

**Thomas Gegenhuber**

# A vision for digital Europe

From the taming of unruly platforms  
to a new digital humanism

**FOR A BETTER TOMORROW**

**FRIEDRICH  
EBERT   
STIFTUNG**

## FOR A BETTER TOMORROW

### A Friedrich-Ebert-Stiftung project in 2018–2020

Growing social inequality, societal polarisation, migration and integration, the climate crisis, digitalisation and globalisation, the uncertain future of the European Union – Germany faces profound challenges.

Social Democracy must provide convincing, progressive and forward-looking answers to these questions. With the For a Better Tomorrow project, the Friedrich-Ebert-Stiftung is working on recommendations and positions in six central policy areas:

- Democracy
- Europe
- Digitalisation
- Sustainability
- Gender Equality
- Integration

#### Integration

**Dr. Andrä Gärber** is the head of the Economic and Social Policy Division at the Friedrich-Ebert-Stiftung.

#### Project Management

**Severin Schmidt** is a policy advisor for Social Policy in the Economic and Social Policy Division.

#### Communication

**Johannes Damian** is a strategic communications advisor for this project within the Department of Communications.

#### The author

**Prof. Dr. Thomas Gegenhuber** is a Junior Professor of Business Administration focusing on the digital transformation at the Leuphana University of Lüneburg.

#### The person within the FES who is responsible for this publication is

**Stefanie Moser**, Desk Officer for trade unions, worker participation and digitalisation in the Economic and Social Policy Division of the Friedrich-Ebert-Stiftung.



Further information about the project can be found at:  
[www.fes.de/fuer-ein-besseres-morgen](http://www.fes.de/fuer-ein-besseres-morgen)

Thomas Gegenhuber

# A vision for digital Europe

From the taming of unruly platforms to a new digital humanism

	<b>Foreword</b>	3
<b>1.</b>	<b>INTRODUCTION</b>	5
<b>2.</b>	<b>TAMING THE VARIOUS TYPES OF PLATFORMS</b>	6
	2.1 Marketplaces for goods .....	6
	2.2 Marketplaces for services .....	7
	2.3 Platforms which provide access to spare capacities .....	7
	2.4 Social networks and information platforms .....	8
	2.5 Platform leviathans .....	9
<b>3.</b>	<b>FROM REACTING TO ACTING</b>	11
	Bibliography .....	14



# Foreword

Digital platforms are an integral part of our daily life. We shop on Amazon, we maintain friendships via Facebook, Instagram or TikTok, and we doodle and google in the office or in our free time. Platforms have become the hubs around which social and economic life revolve. Their influence is not limited to the digital economy. Platforms are completely rearranging even traditional markets and sectors.

With its “For a Better Tomorrow” project, the Friedrich-Ebert-Stiftung aims to find progressive answers to the major economic, ecological and societal challenges which face us now and in future. For us a key question is: how can we use the digital transformation to everyone’s benefit?

The answers that the world of politics provides in response to the platformisation of the economy will play a key role. The triumphal advance of the platform economy poses an enormous challenge for Europe. The main reason for this is not the fact that the key businesses within this “industry” are almost exclusively based in the USA and China. The challenge lies primarily in the nature of platform capitalism itself, in particular in the concentration of economic might that is associated with this economic model. The concentration of market power is a structural feature of the platform economy. The more private and/or business users a platform has, the more attractive it becomes to other customers. “The winner takes it all,” as the saying goes. Their position as market intermediaries also gives platforms access to huge volumes of data. This doesn’t just enable companies to optimise their own offerings, it also gives the tech corporations an edge when it comes to other forward-looking technologies such as artificial intelligence (AI).

People’s unease at the level of power wielded by the tech corporations and their platforms is growing. In a survey commissioned by the Friedrich-Ebert-Stiftung in 2019, four out of five people in Germany who were questioned said that politicians should set clearer boundaries for companies like Amazon, Facebook and Google etc. (Zeit für ein Update (Time for an Update) 2019). But how can Europe tame the platforms? This study by Thomas Gegenhuber shows that there is no one single ideal way of achieving this; different types of platforms require different regulatory strategies and approaches. In order to tame the platform economy, politicians in Europe have

to act in a resolute but also a differentiated and coordinated manner.

Digitalisation offers great potential to boost the European project for humanising the economy and society in the 21st century. The regulation of the platforms is an important step towards realising this potential. However, the role that politics has in shaping developments goes further. If the widely used model of digitalisation which has “people at its heart” is to be implemented, Europe will have to place digitalisation at the service of values such as equality, democracy and justice. Thomas Gegenhuber outlines the political strategies and approaches that Europe can promote during this process. The initial building blocks of digital humanism are already in place.

We hope you find this to be an inspiring read!

## **STEFANIE MOSER**

Economic and Social Policy Division  
at the Friedrich-Ebert-Stiftung



## 1.

INTRODUCTION<sup>1</sup>

Since 1979 the ARS Electronica festival in Linz has been reviewing the digital revolution from an artistic, technological and social perspective. The festival provides an interdisciplinary mirror image of contemporary debates occurring in the economy, politics, science and the arts. Today, one can clearly see the disquiet at the amount of power wielded by Amazon, Google, Apple and Co. reflected in the artistic projects. For example, the Bitsoil project criticised the fact that the creation of value out of data is the prerogative of just a few big corporations. It used an interactive installation to demonstrate an alternative, (re)distribution mechanism based on blockchain technology (Prix Ars Electronica 2018). The excessive power of the large tech corporation increasingly underscores the need for regulation.

To be able to understand the phenomenon of the tech giants and to be able to control developments politically, it is first necessary to appreciate what lies behind the success and the excessive power of these corporations. The organisational structure of these companies as digital platforms plays a key role in this respect.<sup>2</sup> Kenney and Zysman (2016) postulate the following provocative theory: if the dominant organisational structure in the 20th century was the industrial-bureaucratic organisation, the 21st century is dominated by platforms (see also Lobo 2014; Pasquale 2016). This theory is supported by developments in the capital markets. Investors see growth potential primarily in companies which are organised as platforms. The ten most valuable companies at present include five

US corporations (Microsoft, Apple, Amazon, Alphabet, Facebook) and two Chinese companies (Alibaba, Tencent), and for all of them the platform model is a key component of their business, or at least of an important segment of it (PwC 2019).<sup>3</sup>

The debates at Ars Electronica also show that the discussion cannot be limited to the regulation of the platforms. The function of art is not only to provide criticism but also specifically to outline alternative models and to provide sources of inspiration for them. The 2019 conference was held under the title of “European Platform for Digital Humanism”, and it provided an overview of numerous European initiatives which outline alternatives to the prevailing model of platform capitalism (Ars Electronica 2019). One of these initiatives is the “Alias zur digitalen Selbstverteidigung” (“Alias for Digital Self-Defence”) project. It provides a “smart protective wrapper” for smart home devices which not only prevents Alexa from continually listening in, but can even proactively manipulate Alexa (STARTS Prize 2019).<sup>4</sup> The need for alternative visions was also evident at the Digital Capitalism Conference hosted by the Friedrich-Ebert-Stiftung in November 2019. The closing lecture by Evgeny Morozov particularly deserves attention: in his view it is not sufficient for German and European politicians to merely try to defend existing institutions. Instead, the aim should be to develop conceptions of a different future which will lead to the creation of new institutions and will proactively help to shape digital capitalism. Accordingly, Morozov asked: “Libraries were created as an institution in the 20th century in order to make education available to people of all social classes. What is the 21st century equivalent of the library?” (Morozov 2019). The best defense is a good offense.

<sup>1</sup> I should like to express my sincere thanks to Erik Schäfer (gfa | public), Stefanie Moser (FES), Alexander Fanta and Stefanie Altenhofer, as well as to the people who attended the Momentum Kongress in Hallstatt (Track #5 led by Astrid Mager and Michael Seeman) and the LOST Group (Leuphana Organization Studies Group), for the critical and constructive feedback which they provided on earlier versions of this article.

