

TASK FORCE  
EUROPEAN PLATFORM ECONOMY

*The **Task Force European Platform Economy** is a group of HIIG researchers who study the implications of global platformisation for European actors and institutions. The Task Force works in an explorative and flexible manner across several projects and disciplines, and collaborates with external researchers, policymakers and business experts. The group's aim is to conduct and foster research on digital platforms, establish a network of platform experts and promote knowledge transfer and exchange. To facilitate regular dialogue across stakeholder groups and geographies, the Task Force organises roundtables, talks and workshops in Berlin and across Europe.*



### **THE EMERGING GLOBAL PLATFORM ECONOMY**

Today's digital economy runs on platforms. With digitisation now at planetary scale, enormous amounts of data are available and billions of devices have been interconnected. Platforms are technologies that interconnect large numbers of diverse actors, providing a curated virtual environment to govern and secure transactions. Platforms have become the key aggregators, processors and gatekeepers of vast and complex digital connectivity. As such, they are essential digital infrastructures and determinants of economic growth and power.

Especially companies from the US and China have capitalised most on the rise of the platform economy. In 2018, half of the top ten most valuable companies as measured by market capitalisation worldwide are US technology companies (Apple, Amazon, Microsoft, Google, Facebook), closely followed by their Chinese counterparts (Alibaba, Tencent). Ultimately, select US American transnational companies have been the drivers of platformisation, also in Europe.

Europe has produced only few global digital players (e.g. Spotify, Skype), most of which have been acquired by US incumbents. The risks of dominance by a few transnational companies for Europe's digital economy have recently become apparent (Couldry & Mejias 2018; Srnicek 2017; Zuboff 2019). First, hard-fought European values and institutions, such as co-determination, worker protections and privacy, have sometimes been circumvented and undermined by rapidly expanding platforms like Uber, Facebook and Amazon. Second, innovation platforms like Google, Apple and Microsoft have become enablers but also standard setters and insurmountable competition for European platform upstarts.



### **PLATFORMISATION: A STRUCTURAL SHIFT IN THE GLOBAL DIGITAL ECONOMY**

We understand platformisation as a fundamental structural shift in how value is created and captured by distributed economic actors. Value creation is no longer internalised within the boundaries of firms that exchange along linear value chains. Instead, platform users are value co-producers while platform providers capture value as orchestrator firms (Amit & Han 2017; Parker et al. 2016).

Meanwhile, most platforms remain "asset-light:" they rely on others' productive activity, labor and physical assets (buildings, roads, physical infrastructure, etc.) without themselves establishing significant physical operations (Evans & Gawer 2016). At the same time, platforms unilaterally determine institutions (values, norms and rules) that govern users' activity (de Reuver et al 2018; Lehdonvirta et al 2018). US platforms have often pursued aggressive "winner-take-all" strategies, seeking to benefit from triple scaling economies: network effects, near-zero marginal cost for enrolling new users, and big data analysis. Yet, platformisation seems to be less pronounced in parts of the economy where significant analogue adaptations are required to account for contextual specificities (Friederici & Graham 2018).

Platformisation results in socio-technical structures that are interlaced at multiple geographical scales in parallel (local, regional, global), and lie somewhere between hierarchies (firms) and markets (Parker et al. 2016). Platformisation thus poses new challenges for traditional legal and normative frameworks (e.g., competition law) and collectives (e.g., unions) (Capitol Forum 2018; Wood et al. 2018).



## RESEARCH TOPICS

HIIG researchers are exploring a set of interconnected questions to understand the key structural changes (opportunities and challenges) brought about by platformisation. We approach platformisation from different disciplinary angles, building on from prior work within [HIIG research programmes, groups and projects](#).

- What are the effects of platformisation on different segments of the digital economy? Where is platformisation more or less pronounced, and why?
- How and by whom is value created and captured in the global platform economy? Which [data governance and ownership approaches](#) exist?
- How are digital platforms creating infrastructures for the dissemination of information and for the production of knowledge? What are the enabling and constraining roles of standards and rules embedded in those infrastructures?
- How is the market power of a few digital players affecting opportunities for European platform startups in different product categories? What are viable strategies for upstart European platform providers to offer alternatives and innovations?
- How can stakeholders in Europe work together more effectively to achieve a platform economy that is more sustainable and equitable?
- What roles do alternative modes of platform organisation and legal forms, such as platform cooperatives or platform foundations, play in the platform economy and what is their potential?
- How can and should platforms be regulated, given that they are private enterprises that set supranational infrastructures and institutions for the digital economy? What can and should be regulated at national vs. at EU level?



## EUROPEAN PLATFORM ECONOMY NETWORK AND KNOWLEDGE TRANSFER

HIIG intends to build a European network of experts and stakeholders from different sectors (esp. academia, policymakers and entrepreneurs) to exchange views on and develop solutions for the future of the European and global platform economy. To this end, the Task Force will convene stakeholders in the context of various new and established HIIG knowledge transfer formats. The network will build on HIIG's foundational role in the [European Hub for Internet and Society Research](#).

### TASK FORCE MEMBERS

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- [Frédéric Dubois](#), Managing Editor Internet Policy Review
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- [Kirsten Gollatz](#), Project Manager: The Evolving Digital Society
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## About the Institute

### Research on the internet and digitalisation

The Alexander von Humboldt Institute for Internet and Society (HIIG) researches the development of the internet from a societal perspective. The aim is to better understand the digitalisation of all spheres of life. As the first institute in Germany to focus on on internet and society, HIIG has established an understanding that emphasises the embeddedness of digital innovations in societal processes.

### European hub for an international research network

In order to achieve its goals, HIIG sees itself as a node in an [international network](#) of knowledge production and distribution. To this end, it invites established thinkers to give lectures on current structural change and offers [young researchers an incubator](#). The institute facilitates the [international networking of researchers](#) in order to increase the potential of research collaborations. For HIIG, the European perspective is central to this process of better supporting constructive debates, both nationally and globally, than has been the case thus far.

The results should be plausible and usable for different target groups. The impact HIIG aims to achieve is based on excellent, socially relevant interdisciplinary research. We make this happen through knowledge transfer services such as online magazines, science blogs, public discussion rounds, media contributions and podcasts.

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