

# A.I., Law and Ethics Session 1

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# Innovation in Digital Ecosystems: Challenges and Questions for Competition Policy

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2020S-10  
CAHIER SCIENTIFIQUE



<https://cirano.qc.ca/files/publications/2020s-10.pdf>

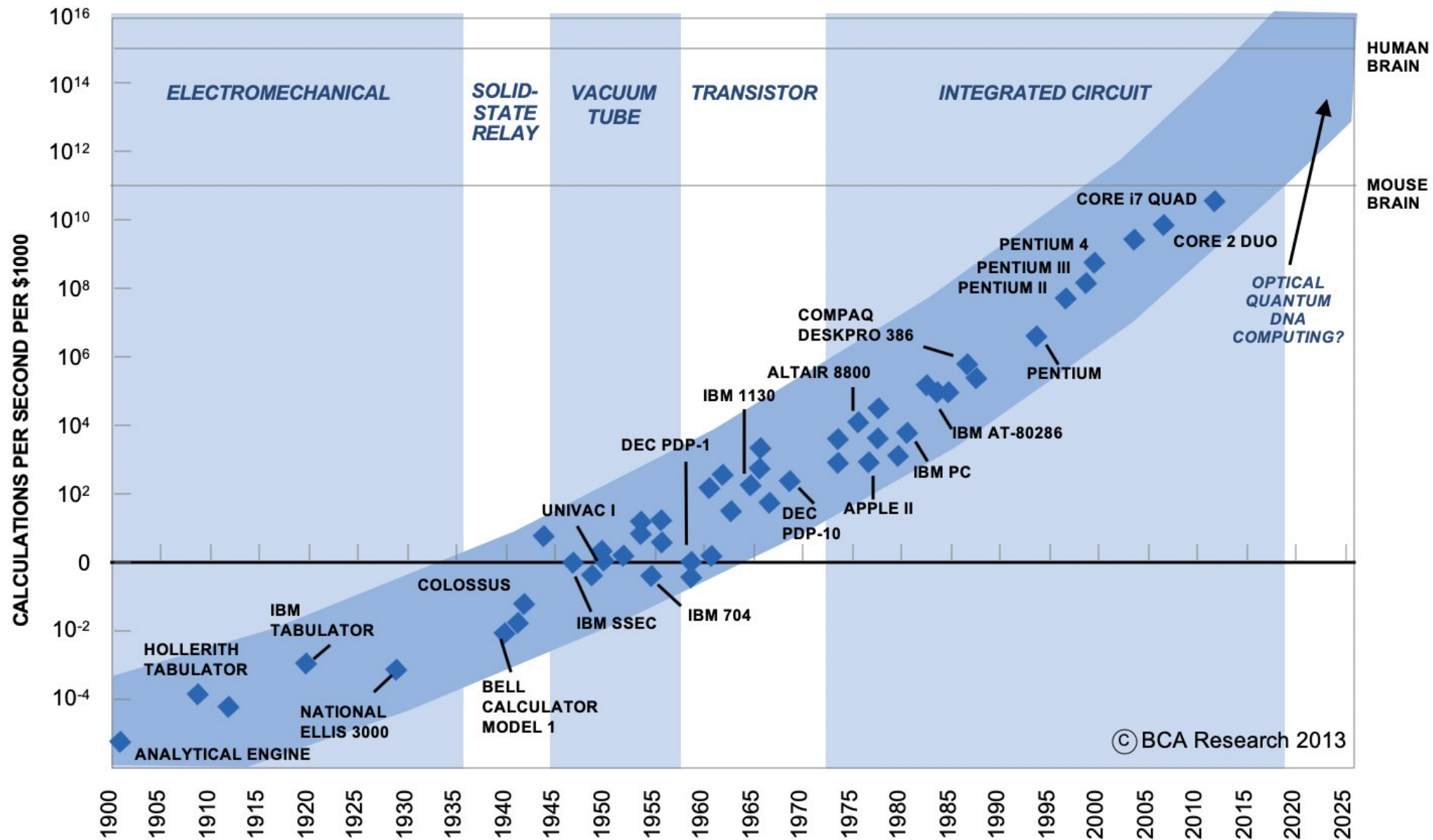
# Questions

- What are digital ecosystems and what are the challenges for modern competition policies?
  
- => What are the **new market dynamics**?