<sup>2</sup> A platform is an organisational structure which is used to facilitate the exchange of information, goods or services between two or more actors (Baldwin 2017; Parker et al. 2016). Platforms use the advantages of digital technologies (e.g. lower communication costs and a cost structure for digital goods which – unlike for traditional goods – is virtually zero), data (e.g. collection and use of data for platform optimisation or for the placement of advertising), network effects (i.e. the self-reinforcing effects between and within supply and demand systems which lead to an increase in the attractiveness of platforms as their number of users increases), technological infrastructure (e.g. smartphones and mobile networks), as well as existing risk capital, for financing rapid growth with the aim of achieving a market monopoly (Bauer/Gegenhuber 2015, 2017; Evans/Schmalensee 2016; Srnicek 2017; Sundararajan 2017).

<sup>3</sup> This forward-looking approach is also reflected in R&D investments, although leading “old economy” businesses are still found in this field: Alphabet, Microsoft and Google are in the top 10, and Alphabet with its 13.3 billion euro R&D budget has now relegated the Volkswagen Group to third place (EU JRC 2018).

<sup>4</sup> This project and others have also usually been funded by the European Union, for instance the STARTS Prize or the Horizon 2020 programmes.

## 2.

## TAMING THE VARIOUS TYPES OF PLATFORMS

Digital platforms are very popular amongst the general public. That's completely understandable. Platforms change what actors perceive to be desirable, appropriate ways of doing things, such as how the production, trading and consumption of goods and services should be organised. At the same time, many actors in various social and economic sectors feel irritated by this phenomenon or even see it as being disruptive to the social order (Hinings et al. 2019). However, there are now also calls for regulation because many platforms break existing rules or operate in a legal grey zone: for years now Uber has ignored regulations in the field of passenger transport; Amazon and Google exploit information asymmetries and their market dominance in order to strengthen their own positions; the unbridled renting of property facilitated by Airbnb increases pressure on local housing markets.<sup>5</sup> The EU and Germany have chosen a strategy of regulation as an initial response to the platform phenomenon (e.g. the DSGVO (GDPR) and the imposing of substantial fines by the EU Commission). This fills an important gap because the United States takes a *laissez-faire* approach.<sup>6</sup> In the political debate, the question which is being posed, either explicitly or implicitly, is: how can we tame the digital platforms (cf. Dachwitz et al. 2018; Pasquale 2018; Krisch/Plank 2018)? Two key issues emerge from this question: (1) To what extent do the platforms' practices contravene existing rules? (2) Are new tools needed to regulate platforms?

<sup>5</sup> The emergence of new forms of organisation and their effective regulation is inherently a process which involves a lag. This lag creates space for experiments with potential innovations. However, the size of the lag grows in a digital economy. While start-ups benefit from the constantly increasing pace of digital innovations, the institutional organisation of state actors remains largely unaffected. And even if scepticism is justified, from a purely commercial perspective one cannot help but admire the real drive for innovation and excellence that is shown by the platforms. Take Uber as an example – a company that is under fire on account of its business practices. Despite all the criticism that it has attracted, this platform has made a great contribution to modernising the ordering and processing of taxi services through the use of an app.

<sup>6</sup> In September 2019, 48 US states announced that they were joining forces in order to bring an antitrust case against Google. Just a short while later California discussed introducing a new law that would force gig-economy platforms to treat their workers like paid employees. Nonetheless, it should be noted that for years now the United States has given the platforms a free rein to operate exactly as they please.

In order to answer both questions in a meaningful way, clarity is needed about the phenomenon in need of regulation. A problem in political discussions is the very broad/fluid definition of the term "platform". That is why a classification system is used below to distinguish between different types of platform so as to create clarity regarding the issues that need to be resolved and the problem-solving approaches that are used based on them. The classification system basically operates according to the specific objects of exchange<sup>7</sup>: platforms for (2.1) the exchange of goods, (2.2) the trading of services, (2.3) the offering of spare capacity, (2.4) the exchange of information, and finally (2.5) platforms for platforms, so-called *leviathans*<sup>8</sup>.

### 2.1 MARKETPLACES FOR GOODS

Platforms such as eBay and Amazon bring buyers and sellers together. The relationship between marketplaces and the participants in them is characterised by asymmetries of information and power (cf. EU Commission 2018; Pasquale 2016). In the case of Amazon this becomes particularly apparent if the platform exploits its dual role as a market organiser on the one hand and as the provider of its own products on the other. Since Amazon has data about all the products it sells, the company can decide at virtually zero risk which own-brand products it should offer itself and consequently give preferential treatment to in search results on the platform (Sitaraman 2018). Although from a short-term perspective Amazon provides traders with low-threshold access to an international market, in the long term dependence on Amazon entails a high level of risk (Cutolo/Kenney 2019).<sup>9</sup> In general, the regulatory challenge involved in this type of platform is to ensure fair competition

<sup>7</sup> Due to the variety of platforms, a complete review of them would exceed the scope of this article, and so I will only pick out for each category specific examples of issues relating to regulatory actions. For an alternative regulatory approach based on the common features of the platforms, see the project [https:// platformregulation.eu](https://platformregulation.eu) which is being taken forward by Thomas Lohninger.

<sup>8</sup> The term "leviathans" will be examined in detail later on. This category includes overlapping platforms which combine several different types of platform

<sup>9</sup> Amazon's actions are of a new kind, although the basic idea is not new: even supermarkets use the data relating to sales in order to decide in which areas they want to offer their own brands.



and uphold the rights of consumers and traders, and also to ensure fair working conditions throughout the value chain, in particular at the distribution centres and during delivery (Cutolo/Kenney 2019; Krähling 2019). One way in which the EU could, for instance, rise to the challenge of ensuring fair competition would be to look towards India: regulations require Amazon to make a decision: choose to be a market organiser or a trader (Del Rey 2019).

## 2.2 MARKETPLACES FOR SERVICES

These platforms (e.g. Uber, 99designs) offer clearly defined and delineated services. Key issues include whether these actually are intermediary services (rather than effectively constituting forms of employment), and whether appropriate working conditions, decent wages, and adequate social security cover are provided. From a regulatory perspective, a distinction is made between (1) platforms whose networking effects are limited to a local area (such as local mobility platforms like Uber), and (2) those which by their very nature create global job markets for services (e.g. 99designs, Upwork) (Lücking 2019; Schmidt 2017).

1. Platforms whose activities take place in the “real world” are more ‘susceptible’ to oversight – both as regards to establishing rules and monitoring them. In this category, Uber has found that legitimacy in the eyes of its customers is not enough to be accepted as a normal actor in the field of taxi services. It is entirely understandable that the taxi industry is protesting against Uber: by ignoring regulations for years, Uber has gained a competitive advantage; numerous towns and cities are now trying to curb Uber’s operations through local regulations and requirements (Jacobs 2018; Pasquale 2016). At the same time, the taxi industry can be justifiably criticised for the lack of innovation in the sector. The job of regulators is to combine customers’ interests in having access to a modern service with taxi drivers’ interests in receiving a fair level of income and in having a say in how their business operates.<sup>10</sup>
2. When it comes to platform operations which are not limited to a specific physical setting, the task of regulation is much more complicated. Here, regulatory considerations lead to a discussion of a minimum wage for the self-employed, of social security models (such as a digital form of social insurance, cf. Weber 2019, but also Benner 2015; Pasquale 2016; Risak/Dullinger 2018), and to a new definition of the concept of a business (cf. Däubler/Klebe 2015; DGB (German Trade Union Confederation) 2019a, 2019b; Weber 2019).

In this category, new “soft approaches” should also be highlighted. IG Metall, working in collaboration with those platforms that have signed a minimum standards code of conduct, has set up an arbitration body (consisting of crowdworker representatives as well as representatives from the trade union, the platforms and the industry). This arbitration body handles complaints from crowdworkers and tries to bring about amicable solutions (Ombuds Office of the Crowdsourcing Code of Conduct 2019).

In the case of the service platforms, there is evidently also a general obligation for state actors and federations to provide information in order to ensure that existing standards can be maintained even in the case of new business models. One example of this: the MyHammer platform is an interface between customers and tradespeople. In accordance with the German Handwerksordnung (Crafts and Trade Code), MyHammer checks whether the tradespeople have the necessary certifications for the activities that they offer. Instead of being able to access a central public digital register covering the members of all trade associations, MyHammer has to check the scans that are uploaded by the tradespeople. This is neither an efficient nor effective form of monitoring.

