



"I sell books." versus "I sell whatever the fuck I want." [\\$AMZN](#)

Platform capitalism as the new avatar of capitalism

From
'size-scale'
economies

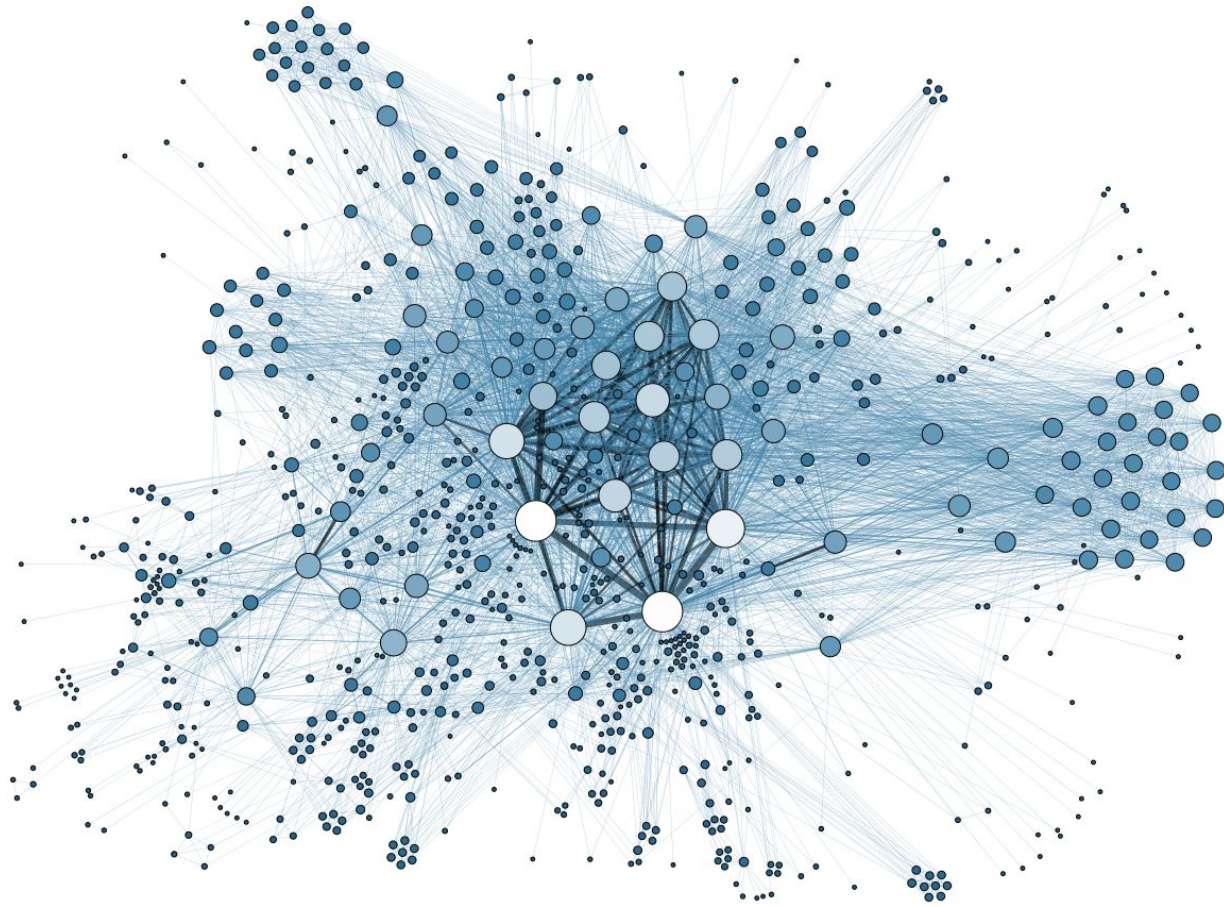


To 'intelligence-scale'
economies

Platformization

- Technologies at the basis of productivity and labor performance in traditional size-scale economies were mechanical.
- In emerging intelligence-scale economies, network effects combine with an agile algorithmic apparatus, fusing manual tasks and cognitive functions optimizing this ecosystem of interconnected nodes, unceasingly, for profit maximization.
- Thus, the value proposition in economies of intelligence involves transferring mental processes and skill requirements away from workers and onto the platform infrastructure.

