

Faculti Summary

<https://faculti.net/the-identification-of-market-power-in-the-big-data-sector-summary/>

The video discusses the relationship between market power and big data, presenting a competition law perspective. It critiques traditional neoclassical theories as inadequate for assessing market power in the big data economy and advocates for new analytical tools and paradigms. Using eBay as an example, the video highlights how massive data processing from seller-buyer interactions can create feedback loops and network effects, complicating competition law assessment and raising antitrust concerns.

It outlines the current European competition law's goals of preventing market distortions and dominant position abuses while emphasizing the need for a new approach to evaluate big data's impact on competition. The video also addresses the database directive, which protects investments in database compilation.

The proposed framework for assessing market power in the big data sector includes analyzing network effects and user numbers, assessing economies of scale and data replicability, and focusing on market contestability traits. The aim is to determine whether an entity holds market power and how it affects competition in the market.