## 2.3 PLATFORMS FOR ADVERTISING/ PLACING EXCESS CAPACITIES

The platforms within this category are usually described as sharing economy platforms. In the case of the commercially orientated platforms, the model involves citizens renting out their unused resources – such as accommodation – to third parties. Examples of such platforms are Airbnb, BlaBlaCar<sup>11</sup> and Music Traveler. Since these platforms are usually linked to an actual geographical location, effective regulation is possible. The key questions in relation to regulatory action within this category are: are they really sharing services provided by private citizens, or are they rather run by commercial operators under the guise of sharing services with the aim of circumventing existing rules such as taxation and other fiscal regulations (Murrillo et al. 2017; Wegman/Jiao 2017)? It must be ensured that in fact only excess capacities are offered, and that the sharing effects are sustainable. Take Airbnb as an example: critics point out that commercial operators are proliferating on the platform, and that in many cases tourism levies are not being paid and that accommodation is being withdrawn from the housing market (Wachsmuth et al. 2018). In this case, regulatory practice is already heading in the right direction: depending on the city, people who rent out accommodation must report it and pay a local tax, and the duration and type of rental is regulated (Brauns 2016; Gurrán/Phibbs 2017). This means that ‘under the radar’ hotel operators can be excluded from the market while at the same time residents can make use of their excess capacities. Nevertheless, administrative authorities often

<sup>10</sup> The real step change in this industry is just around the corner in the form of autonomous driving concepts. However, the work carried out by Nunes and Hernandez (2019) shows that an autonomous taxi service is not necessarily cheaper. So it may well be the case that taxi drivers are here to stay.

<sup>11</sup> BlaBlaCar has expanded its service to include bus journeys. This is a typical strategy used by platforms: begin by achieving critical mass in relation to one type of transaction, and then use the size of the network and the brand profile in order to offer other types of transaction to achieve growth.

don't have the resources that are needed to monitor these regulations effectively – sometimes also due to a lack of cooperation on the part of Airbnb, as shown by the debate in Vienna (Leshinsky/Schatz 2018; Die Presse 2019). Here too it can be seen that authorities should likewise consider setting up regulatory programming interfaces in the form of APIs. APIs can, for example, enable the automatic, standardised exchange/retrieval of information and can make many forms obsolete (e.g. filling in a guest registration form for the tourism levy).

Regardless, one thing should be noted: a large number of local or national regulations generally does less harm to the big platforms than to the small ones. If the regulations vary between different cities and countries, the position of large global platforms such as Airbnb may even be strengthened because they – unlike a nascent start-up – have the resources to be able to adapt successfully to differing local regulations.<sup>12</sup>

## 2.4 SOCIAL NETWORKS AND INFORMATION PLATFORMS

Platforms of this type have a major influence on how we perceive, interpret, construe and participate in the world and its events (Lomborg 2013; Stalder 2018). Most of these platforms are largely financed by advertising. Typical examples are YouTube, Facebook, Instagram, TikTok and Twitter.<sup>13</sup> These platforms gather and process their users' contributions and have an evaluation infrastructure (e.g. user ratings and the recording of user behaviour) for rating their content. The information that is obtained in this way is in turn used by the algorithms which determine which information and/or content is shown to users (and where and in what form), and which adverts are displayed. The business model of these platforms is based on effective monitoring of the users in order to increase advertising revenue (Kornberger 2017; Thompson 2018; Zuboff 2015).

The regulatory issues brought up by these platforms are many and varied. Three aspects should be highlighted in this regard: the first priority is to strengthen users' rights. For example, Facebook emphasises that it allows users to be in control of their privacy. Some of the raw data can be downloaded by users (Martineau 2018). But there is a lack of transparency about which data on its users, and from which sources (potentially from third party providers) is used by Facebook, and what the status of such data is, and about which advertisers use which data characteristics to target users, and whether data links can be deleted or their use can be prohibited for advertising purposes (and about the methods that are provided for

doing this). More transparency and control, combined with the right to activate a random generator for the display of adverts could put users in a stronger position.

Secondly, the rights of content providers should be strengthened. Who are these providers? Let's take YouTube as an example of a platform whose production of content largely depends on solo video producers. YouTube is very opaque about the distribution process from advertising revenues to these producers. In order to strengthen the rights of the solo video producers, the Youtubers Union and IG Metall have together formed a cooperative body called FairTube which campaigns for the fair and transparent distribution of advertising income and for Youtubers to have a say in decisions (FairTube 2019). Innovative active involvement by trade unions combined with new regulations can achieve improvements in this area through platforms being forced to respond to the needs of their stakeholders.

Since these platforms play such a key role in how people form their opinions, the third thing that is needed is governance solutions for the issues of hate speech, sexual harassment, discrimination, mobbing, racism, terrorist propaganda, fake news and targeted campaigns which aim to manipulate voter behaviour.<sup>14</sup> Resolute action by politicians is essential – not least because the incentive systems have until now made the amassing of profits the principal focus of companies' actions. Again, let's take YouTube as an example: its internal objective of achieving growth (by perfecting its video recommendation algorithm), combined with the logic of its business model which is based on advertising, has for some time now led the company to not pay enough attention to the negative effects of the platform (Bergen/Shaw 2019; Nicas 2017). There is no doubt that resolving these issues is a complex task.<sup>15</sup> However, if one considers the problem from a strategic viewpoint and with the aim of maintaining or restoring the primacy of politics in relation to key social issues, it is clear that the platforms must not be left with the day-to-day task of making organisational decisions about what constitutes the legitimate free expression of opinions. The "notice & take-down" principle continues to be the best basis (i.e. platforms have to delete uploaded illegal material once they have been made aware of it). Ultimately, the state should have the right to be given insight into the use of algorithms, and if necessary, to be able to order a change to such use. So, in principle, there is a need for an equivalent of a "securities supervisory authority" for social platforms. This role could be performed by a yet-to-be-established European supervisory authority equipped with the necessary personnel and financial resources to be able to interact with the platforms on equal terms (cf. Dittrich 2018; Rudl/Fanta 2019).

<sup>12</sup> The basic idea behind the European Union's "Digital Single Market" is precisely to create regulations that are as uniform as possible throughout Europe. This is a worthwhile and sensible political goal, and it is also used as an argument against separate national approaches to the regulation and taxation of platforms. However, this objective mustn't be used as a delaying tactic – if there is a lack of action and of unity, national initiatives can help give impetus to debates. At the same time, it's also theoretically possible to create space for local actors through the use of local regulations.

<sup>13</sup> Wikipedia also falls into this category, but this platform is based on a common-interest model and is therefore free of advertising.

<sup>14</sup> Problems such as fake news don't just concern the platforms but also traditional media, as an investigation into the 2017 German federal elections has shown (Sängerlaub et al. 2018). These issues are also on the political agenda of the new EU Commission; however, there is a threat of the "notice & take-down" rule coming under further attack (Rudl/Fanta 2019).

<sup>15</sup> There are also examples of correct behaviour (such as Twitter and Facebook taking down targeted propaganda accounts in the case of Hong Kong – see Paul 2019).

## 2.5 PLATFORM LEVIATHANS

This category includes platforms which combine several types of platform and which fundamentally have the following characteristics:

- Measured in terms of their numbers of (co-producing) consumers and/or providers, they are among the biggest organised social entities of the modern era.
- They have a major impact on our societies' day-to-day social landscapes, and they are inherently infrastructural in nature.
- They have large, heterogeneous databases which can be used to make it easier to break into new markets or to reconfigure existing markets.

The term “leviathan” is used here deliberately, as this metaphor stands for omnipotence and is definitely justified in this context. This is shown not just by the economic dominance of the platforms, but also by their behaviour in relation to other actors, e.g. trade unions or regulatory authorities. In fact, many platforms tend to see themselves almost as “dispensers of technological favours” and they want to have the freedom to set the ground rules as they see fit (cf. Nachtwey 2019).

