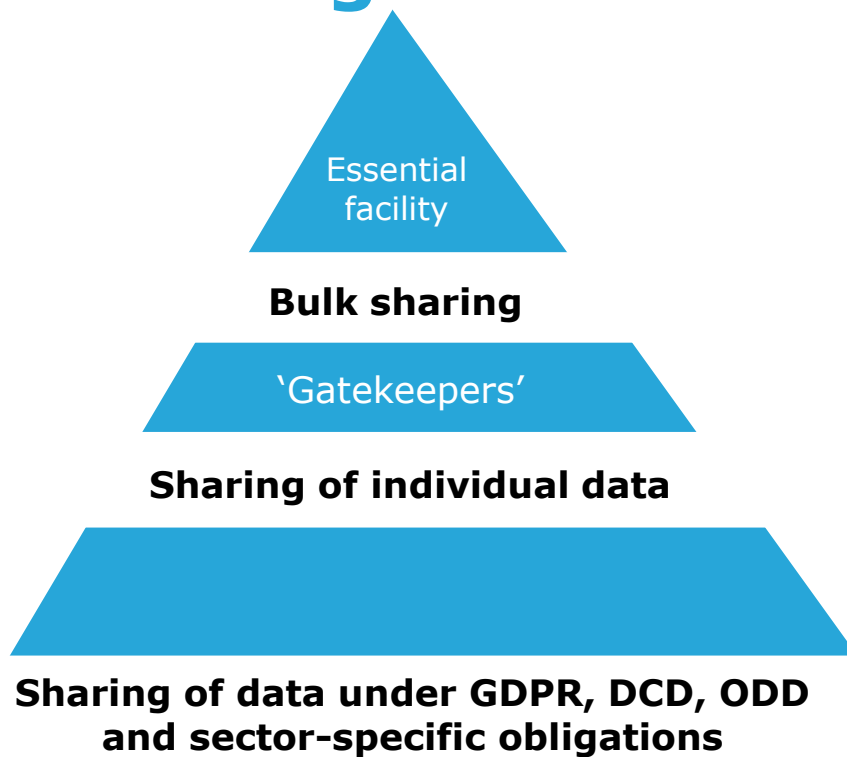
Two main forms of data sharing

Sharing of data about specific individuals	Sharing of data in bulk
Provided and observed data about individual	Anonymous data about individuals
User determined format	Recipient determined format
Initiated by the individual but continuous supply (so more extensive than GDPR data portability) <i>High transaction costs</i> (legitimate and otherwise) <i>Low volumes</i>	Initiated by recipient
Benefits likely to accrue mainly to individual	Benefits likely to be shared amongst users and have positive externalities
Enables complementary innovation	Enables complementary innovation
Symmetry between donor and recipient	<i>Asymmetry between donor and recipient if anonymised</i>

Forms of data sharing

- ▶ **Sharing of data about specific individuals in bulk?**
- ▶ Access without sharing: training sets, intermediaries etc
- ▶ Sharing without individual consents: 'opt outs'
- ▶ **Commission should seriously consider 'opt outs' if standard models fail**
- ▶ **Privacy is not safeguarded if the result is data monopolisation - difficult trade offs between privacy and competition objectives seem unavoidable**

Thresholds for the two forms of data sharing



Concluding thoughts

Case can be made for sharing individual user data at no charge, but much less obvious for bulk sharing

Not persuaded distinctions can be made based on manner in which data acquired or rationale of donor for doing so


Recommend EC undertakes more research on how shared data would be priced

Pay attention to other models of the internet which may dissolve 'data bottlenecks' before regulated data sharing can do so....



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