# The new market dynamics

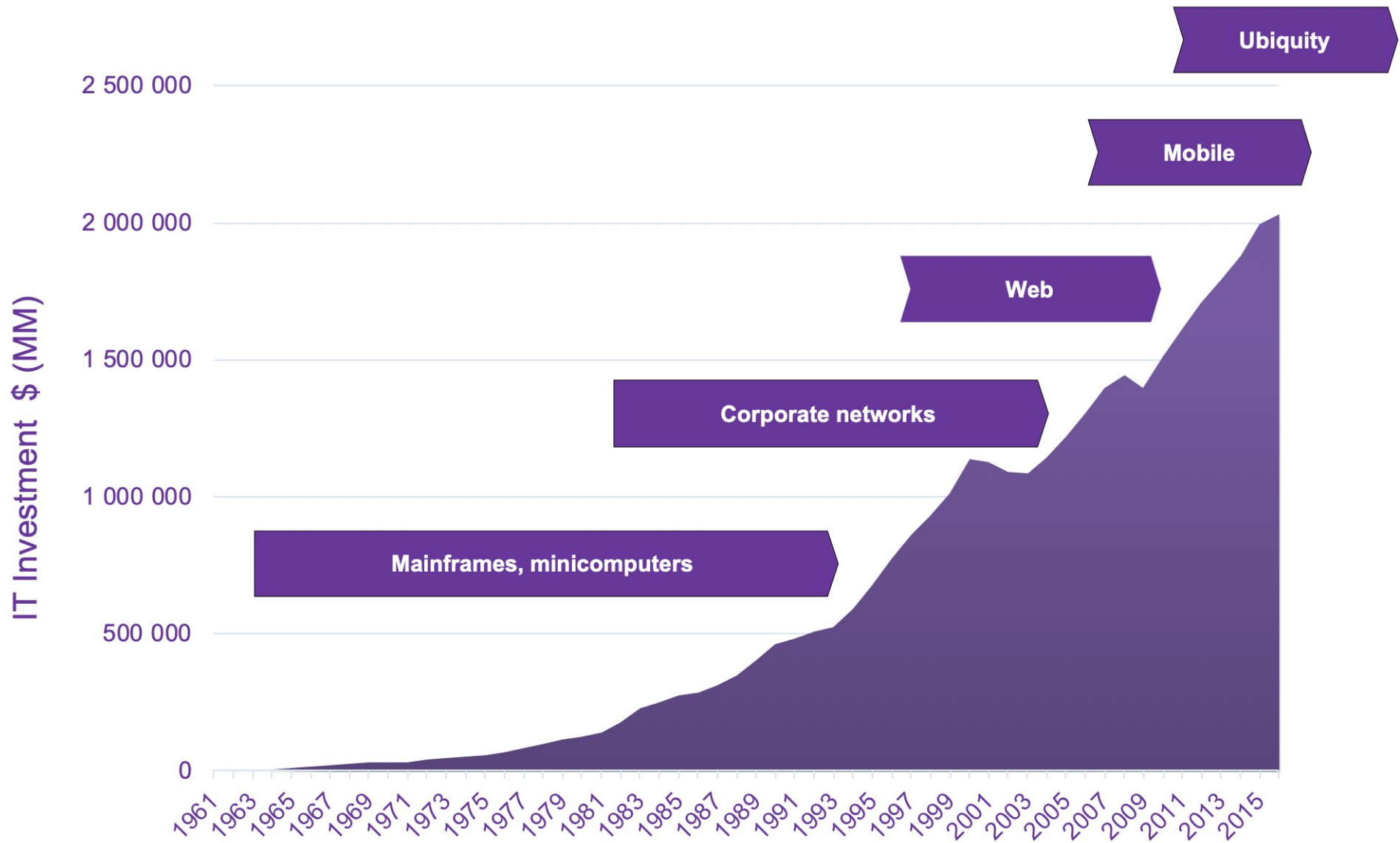
- When the American competition authorities had to deal with a case, they frequently relied on the methodology developed in particular by Bain (1951), i.e. the famous **SCP** triptych (structure, conduct, performance).
- According to Benzoni (1995), this model “has incidentally provided arguments in favour of strengthening US competition policy and will justify a posteriori the **numerous federal control agencies** set up in the most diverse sectors”.
- However, since the early 1970s, and particularly since the presidency of Ronald Reagan, there **have been developments in alternative theses**.
- More importantly, the **Industrial Revolution 4.0** has created an even bigger shock to the competition policy foundations.