Organisations which fall into the category of leviathans include Alphabet, Amazon and Facebook (incl. Instagram and WhatsApp). If we look at the EU's strategy with regards to this category we see not just a mixture of EU and German input in terms of regulatory issues, there's also no apparent uniformity of strategy. On the one hand we can see that the EU Commission is trying to encourage greater competition. The first record fines have been imposed on digital leviathans by the EU and they have had a cumulative (deterrent) effect. The amount that Google is due to pay to the EU Commission is currently about 7.807 billion dollars (United States Securities and Exchange Commission 2019).<sup>16</sup> The German Federal Cartel Office is also taking action, as shown by its decision regarding Facebook's practices (however, the Düsseldorf Higher Regional Court has since upheld an appeal by Facebook; cf. Federal Cartel Office 2019 or Dachwitz 2019). It makes sense to continue this responsive strategy, and it establishes international points of reference for the regulation of platforms.

Nevertheless, many of the EU's approaches to regulation actually have counterproductive effects on competition. For instance, industry experts believe that the introduction of the European General Data Protection Regulation (EGDPR) has not had a noticeable impact on Google and Facebook in contrast to their competitors, and that both of them are actually benefiting from it within the European advertising market (e.g. Thompson 2019). Critics of the latest European amendment to copyright legislation (The Directive on Copyright in the Digital

Single Market) point out in particular that according to draft Article 13 (Directive Article 17) upload filters likewise strengthen the position of the large platforms (Reda 2019). The example of the Spanish “link tax”, i.e. the “taxation” of linked content, shows that regulation can also backfire. The link tax led to Google shutting down its news service because it wasn't prepared to pay money to publishing houses so that it could continue to show brief excerpts of journalists' articles in Google News search results. The consequence of this was fewer visitors to the publishers' websites, and consequently also reduced advertising revenue for those publishers (Reynolds 2018). This example also shows that lawmakers shouldn't just cave in to lobbying by industry insiders (e.g. major publishing houses) and/or representatives of the “old economy” (Beckedahl 2019).

Another example is the EU Commission's proposals (Crémer et al. 2019) to make it easier for users to switch platforms. Whilst this clearly increases users' agency in the case of service platforms (e.g. taxi drivers in NYC benefit from being able to switch between several platforms; cf. Möhlmann/ Zahlmanson 2018), the effect is unclear in the case of social networks. The basic idea is the same: by forcing social networks like Facebook to adopt open standards (i.e. interoperability and portability), one enables users to communicate with each other and consequently to choose between platforms. Industry experts and alternative platforms (such as Threema) believe that the Facebook group of companies would benefit disproportionately from this measure because its social graph<sup>17</sup> is larger (e.g. Fanta 2019; Thompson 2019). Therefore, what is needed is an asymmetric set of regulations which protects smaller platforms up to a specific size (Pietron 2019). The examples show that greater attention needs to be paid to the issue of the unintended consequences of a particular piece of regulation, particularly in the case of the platform leviathans.

So how should we proceed? As far as the promotion of competition is concerned, regulatory measures should be made even more logically consistent. For instance, the following rule should apply to social networks: platforms which operate social networks should not be allowed to buy any other social network. Competition promotes innovation and creates new offerings for consumers. Facebook would be under greater pressure if it didn't also own Instagram and WhatsApp.<sup>18</sup> Facebook's plans to amalgamate the infrastructure of WhatsApp, Instagram and Facebook also show that Facebook would like to increase the potential of its data to create value, and to forestall any attempts to break it up. Not least as a result of the progress being made by the democratic senator Elisabeth Warren, there is a lively debate in the United States about breaking

<sup>16</sup> The FTC (Federal Trade Commission) in the USA has imposed a record fine of 5 billion dollars on Facebook. Critics are quick to point out that the fine is low compared to the company's annual turnover and the penalties will not make Facebook change its behaviour (Patel 2019).

<sup>17</sup> Europe is not out on a limb in this regard. As I will explain later, India has pursued an exemplary strategy in relation to Amazon, and the work of the Australian regulatory authorities should also be highlighted (ACCC 2018).

<sup>18</sup> Facebook misled the EU about its takeover of WhatsApp regarding the possibility of combining Facebook's and WhatsApp's data. This led to the EU Commission imposing a fine of 110 million euros on the company. Nevertheless, the provision of the correct information wouldn't have had any effect on the final outcome of the decision (EU Commission 2017). For reflections on how to improve merger control, see Wambach (2019).

up the tech conglomerates. The thinking behind this is: excessively large economic entities pose a danger to liberal democracies as a matter of principle (see also Stoller 2019a). Even if the issue of breaking up such entities is ultimately decided in the United States, transnational alliances and information flows can have a supportive effect.

Another approach that should be considered given the dominance of these platforms is to force them to share data. For instance, at its party conference in November 2019, the SPD decided to press for the introduction of mandatory data sharing (SPD 2019). According to the SPD proposal, companies which enjoy a dominant position in digital markets should be obliged to share their data in order to promote competition and innovation (Prüfer 2020). One further possible approach is to regulate leviathan platforms as though they were public utilities (Pasquale 2018). This type of regulation means that society recognises the monopolistic position of platforms and lays down rules about how their monopoly power can be exercised. For example, legislators could force platforms to enable universal access (Krisch/Plank 2018). Google has, in effect, a global monopoly of relevant information in certain domains. This information is also important for many sectors of public service provision, for instance in the field of transport planning. One could therefore consider granting Google a monopoly subject to specific conditions. At the same time, the question arises of which areas this monopoly should cover, what the resulting consequences would be, and how Google can be prevented from extending its dominant position to other markets. For instance, Google Maps is already a key navigation system used for local economic transactions. However, it can currently be observed how Google is moving from being an information agency to an evaluation agency (e.g. collection of user rankings), and to a certification agency in order to expand the range of its business activities: in the United States and Canada, Google now offers insurance cover for all of its certified providers of local services (e.g. plumbers) (Google 2019). Google helps users to find services, it informs the consumers of the expected service quality (based on the evaluation work of the ‘crowd’), and now it also guarantees that those services will meet a minimum standard of quality. If one thinks this strategy through, it becomes apparent that this is a massive attack not only on platforms such as Yelp, Tripadvisor and MyHammer, but also on established certification agencies (e.g. professional associations).

Finally, consideration is being given to introducing stricter market access rules in Europe (Stoller 2019b). A form of guidance can be provided by the concept of the “civilised market” (Kapeller et al. 2019). The key idea is that entrepreneurship and open markets must be compatible with a European set of values (e.g. social and ecological sustainability and the upholding of workers’ and consumers’ interests): only businesses which fulfil specific minimum standards could operate in the European market which comprises 513 million citizens. This could act as a means of putting pressure on American and Chinese platforms to adapt their corporate policies to European standards.

### 3.

## FROM REACTING TO ACTING

The considerations relating to the regulation of platforms highlight a basic dilemma: the strategy of ensuring greater competition is – as mentioned above – frequently undermined by unintended side effects or contradictory objectives. Improved coordination between regulatory bodies may minimise these contradictions and effects, but ultimately they cannot be entirely eliminated. Furthermore, regulatory considerations differ in terms of their effectiveness, yet they all have one thing in common: they ultimately consist of a reactive strategy rather than taking proactive action. In a platform economy which utilises the innovative abilities and characteristics of digital technologies and therefore accelerates the distribution and diffusion of new forms of organisation (Van Alstyne et al. 2016; Nambisan 2016), this strategy is not sufficient by itself. By suppressing the dominance of existing platforms and transforming increasing scepticism about existing practices into new values, the taming of platforms initially opens up an economic and cultural space. But how should this space be filled?

Between the high-tech digital capitalism of the United States which is driven purely by venture capital and shareholder value on the one hand, and the Chinese version which combines technological excellence with state control on the other hand,

there is space for an independent European vision. Both the German federal government and the European Union have developed strategies for this (cf. Digital Strategy 2025 and/or EU Commission 2010). These programmes include aspects such as data security and data sovereignty, and they emphasise specific objectives such as sustainability. These are valuable starting points for tackling the question of how Germany and the European Union should position themselves as independent and relevant actors on the world stage. The objectives that should form part of a proactive strategy are, in my opinion, derived from the following key question: how and under what circumstances can new technologies, and the embedding of them in new forms of organisation such as platforms, contribute to a socially integrated, free and civilised society? So that the use of technologies is not an end in itself but rather a process of negotiation in which values such as sustainability, justice, equality and freedom guide (economic) actions – in other words, a form of digital humanism as a guiding principle. How can this goal be achieved?

