

WE WILL OPEN UP, NOT BREAK UP, BIG TECH

In 2022, tech firms' hoarding of customer data will come to an end, and sharing will become the norm

By David Birch

Last year, the US House Judiciary Committee's antitrust panel found that Amazon, Apple, Google and Facebook had "monopoly power" in key business segments and had "abused" their dominance in the marketplace. In 2022 we will see what panel member Ken Buck has predicted: that the proposal to force platform companies to separate their lines of business (ie, to be broken up) is not the right way forward.

Breaking up Big Tech is an outdated industrial-age response in the post-industrial economy. Social media profiles

are not the new West Texas Intermediate and Facebook is not the new Standard Oil. It is a good thing to promote competition in the always-on world of today, and focusing regulation on the refining and distribution of a crucial economic resource (that is, data) remains logical. However, a better way forward is something along the lines of what Viktor Mayer-Schönberger, professor of internet governance and regulation at Oxford, and Thomas Range, a long-standing technology writer, call a "progressive data-sharing mandate".



Data sharing is part of the US administration's approach to promoting competition in the consumer-finance sector. In July 2021, President Biden signed an executive order that mandated the portability of consumer financial transaction data, paving the way for truly open banking. In 2022, we will realise that what holds true for banks and credit-card companies also holds true for social media, shopping and telecoms.

This "open everything" approach has been pioneered in Australia, where open banking is part of a wider approach to consumer data rights. There is a strong push within the country to prevent organisations from taking banking data without sharing their own data. If a social media company, for example, wanted access to an Australian's banking data it would have to become an "accredited data recipient" and make its own data available.

US regulators might use this approach to kill two birds with one stone: requiring both Big Banking and Big Tech to provide non-discriminatory API access to customers' own data. Why shouldn't my bank be able to check out my Amazon history to find me some good deals? Why shouldn't my Novi wallet be able to access my bank account? Why shouldn't I be able to grant a rival startup social media network access to my Facebook graph?

This will make it easier for competitors to emerge, re-energising incumbents and new entrants, who will be able use previously hoarded data to deliver new products.

Instead of returning to the 19th- and 20th-century antitrust remedies that were used against the monopolies in railways, steel and telecoms, In 2022 we will realise how open banking provides a useful 21st-century model for acting against the monopoly power over data. The way to deal with Big Tech will not be to break them up, but to open them up.



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