# 1. From the Analog Economy to the Digital Economy



SOURCE: RAY KURZWEIL, "THE SINGULARITY IS NEAR: WHEN HUMANS TRANSCEND BIOLOGY", P.67, THE VIKING PRESS, 2006.  
 DATAPOINTS BETWEEN 2000 AND 2012 REPRESENT BCA ESTIMATES.

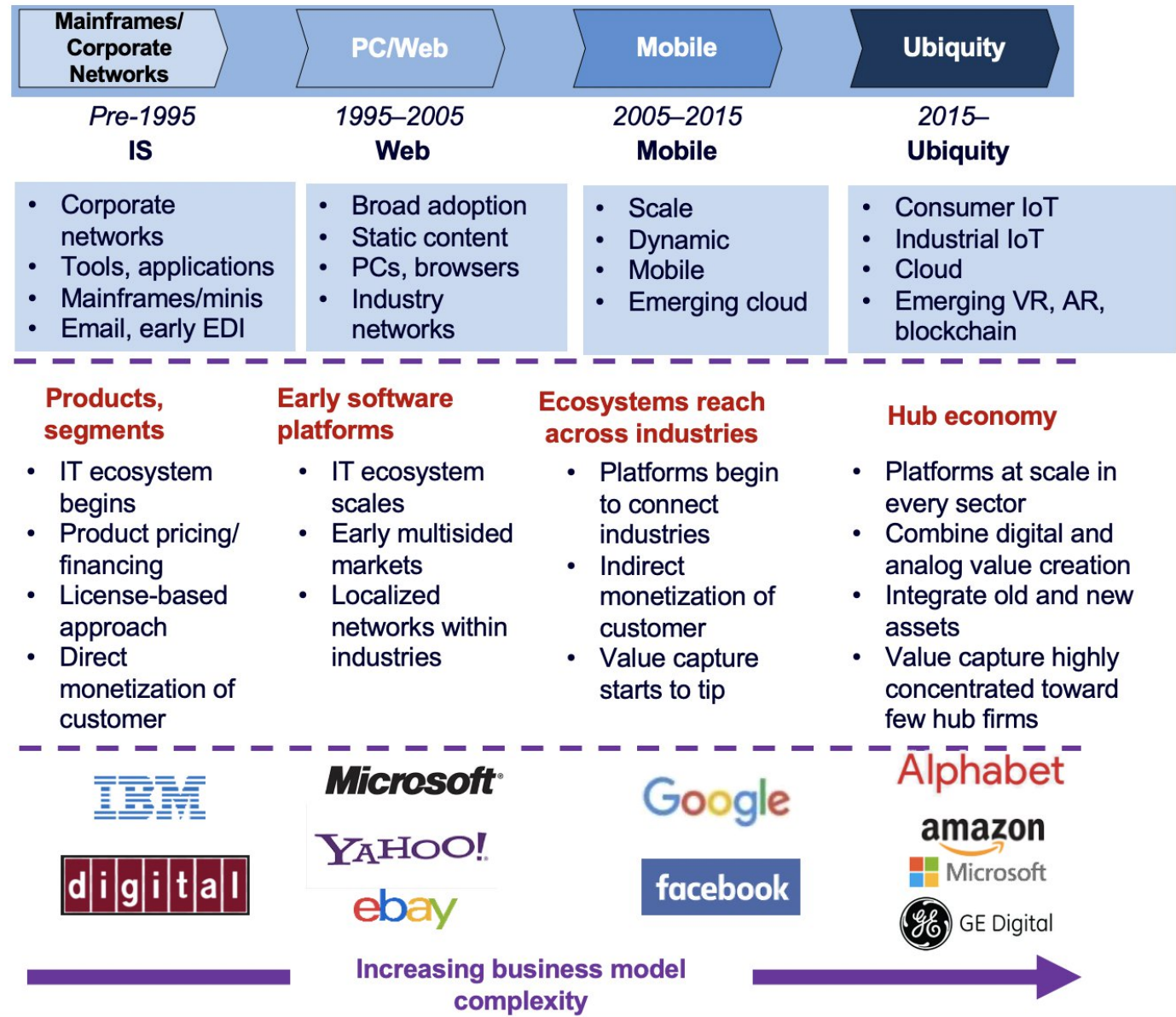
Source: Iansiti and Lakhani, 2020



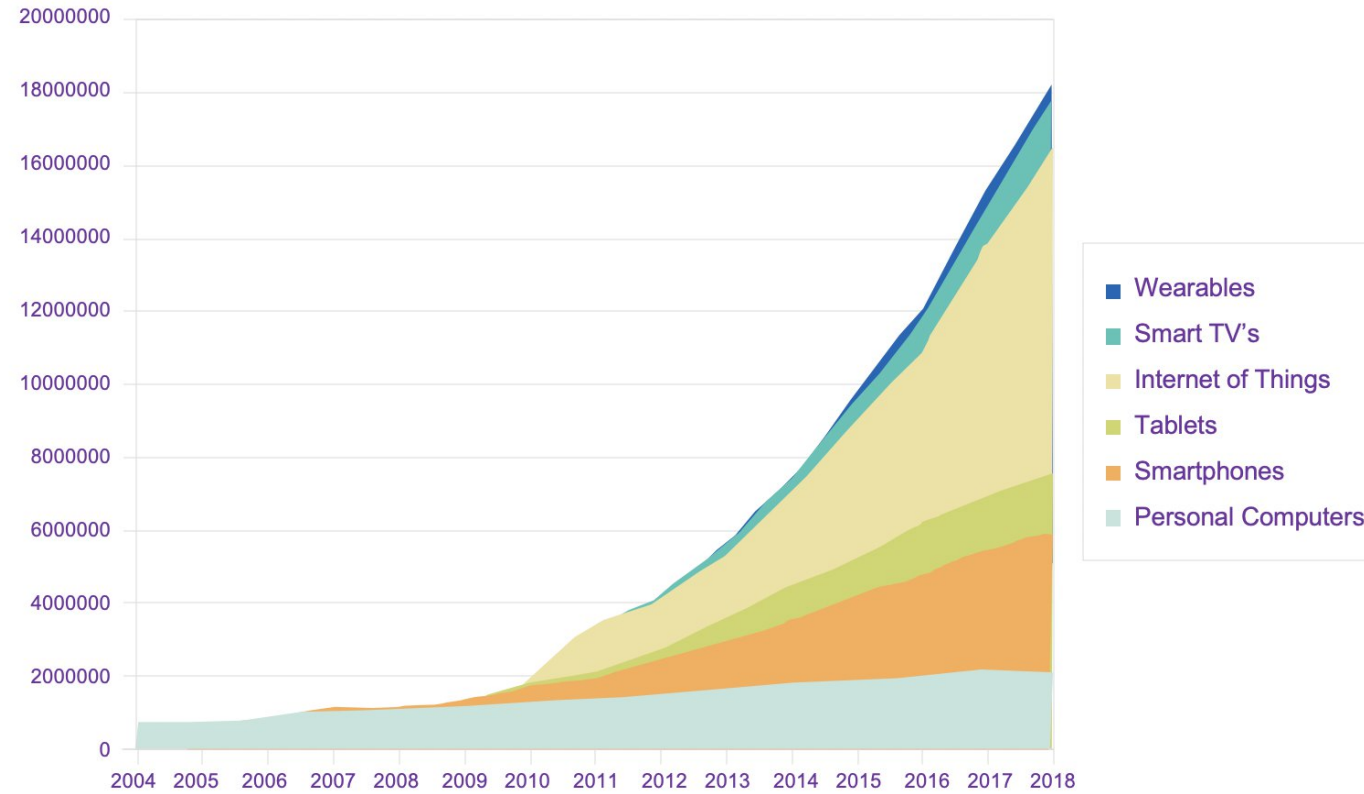
Source: Iansiti and Lakhani, 2020

## 2. From the Digital Economy to the Platform Economy





Source: Iansiti and Lakhani, 2020



Source: Iansiti and Lakhani, 2020

# The platform economy

- Does the story stop here?
- What comes after the platform economy?
- If the story stops here, is it OK for competition policy?
- Otherwise, what is to be expected?

Conclusion

# Conclusion

- Incredible innovation revolution
- Great benefits
- Great challenges

Can you do a list of them both?

# References

# References

- Iansiti M. and Lakhani K.R., (2017), “Managing Our Hub Economy”, Harvard Business Review, September-October.
- Iansiti M. and Levien R., (2004), “Strategy as Ecology”, Harvard Business Review, March.
- Marty, F. and Warin, Th. (2020) “Innovation in Digital Ecosystems: Challenges and Questions for Competition policy” CINRAO, 2020s-10  
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