The following diagram outlines the building blocks which could take us towards a values-based form of European humanism (see Figure 1).

Figure 1  
Building blocks of European digital humanism



Source: produced by author.

**Entrepreneurial digital state:** What is needed is an “entrepreneurial state” (Mazzucato 2015) that fosters activity, takes action, and leverages its own buying power (e.g. as a purchaser and/or leading customer in the public sector).

At the national or European level, one objective may, for instance, be to create alternatives to social networks and information platforms. The lifeblood of these platforms is content. Even in the digital era, a decent public sector platform offering is needed alongside the private sector services on Facebook and YouTube. Public broadcasters in Germany already provide a wide range of services, but this landscape is fragmented and comprises numerous different streaming services and apps. In order to provide an attractive public alternative, the available programmes of all streaming services could be brought together on a single common infrastructure platform. This public sector platform could conceivably also enable users to upload their own video content, and it could enable comments to be posted about such content (Dobusch 2018). Furthermore, public broadcasters could also create a public sector ecosystem in which documents and explanatory videos are marked with a corresponding creative commons licence and embedded in one of the not-for-profit platforms with the widest reach – i.e. Wikipedia. This would exploit the complementary strengths of both public service organisations: Wikipedia provides well-written articles that are supplemented by the high-quality video services provided by the public sector (Dobusch 2019).<sup>19</sup>

The entrepreneurial state can also take action in other sectors of the platform economy, in particular at the local level. BVG, the public transport authority in Berlin, is taking a step in the right direction with Jelbi, which joins up all the different transport services (buses, trains, scooters, bicycles, cars, ridesharing and taxis). In all European cities all the available forms of transport (those run by the city authorities as well as third party systems) should be brought together on one application. Their large base of regular customers gives public transport providers a significant power base, so they could generate strong local network effects. If the size of the customer base reaches a ‘critical mass’ these effects could be used to guarantee that all public sector and private actors adhere to certain ground rules. Government platforms that provide access to social services are also conceivable. This also ties in with the thinking of other pioneering local authorities. Barcelona, for example, is experimenting with a vision that is based on data sovereignty and technological sovereignty, open standards, and open-source principles. Collaboration with cooperatives is encouraged as is the formation of alliances with local tech communities, universities and businesses as well as other cities such as Amsterdam. The starting point for the range of digital services is the needs of citizens (e.g. a focus on social innovation), and the idea that the concept is embedded in a policy which takes a sceptical view of privatisation. Part of this

strategy is also to specify a clear regulatory framework for platforms at the local level (Morozov/Bria 2017).

**New entrepreneurship:** The model of digital platform cooperatives that has been popularised by Trebor Scholz may represent one route to achieving a new kind of sustainable entrepreneurship (Scholz/Schneider 2017). The line of argument here is that if digital technologies reduce organisational costs, it should also be easier to organise alternative platform models (see also Thäter/Gegenhuber, no date given). These could, for instance, be used in the field of marketplaces for services. For example, CoopCycle is trying to position itself as a Europe-wide alternative to sites like Deliveroo and foodora etc. (Henning 2019). Why shouldn’t there also be a Europe-wide network of, for example, local cleaning service platforms which share their technology on an open-source basis, and which enable the cleaning workforce to have higher wages as well as a say in how the businesses are run (cf. Gegenhuber et al. 2018)? In the case of these transactions (i.e. cleaning or the delivering of meals) the platform network effects are mainly local (Zhu/lansiti 2019), and local knowledge can be an advantage (Yu 2018). Nevertheless, so far there is no ecosystem which creates a conducive environment for such developments, such as the promotion of platform cooperatives as a form of social entrepreneurship (including learning about such forms of organising at universities), the introduction of mini-cooperatives as a means of reducing legal barriers, and the support of alternative forms of infrastructure such as open-source street maps.

#### **Tools which assist with the creation of an ecosystem for digital humanism:**

- **Education and cultural change:** At educational institutions there is a need for an approach to digital media which goes beyond purely technological aspects. The humanities, cultural studies and social sciences have a crucial role to play in enabling people to think in a critical and reflective manner about the implications of the use of digital technologies at all levels (society, organisations, groups and the individual). This should not be interpreted as a form of opposition to increased teaching of computer science. This is not an “either-or” choice, rather it is an “as well as” approach. In my approach to the structuring of digitalisation I advocate the idea that formal educational institutions can learn from informal communities of practice, such as the maker movement and coding communities. Whereas in our education system the assessment of performance is based on the deviation from perfection, these communities follow an approach to learning which is informed by one’s mistakes (van Deest/Gegenhuber 2019). A good example of this is the “Code Curious Rails Girls Berlin” (Rails Girls Berlin 2019) community which claims to have taught over a thousand women programming skills through informal and social learning.

This example of a coding community was deliberately chosen in order to underline the connection between education and cultural change: technology-based start-ups have been male-dominated up until now (Wheadon/ Duval-Cou-

<sup>19</sup> The article on the subject of the climate model which already contains a video from the “Terra X” documentary series on the ZDF TV channel is a prototype which shows the usefulness of this ecosystem strategy (Wikipedia 2019; ZDF 2019).

etil 2019). More women and more diversity are needed in this sector. Achieving this requires an all-encompassing approach.<sup>20</sup>

Support could be given in the form of proactive state funding for such “women for women” digital communities which would stimulate their growth. A desired effect could be that platform design and the regulations governing it have a great deal of influence on the social impact of a platform. Functions which aren’t properly thought out may lead to forms of discrimination (Levi/Barocas 2017). Greater diversity in development and management teams could act as an antidote to potential tendencies towards discrimination and inequality within (new) platform interfaces. Another effect is that new start-ups and initiatives are generated by these organisations, and that they have the standards and values of equal rights written into their DNA (cf. Phillips 2005; Rocha/van Praag 2020).

Finally, the issue of education also includes a clear commitment to open educational resources (OER, i.e. free teaching and learning materials) as well as independent digital forms of educational infrastructure. The first steps have already been taken in Germany (cf. Open Education Resources 2019; Heimstädt & Gegenhuber 2019) – and it goes without saying that publicly funded materials which are used for disseminating knowledge must be made available under a free licence.

- **Recruitment and strategic alliances:** The world’s sharpest minds are needed in order to inspire and devise a real European alternative. Besides a massive expansion of research and development in Europe, what is also needed in the short term is the targeted headhunting of talented individuals and experts from the United States’ top universities. Graduates could be attracted by offering to pay the tuition fees that they have so far incurred in exchange for a commitment to work in Europe for a specific number of years. For this to work there needs to be a number of strategic metropolitan areas within the EU (e.g. Amsterdam, Berlin, Barcelona, Paris, Warsaw, Vienna) which provide an inspiring environment and a setting which fosters creativity (for entrepreneurs or employees in private or public sector companies as well as in innovative public agencies.<sup>21</sup> This issue also highlights how painful Brexit is. Strategic alliances with Britain (London) and Canada (Toronto is an increasingly important tech hub) are crucial. In addition, the European Union should specifically try to recruit former ‘leviathan’ employees to work for supervisory authorities (once any non-competition clauses have expired). It is precisely those employees who express criticism while working for Google, Amazon or Facebook – and who are sanctioned or even sacked by those employers – who may be interested in such offers.

**Proactive state investment and support policies:** Sufficient financial resources should be mobilised in order to make strategic investments. This could be ensured institutionally by creating a German ‘future fund’ (Wolter/Phillips 2019) or a strategic state fund (Ferschli et al. 2019). Finally, not only is the development of new sources of income required (e.g. a digital tax, a financial transactions tax or a wealth tax), but also the mobilisation of private European capital (e.g. the provision of targeted incentives for risk capital in appropriate sectors). The state must be able to invest in strategically important sectors. Jelbi, for example, is based on the Trafi mobility platform. According to Crunchbase, Trafi has so far received private and public funding (Crunchbase 2020). If Trafi is central to a European mobility strategy, then it would make sense to put significant strategic investment into it. Furthermore, the government can use a state fund or a ‘future fund’ to promote an open-innovation approach in order to generate new innovations. The investment policy can be used to ensure the scalability of social innovations and social entrepreneurship, and to increase their effectiveness (cf. Buhr et al. 2019).<sup>22</sup> In addition, an institution such as a ‘future fund’ could manage proactive support programmes and undertake ‘innovation scouting’. In view of its central role, the staff of this agency must include a high proportion of women while meeting other diversity targets (Malmström et al. 2017).