As network-data architectures that orchestrate production and exchange, platforms comprise new modes of value creation and distribution.

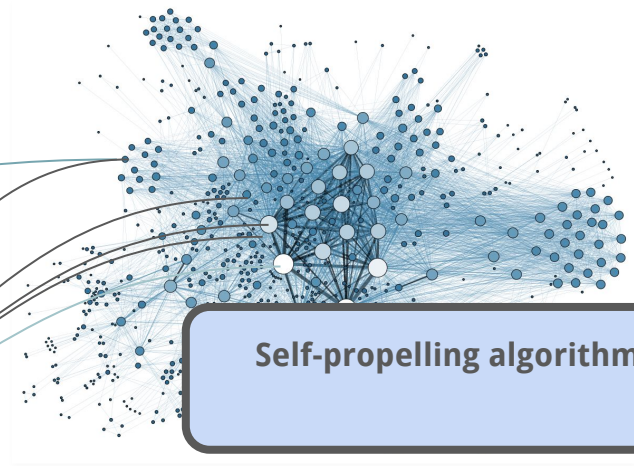


The platform epoch

- Emerging as the defining 'infrastructures of value', platforms effect a paradigmatic shift in global economic organization.
- Outcomes of platformization are firmly located within the international political economy of data and development.
- As the future ecology of 'choice', whether platformization will open up and expand choices for all, is an open question

Platform monopolies

Entrenching network-data advantage



Data accumulation/enclosure

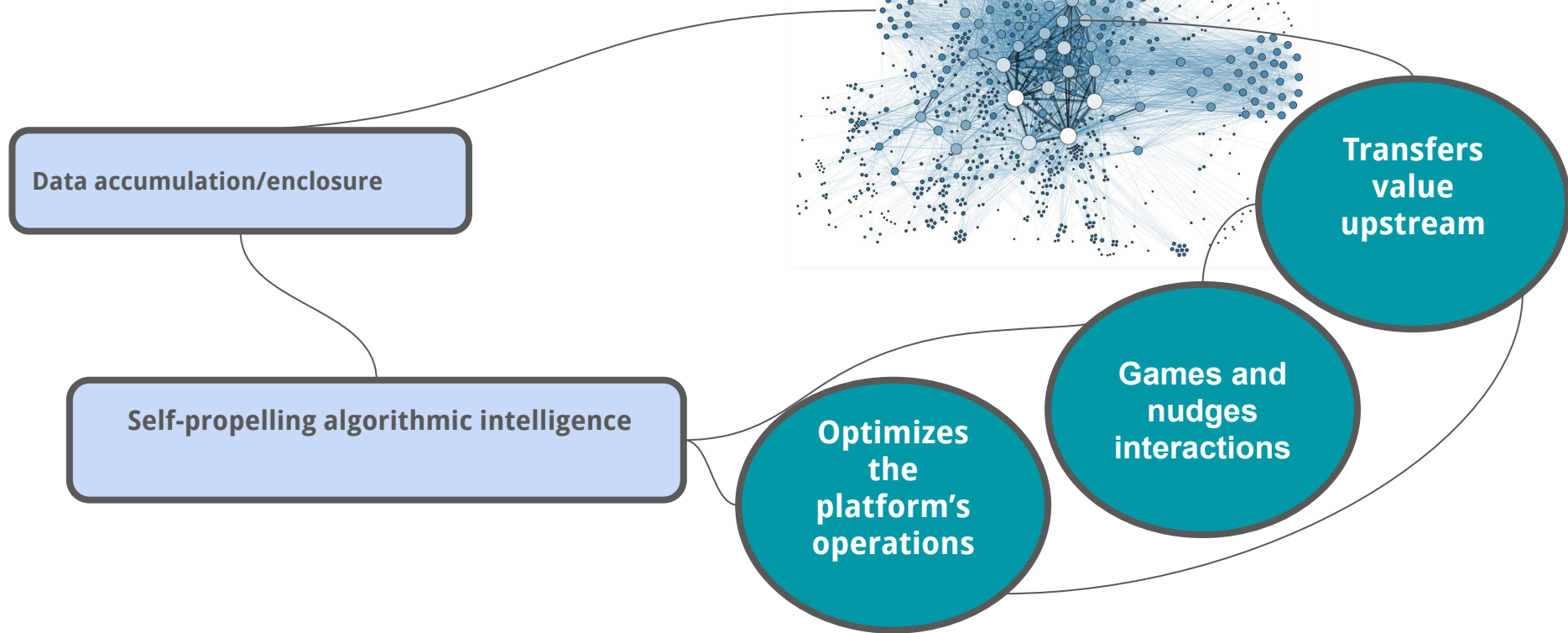
Self-propelling algorithmic intelligence

