

Book Review: Advanced Introduction to Platform Economics by Robin Mansell and W. Edward Steinmueller

In Advanced Introduction to Platform Economics, Robin Mansell and W. Edward Steinmueller offer a new roadmap to the economics and regulation of digital platforms, arguing that decisions about regulating platforms should be driven by careful economic analysis. This concise book provides a helpful guide to those coming with fresh eyes to studying platforms and platform regulation, finds Sara Bannerman.

Advanced Introduction to Platform Economics. Robin Mansell and W. Edward Steinmueller. Edward Elgar Publishing. 2020.

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In [Advanced Introduction to Platform Economics](#), Robin Mansell and W. Edward Steinmueller argue that decisions about regulating social media platforms should not be taken in a state of panic or outrage, but rather through careful economic analysis. They introduce three modalities of economic analysis, drawing on this to advocate for forms of platform regulation at arm's length both from platforms and government, as well as government investments in new business models that might, in future, create an 'off ramp' from the harms and threats embedded in platform economics.

In Chapters One and Two, the authors define the term 'platform' and outline the main trends that have led to the rise of digital platforms. These include digitisation, mobile communications, datafication and artificial intelligence — none of which, the authors emphasise, were inevitable; rather they are the result of political choices about the design, use and values embedded in technical systems (137). Platforms are, in economic terms, disruptors. They disrupt not only established business models, but also public values such as equality, fairness, solidarity, privacy and freedom of expression (2); and economic, social and political institutions (9). The authors draw on neoclassical economics, institutional economics and critical political economy to frame the disruption posed by platforms — and what to do about it.

Taking the growing use of datafication and artificial intelligence as their main points of focus, the authors outline in Chapter Four the biases, labour implications, cybersecurity and surveillance/privacy impacts of artificial intelligence as algorithms learn human biases, displace workers, ramp up the cybersecurity 'arms race' and are integrated into workplace and corporate surveillance practices. The authors outline the impacts of content aggregation on journalism and media: the displacement of broadcasters and newspaper publishers from decisions on how content is presented by social media aggregators such as Google News, publishers' and broadcasters' loss of advertising revenues and the challenges to journalistic values and ethics as journalists pursue clicks with emotive, entertainment-focused, partisan or polarising news content. What is the appropriate response to these problems and disruptions?

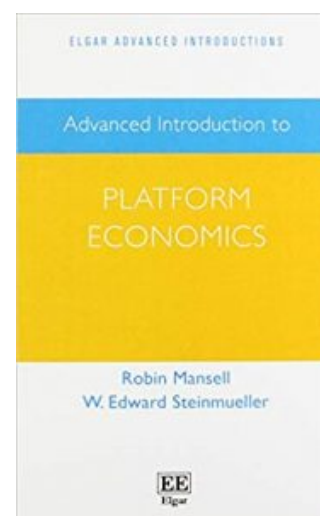




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Self-regulation and non-state intervention were, for several decades, the leading approaches to the regulation of the internet and platforms. According to the neoclassical economic theories outlined as one of the three main economic frameworks of the book, it was assumed that the market would solve the problems that digitisation, mobile communications, datafication and artificial intelligence entailed.

In Chapter Five, the authors examine some of the current private or non-state approaches to confronting the problems brought by platform economics, which include the erosion of public values as well as of robust, diverse and reliable media systems. The authors take note of several private projects that attempt to challenge commercial surveillance-based business models, including privacy-focused data architectures such as Solid, the Hub-of-All-Things (HAT) and data trusts. They conclude, however, that none of these projects are likely to achieve the level of success that would challenge the continued erosion of public values under the current commercial datafied business models of digital platforms.

If self-regulation and private challengers do not provide a solution, can state intervention? In Chapter Six the authors explore this question, presenting a whirlwind tour of regulatory options: anti-trust and competition law, platform content regulation (including the duty of care, or online harms legislation) and privacy law (including privacy law reform and information fiduciaries). Anti-trust, or breaking up platform companies, the authors argue, is unlikely to 'alter the progress of commercial datafication and the further infiltration of algorithms into decision making in society' (139). Instead, 'for a significant change to happen', they argue, 'people must be able to exit commercial datafication, but they can only do so if they have somewhere to exit to' (139). Other regulatory approaches, such as state-mandated content regulation, might 'inadvertently, or by design' (113) infringe on the public values that they seek to protect, including freedom of expression.

The solution, Mansell and Steinmueller argue, is threefold. First, traditional regulation is required: a mix of self-regulation and regulatory oversight independent of both platforms and states. Regulatory capture is an ongoing concern, but public regulation of communications (such as telecommunications) has a long history and, while not always perfect, is a viable approach. Second, datafication of sensitive areas, such as politics or children's data, should be prohibited. Finally, governments should invest in alternative business models (138-39). Such investments could include investments in infrastructure such as data trusts, public connectivity infrastructure, public service media platforms, digital skills and literacy, publicly funded search engines and collectively owned non-commercial data repositories, possibly supported by tax provisions (111, 139).

The authors acknowledge that government investment in, or support of, alternative business models such as those based on collective or public data management could impede innovation (26). So could regulation, particularly where it prohibits or reduces platforms' abilities to monetise users' data (26). This trade-off, they suggest, may be worth it if public values are to be protected.

At 140 pages, this concise book provides a helpful guide to those coming with fresh eyes to studying platforms and platform regulation. Its scope is international, but rooted in Western institutional and critical political economic analysis. It alludes to, but does not cover in depth, the racial, gender and colonial politics of platform economics. Its characterisations of the regulatory problems, private initiatives and possible regulatory responses to digital platforms are brief and digestible. Students will be able to augment this introduction with additional reading, drawing on the helpful references provided.

Advanced Introduction to Platform Economics offers students a roadmap to the economics and regulation of digital platforms, guided by two heavy-hitters in the field. Mansell and Steinmueller also provide a map to the 'off ramp' from platform capitalism.

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