The initial components of a strategic approach for creating a form of European digital humanism have already been put in place. In order to transform these components into a solid foundation and to make European digital humanism possible, there must be a resolute sense of political purpose and a broad political movement which inspires people and invites them to actively contribute.

<sup>20</sup> It is not possible to examine in detail the issues that are involved here. The article by Wynn (2019) summarises the challenge involved in ensuring greater equality in technology-based companies.

<sup>21</sup> Innovative public agencies may for instance be innovation labs, the new digital “supervisory authority” or the “Office for Regulatory Experimentation” (cf. Johar 2018).

<sup>22</sup> Strictly speaking, this point forms part of an entrepreneurial state. I handle these points separately in order to differentiate between acting on one’s own account and acting in support of others.

# Bibliography

- ACCC – Australian Competition and Consumer Commission** 2018: Digital Platforms Inquiry: Preliminary Report, <https://www.accc.gov.au/system/files/ACCC%20Digital%20Platforms%20Inquiry%20-%20Preliminary%20Report.pdf> (9.2.2020).
- ARS Electronica** 2019: European Platform for Digital Humanism, <https://ars.electronica.art/outofthebox/en/humanism/> (9.2.2020).
- Baldwin, C. Y.** 2017: Explaining the Vertical-to-Horizontal Transition in the Computer Industry, Harvard Business School Working Paper 17-084.
- Bauer, R.M.; Gegenhuber, T.** 2017. Crowdsourcing: Intermediäre und die Rationalisierung von Wirtschaft und Gesellschaft (Intermediaries and the Rationalisation of the Economy and Society), in: Aulenbacher et al. (publ.): Leistung und Gerechtigkeit: Das umstrittene Versprechen des Kapitalismus (Performance and Justice: the controversial promise of capitalism), Weinheim–Basel, p. 355–372.
- Bauer, R. M.; Gegenhuber, T.** 2015: Crowdsourcing: Global Search and the Twisted Roles of Consumers and Producers, in: Organization 22 (5), p. 661–681.
- BDI (Federation of German Industries)** 2019: Deutsche digitale B2B-Plattformen (German digital B2B platforms), <https://bdi.eu/media/publikationen/#/publikation/news/deutsche-digitale-b2b-plattformen/> (9.2.2020).
- Bundeskartellamt (German Federal Cartel Office)** 2019: The German Federal Cartel Office prohibits Facebook from amalgamating user data from different sources, [https://www.bundeskartellamt.de/SharedDocs/Meldung/DE/Pressemitteilungen/2019/07\\_02\\_2019\\_Facebook.html](https://www.bundeskartellamt.de/SharedDocs/Meldung/DE/Pressemitteilungen/2019/07_02_2019_Facebook.html) (9.2.2020).
- Bundesministerium für Wirtschaft und Energie (Federal Ministry for Economic Affairs and Energy)** 2016: Digitale Strategie 2025 (2025 Digital Strategy), <https://www.bmwf.de/Redaktion/DE/Publikationen/Digitale-Welt/digitale-strategie-2025.html> (9.2.2020).
- Crémer, J.; De Montjoye, Y.-A.; Schweitzer, H.** 2019: Competition Policy for the Digital Era, European Commission, Brussels.
- Crunchbase** 2020: Trafi, <https://www.crunchbase.com/organization/trafi#section-investors> (15.4.2020).
- Dachwitz, I.** 2019: Kartellamt gegen Facebook (The German Federal Cartel Office versus Facebook): Das OLG Düsseldorf schaut mit dem Tunnelblick auf die Datenfrage (The Dusseldorf Higher Regional Court takes a blinkered view of data issues) <https://netzpolitik.org/2019/kartellamt-gegen-facebook-das-olg-duesseldorf-schaut-mit-dem-tunnelblick-auf-die-datenfrage/> (9.2.2020).
- Dachwitz, I.; Rebiger, S.; Fanta, A.** 2018: Den Datenfischern die Netze kappen: Ideen gegen die Marktmacht der Plattformen (Cutting the data fishers' nets: ideas for stemming the market power of the platforms), <https://netzpolitik.org/2018/den-datenfischern-die-netze-kappen-ideen-gegen-die-marktmacht-der-plattformen/> (9.2.2020).
- DGB (German Trade Union Confederation)** 2019a: Theorie trifft Praxis: Betriebsbegriff und Mitbestimmung in der Plattformökonomie (The Interplay of Theory and Practice: the concept of a business and worker participation in the platform economy), workshop, September 2019, Berlin.
- DGB** 2019b: Regeln für die Plattformarbeit, Positionspapier (Rules for Platform Working, position paper), <https://www.dgb.de/themen/++co++ca368f38-f961-11e9-8aa8-52540088cada> (9.2.2020).
- Del Rey** 2019: Amazon's Invincibility Is Showing Some Cracks – And a Big One Is in India, <https://www.vox.com/2019/2/1/18205635/amazon-india-regulations-q4-earnings-prime-online-retail> (9.2.2020).
- Deubler, Wolfgang; Klebe, Thomas** 2015: Crowdwork: Die neue Form der Arbeit: Arbeitgeber auf der Flucht? (Crowdwork: The New Form of Work: employers on the run?), in: NZA 2015 (17), p. 1,032–1,041.
- Die Presse** 2019: Streit um Ortstaxe: Wien bleibt gegenüber Airbnb hart (Local tax dispute: Vienna stands firm against Airbnb), [https://diepresse.com/home/panorama/wien/5652795/Streit-um-Ortstaxe\\_Wien-bleibt-gegenueber-Airbnb-hart](https://diepresse.com/home/panorama/wien/5652795/Streit-um-Ortstaxe_Wien-bleibt-gegenueber-Airbnb-hart) (9.2.2020).
- Dittrich, P.-J.** 2018: Online Platforms and How to Regulate Them: An EU Overview, [https://www.bertelsmann-stiftung.de/fileadmin/files/user\\_upload/EZ\\_JDI\\_OnlinePlatforms\\_Dittrich\\_2018\\_ENG.pdf](https://www.bertelsmann-stiftung.de/fileadmin/files/user_upload/EZ_JDI_OnlinePlatforms_Dittrich_2018_ENG.pdf) (9.2.2020).
- Dobusch, L.** 2018: Internetintendanz: Öffentlich-rechtliches Internet jenseits der Anstalten (Supervision of the Internet: a public sector internet that is not based on institutions), <https://18.re-publica.com/en/session/internetintendanz-offentlich-rechtliches-internet-jenseits-anstalten> (9.2.2020).
- Dobusch, L.** 2019: Von Sender-Silos zum öffentlich-rechtlichen Ökosystem (From Sender Silos to a Public Sector Ecosystem), <https://19.re-publica.com/de/session/sender-silos-zum-offentlich-rechtlichen-okosystem> (9.2.2020).
- EU JRC** 2018: The 2018 EU Industrial R&D Investment Scoreboard, <https://ec.europa.eu/jrc/en/publication/2018-eu-industrial-rd-investment-scoreboard> (9.2.2020).
- EU Commission** 2017: Mergers: Commission Fines Facebook 110 Million for Providing Misleading Information about WhatsApp Takeover, Brussels, [https://ec.europa.eu/commission/presscorner/api/files/document/print/en/ip\\_17\\_1369/IP\\_17\\_1369\\_EN.pdf](https://ec.europa.eu/commission/presscorner/api/files/document/print/en/ip_17_1369/IP_17_1369_EN.pdf) (15.4.2020).
- EU Commission** 2018: Proposal for a Regulation Promoting Fairness and Transparency for Business Users of Online Intermediation Services, <https://ec.europa.eu/digital-single-market/en/news/regulation-promoting-fairness-and-transparency-business-users-online-intermediation-services> (9.2.2020).
- EU Commission** 2010: Europe 2020, <https://ec.europa.eu/eu2020/pdf/COMPLET%20EN%20BARROSO%20%20%20007%20-%20Europe%202020%20-%20EN%20version.pdf> (15.4.2020).
- Ferschli, B., Rehm, M., Schnetzer, M., & Zilian, S.** 2019: Marktmacht, Finanzialisierung, Ungleichheit: Wie die Digitalisierung die deutsche Wirtschaft verändert (Market Power, Financialisation, Inequality: how digitalisation is changing the German economy), Berlin.
- FairTube** 2019: Homepage, <https://www.fairtube.info/en/> (9.2.2020).
- Gegenhuber, T.; Ellmer, M.; Scheba C.** 2018: Partizipation von CrowdworkerInnen auf Crowdsourcing-Plattformen: Bestandsaufnahme und Ausblick (Participation of Crowdworkers on Crowdsourcing Platforms: current overview and future prospects), <https://www.econstor.eu/handle/10419/180404> (9.2.2020).
- Google** 2019: The Google Guarantee, <https://support.google.com/google-ads/answer/7549288?hl=en> (10.2.2019).
- Gurran, N.; Phibbs, P.** 2017: When Tourists Move in: How Should Urban Planners Respond to Airbnb?, in: Journal of the American Planning Association 83 (1), p. 80–92.
- Heimstädt, M.; Gegenhuber, T.** 2019: Digitale Transformation der Hochschulbildung: Möglichkeiten strategischen Handelns (Digital Transformation of Higher Education: the possibilities for strategic action), in : Trecek, T. v.; Deimann, M. (publ.): Neues Handbuch digitale Hochschullehre (New Manual for Digital Higher Education), Berlin.
- Hinings, B.; Gegenhuber, T.; Greenwood, R.** 2018: Digital Innovation and Transformation: An Institutional Perspective, in: Information and Organization 28 (1), p. 52–61.
- Jacobs, L.** 2018: Und trotzdem fährt ein Uber (Uber just keeps on going), <https://www.zeit.de/arbeit/2018-12/uber-black-bundesgerichtshof-rechtsverstoess-urteil-folgen> (9.2.2020).
- Johar, I.** 2018: The Necessity of a Boring Revolution, <https://provocations.darkmatterlabs.org/the-necessity-of-a-boring-revolution-a71b1ae6f956> (9.2.2020).
- Kapeller, J. et al.** 2019: From Free to Civilized Trade: A European Perspective, <https://www.tandfonline.com/doi/abs/10.1080/00346764.2016.1168033> (10.2.2019).
- Kenney, M.; Zysman, J.** 2016: The Rise of the Platform Economy, in: Issues in Science and Technology (Spring 2016), p. 61–69.
- Kirchner, Stefan** 2019: Zeit für ein Update – Was die Menschen in Deutschland über Digitalisierung denken (Time for an Update – What people in Germany think about Digitalisation), Friedrich-Ebert-Stiftung, Bonn.