Platform
establishes
defacto
ownership
over data

Builds first
level
competitive
advantage

Harvests data
incessantly

How dominant platforms reap intelligence premium



1. Interconnections across sectors and economic activities

Superplatforms in China spread operations across different market segments with multiple capabilities

Eg. WeChat and Meituan-Dianping are early exemplars that combine multiple features such as news, entertainment, restaurant reviews, food delivery and ride-hailing along with cross-cutting applications such as payment systems and digital wallets

Mercado Libre, from Latin America, combines a payments system, virtual wallet, logistics solution, adtech service, fintech and alternative finance solutions, and a customer loyalty program

2. Privatization and capture of the market

On account of platformization, the market becomes a privatized economic sphere with redefined terms and rules of engagement.

Platforms have enormous and almost unilateral price setting power, dynamically pushing costs up or down on the basis of algorithmic intelligence to an extent where price signaling, a fundamental tenet of the market system, fails entirely.

Automated price variation means that players dependent on the platform are never quite aware of the terms of the transaction, except in real-time.

3. Financialisation of the platform model

Platformization is characterized by an unholy marriage between venture capital and tech giants where competition is swallowed up (Syngenta (a Chinese company based in Switzerland), acquiring NinjaCart' or Trip Advisor acquiring food delivery apps)

4. Centralising intelligence for market control

Gatekeeping market participation - fintech platforms, while filling the information asymmetry gap, use their immense algorithmic prowess to rank and sort market participants, creating and constructing a distinction between worthy and unworthy borrowers

Eliminating competition - deploying the intelligence mined from transactions data on its digital marketplace, Amazon often indulges in predatory pricing and deep discounting of its private labels

Tireless strive for product-service hybrids (eg. Netflix's recommendation system) - To improve upon the consumption experience, reduce the consumer's pain points and enhance individual gratification.

5. Concentration as end game

Seven out of the ten most valuable companies in the world are driven through the platform model (Schenker, 2019).

Budding platform hubs in developing/periphery nations, struggling with regulatory deficits risk losing out to established large technology companies who can simply swoop in and take over an emerging market.

The contentious issue of governance of data

- Not all countries are equally well-placed to reap the benefits of data and/ or pursue intelligence-driven pathways towards structural transformation.
- Free Trade Agreements with e-commerce chapters (TPP, RCEP, Mercosur-EU negotiations) uniformly mandate
 - free cross-border flows of data,
 - Restrictions on opening up of source codes and on local presence for digital companies,
 - privatization of digital standards such as e-payments and e-authentication.
- The possibilities to manage data as a non-private economic resource seem to be foreclosed with a planet-scale enclosure of the data commons

Ways Forward

Preventing Big Data monopolies

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graph LR; A[Preventing Big Data monopolies] --> B[FRAND  
Fair, reasonable, non-discriminatory access]; A --> C[Mandatory data sharing requirements]; A --> D[Merger scrutiny];
```

FRAND

Fair, reasonable, non-discriminatory
access

Mandatory data
sharing requirements

Merger scrutiny

Ways Forward

Inclusive economies

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graph LR; A[Inclusive economies] --- B[Essential platform infrastructure as public goods]; A --- C[Worker rights and a new social contract]; A --- D[Redistributive justice through corporate taxation];
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Redistributive justice
through corporate
taxation

Worker rights and a
new social contract

Essential platform
infrastructure as
public goods

A new data constitutionalism

- A vibrant data-based global economy outside of surveillance capitalism
- At national levels, a clear framework for a hybrid ownership regime of a 'mixed-data economy' where data rests on a continuum from public good to private property.

Ways forward: A new data constitutionalism

Private good

Data owners have the exclusive right to determine the terms on which data is exchanged

Common pool resources

Collective ownership rights in the personal and social interaction data of its members

Public good

Data resources are publicly owned and managed

https://itforchange.net/platformpolitics/wp-content/uploads/2019/06/Platform-Planet-Development-in-the-Intelligence-Economy_ITfC_2019.pdf