- Krähling, C.** 2019: Behandeln Sie die Amazon-Mitarbeiter/innen fair! (Treat Amazon employers fairly!), <https://www.verdi.de/themen/geld-tarif/amazon/++co++217910b4-68ca-11e4-a52a-5254008a33df> (9.2.2020).
- Krisch, A.; Plank, L.** 2018: Internet-Plattformen als Infrastrukturen des digitalen Zeitalters (Internet Platforms as Infrastructure of the Digital Era), Vienna.
- Leshinsky, R.; Schatz, L.** 2018: "I don't think my landlord will find out": Airbnb and the Challenges of Enforcement, in: *Urban Policy and Research* 36 (4), p. 417–428.
- Levy, K.; Barocas, p.** 2017: Designing Against Discrimination in Online Markets, in: *Berkeley Technology Law Journal* 32, p. 1.183–1.238.
- Lobo, S.** 2014: Auf dem Weg in die Dumpinghölle (The Road Towards a Dumping Pandemonium), in: *Spiegel Online*, 4.9.2014, <http://www.spiegel.de/netzwelt/netzpolitik/sascha-lobo-sharing-economy-wie-bei-uber-ist-plattform-kapitalismus-a-989584.html> (9.2.2020).
- Lomborg, S.** 2013: *Social Media Social Genres: Making Sense of the Ordinary*, New York.
- Lücking, S.** 2019: Arbeiten in der Plattformökonomie: Über digitale Tagelöhner, algorithmisches Management und die Folgen für die Arbeitswelt (Working in the Platform Economy: digital pieceworkers, management by algorithms, and the consequences for the world of work), [https://www.boeckler.de/pdf/p\\_fofoe\\_report\\_005\\_2019.pdf](https://www.boeckler.de/pdf/p_fofoe_report_005_2019.pdf) (10.2.2019).
- Kornberger, M.** 2017: The Visible Hand and the Crowd: Analyzing Organization Design in Distributed Innovation Systems, in: *Strategic Organization* 15 (2), p. 174–193.
- Martineau, P.** 2018 : Zuckerberg's Testimony Contradicted His Own Privacy Ops Team, <https://theoutline.com/post/4145/zuckerbergs-testimony-contradicted-by-his-own-privacy-ops-team?zd=1&zi=2q6bai77>
- Mazzucato, M.** 2015: *The Entrepreneurial State: Debunking Public vs. Private Sector Myths*, New York.
- Morozov, E.** 2019: Wettbewerb und Kooperation im Digitalen Kapitalismus (Competition and Cooperation in Digital Capitalism), in: *Digitaler Kapitalismus: Der Kongress*, 30.10.2019, <https://www.fes.de/digitalcapitalism/liveblog> (10.2.2019).
- Murillo, D.; Buckland, H.; Val, E.** 2017: When the Sharing Economy Becomes Neoliberalism on Steroids: Unravelling the Controversies, in: *Technological Forecasting and Social Change*, 125 (Mai), p. 66–76.
- Nachtwey, O.** 2019: Der Geist des digitalen Kapitalismus: Solution und Techno-Religion (The Spirit of Digital Capitalism: Solution and Techno-Religion), <https://19.re-publica.com/de/session/geist-des-digitalen-kapitalismus-solution-techno-religion> (10.2.2019).
- Nambisan, S.** 2016: Digital Entrepreneurship: Toward a Digital Technology Perspective of Entrepreneurship, in: *Entrepreneurship: Theory and Practice* 41 (6), p. 1.029–1.055.
- Nunes, A.; Hernandez, K.** 2019: The Cost of Self-Driving Cars Will Be the Biggest Barrier to Their Adoption, <https://hbr.org/2019/01/the-cost-of-self-driving-cars-will-be-the-biggest-barrier-to-their-adoption> (9.2.2020).
- Nicas, J.** 2017: YouTube Tops 1 Billion Hours of Video a Day, on Pace to Eclipse TV, <https://www.wsj.com/articles/youtube-tops-1-billion-hours-of-video-a-day-on-pace-to-eclipse-tv-1488220851> (10.2.2019).
- Ombudsstelle Crowdwork** 2019: Crowdsourcing Code of Conduct – Ombuds Office, <https://ombudsstelle.crowdwork-igmetall.de/de.html> (9.2.2020).
- Open Educational Resources** 2019: Über die Informationsstelle OER (About the OER Help Point), <https://open-educational-resources.de/ueber-oerinfo/ueber-die-informationsstelle-oer/> (10.2.2019).
- Parker, G. G.; Van Alstyne, M. W.; Choudary, S. P.** 2016: *Platform Revolution: How Networked Markets Are Transforming the Economy and How to Make Them Work for You*, New York.
- Pasquale, F.** 2016: Two Narratives of Platform Capitalism, in: *Yale Law & Policy Review* 35 (1), p. 309–320.
- Pasquale, F.** 2018: *Digitale Kapitalismus: Wie zähmen wir die Tech-Giganten?* (Digital Capitalism: how do we tame the tech giants?), WISO direkt, Friedrich-Ebert-Stiftung, Bonn, <http://library.fes.de/pdf-files/wiso/14443.pdf> (10.2.2019).
- Paul, K.** 2019: Twitter and Facebook Crack Down on Accounts Linked to Chinese Campaign Against Hong Kong, <https://www.theguardian.com/technology/2019/aug/19/twitter-china-hong-kong-accounts> (9.2.2020).
- Phillips, D. J.** 2005. Organizational Genealogies and the Persistence of Gender Inequality: The Case of Silicon Valley Law Firms, in: *Administrative Science Quarterly* 50 (3), p. 440–472.
- Pietron, D.** 2019. Digitale Souveränität durch Interoperabilität: Zur Möglichkeit dezentraler sozialer Netzwerke in der Plattformökonomie (Digital Sovereignty Through Interoperability: the possibility of decentral social networks in the platform economy), <http://library.fes.de/pdf-files/wiso/15852.pdf> (10.2.2020).
- Prix Ars** 2019: BitSoil Popup Tax & Hack Campaign, <http://prix2018.aec.at/prixwinner/28444/> (10.2.2019).
- Prüfer, J.** 2020. Die Datenteilungspflicht Innovation und fairer Wettbewerb auf datengetriebenen Märkten (The New Data Sharing Obligation and Fair Competition in Data-Driven Markets), <http://library.fes.de/pdf-files/fes/15990.pdf> (12.3.2020).
- PwC** 2019: Global Top 100 Companies by Market Capitalisation, <https://www.pwc.com/gx/en/audit-services/publications/assets/global-top-100-companies-2019.pdf> (10.2.2019).
- Rails Girls Berlin** 2019: Homepage, <http://railsgirlsberlin.de> (9.2.2020).
- Reda, J.** 2019: Upload Filters, <https://juliareda.eu/eu-copyright-reform/censorship-machines/> (9.2.2020).
- Risak, M.; Dullinger, T.** 2018: The Concept of ‚Worker‘ in EU Law Status Quo and Potential for Change, Brussels.
- Reynolds, M.** 2018: Google's Article 13 Link Tax Threat Has Put Publishers on Red Alert, <https://www.wired.co.uk/article/article-13-link-tax-eu-11> (9.2.2020).
- Rocha, V., & van Praag, M.** 2020: Mind the Gap: The Role of Gender in Entrepreneurial Career Choice and Social Influence by Founders, in: *Strategic Management Journal*, (November 2017), p. 1–26.
- Rudl, T.; Fanta, A.** 2019: EU-Kommission erwägt neues Gesetz für Plattformen (EU Commission considers new law for platforms), <https://netzpolitik.org/2019/geleaktes-arbeitspapier-eu-kommission-erwaegt-neues-gesetz-fuer-plattformen/> (9.2.2020).
- Sängerlaub, A. et al.** 2018: Fakten statt Fakes: Verursacher, Verbreitungswege und Wirkungen von Fake News im Bundestagswahlkampf 2017 (Facts not Fakes: the originators, means of dissemination and effects of fake news in the 2017 federal election campaign), [https://www.stiftung-nv.de/sites/default/files/snv\\_fakten\\_statt\\_fakes.pdf](https://www.stiftung-nv.de/sites/default/files/snv_fakten_statt_fakes.pdf) (9.2.2020).
- Scholz, T. and Schneider, N. (publ.)** 2017: *Ours to Hack and to Own: The Rise of Platform Cooperativism, a New Vision for the Future of Work and a Fairer Internet*, New York; London.
- Sitaraman, G.** 2018: Regulating Tech Platforms: A Blueprint for Reform, [https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=3278418](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3278418) (10.2.2019).
- Schmidt, F. A.** 2017: *Arbeitsmärkte in der Plattformökonomie: Zur Funktionsweise und den Herausforderungen von Crowdwork und Gigwork* (Labour Markets in the Platform Economy: how crowdworking and the gig economy function, and the associated challenges), <http://library.fes.de/pdf-files/wiso/12826.pdf> (9.2.2020).
- SPD** 2019: Digitaler Fortschritt durch ein Daten-für-alle-Gesetz (Digital Progress via a Law Mandating Open Data Access), [https://www.spd.de/fileadmin/Dokumente/Sonstiges/Daten\\_fuer\\_Alle.pdf](https://www.spd.de/fileadmin/Dokumente/Sonstiges/Daten_fuer_Alle.pdf) (9.2.2020).
- Srnicke, N.** 2017: *Platform Capitalism*, Cambridge.
- Stalder, F.** 2018: *The Digital Condition*. Cambridge.
- STARTS Prize** 2019: STARTS Prize: 2019 Winners, <https://starts-prize.aec.at/en/winners2019/> (10.2.2019).
- Stoller, M.** 2019a: *Goliath: The 100-Year War Between Monopoly Power and Democracy*, <https://www.simonandschuster.com/books/Goliath/Matt-Stoller/9781501183089> (10.2.2019).
- Stoller, M.** 2019b: Markt. Macht. Monopol. Wie regulieren wir die digitale Wirtschaft? (Markets. Power. Monopolies. How do we regulate the digital economy?), in: *Digitaler Kapitalismus: Der Kongress*, 30.10.2019, <https://www.fes.de/digitalcapitalism/liveblog> (10.2.2019).
- Sundararajan, A.** 2017: *The Sharing Economy: The End of Employment and the Rise of Crowd-based Capitalism*, Cambridge.
- Thäter, L.; Gegenhuber, T. o. J.** Plattformgenossenschaften: Mehr Mitbestimmung durch die digitale Renaissance einer alten Idee? (Platform Cooperatives: increased worker participation due to the digital renaissance of an old idea?), in: Bader, V. ; Kaiser, S. (publ.): *Datafizierung und Neue Arbeitsweisen: Herausforderungen, Chancen und Zukunftsvisionen für Mitbestimmung und Personalmanagement*, im Erscheinen (Datafication

and New Methods of Working: challenges, opportunities and visions of the future for worker participation and personnel management), not yet published.

**The Great Democracy Initiative** 2018: Regulating Tech Platforms: A Blueprint for Reform, in: Vanderbilt Law Research Paper No. 18-64, <https://ssrn.com/abstract=3278418> (10.2.2019).

**Thompson, B.** 2018: Data Factories, <https://stratechery.com/2018/data-factories/> (9.2.2020).

**United States Securities and Exchange Commission** 2019: Alphabet 10-K Form, [https://abc.xyz/investor/static/pdf/20180204\\_alphabet\\_10K.pdf?cache=11336e3](https://abc.xyz/investor/static/pdf/20180204_alphabet_10K.pdf?cache=11336e3) (9.2.2020).

**Van Alstyne, M. W.; Parker, G. G.; Choudary, P.** 2016: Pipelines, Platforms and the New Rules of Strategy: Scale Now Trumps Differentiation, in: Harvard Business Review (April), p. 54–62.

**Van Deest, J.; Gegenhuber, T.** 2019: Einen gemeinsamen Code finden (Finding a Common Code), in: DUZ – Wissenschaft und Management 9 (2019), p. 38-42.

**Wachsmuth, D. et al.** 2018: The High Cost of Short-Term Rentals in New York City, <https://mcgill.ca/newsroom/files/newsroom/channels/attach/airbnb-report.pdf> (9.2.2020).

**Wambach, A.** 2019: Update der Wettbewerbspolitik für die digitalisierte Wirtschaft (Update on competition policies for the digitalised economy), WISO direkt, Friedrich-Ebert-Stiftung, <http://library.fes.de/pdf-files/wiso/15535.pdf> (9.2.2020).

**Weber, E.**, 2019: Digitale Soziale Sicherung: Entwurf eines Konzepts für das 21. Jahrhundert (Digital Social Security: draft of a plan for the 21st century), [dashttps://www.boeckler.de/pdf/p\\_fofoe\\_WP\\_137\\_2019.pdf](https://www.boeckler.de/pdf/p_fofoe_WP_137_2019.pdf) (10.2.2019).

**Wegmann, J.; Jiao, J.** 2017: Taming Airbnb: Toward Guiding Principles for Local Regulation of Urban Vacation Rentals Based on Empirical Results from Five US Cities, in: Land Use Policy 69.

**Wikipedia** 2019: Klimamodell (Climate Model), <https://de.wikipedia.org/wiki/Klimamodell> (10.2.2019).

**Wheadon, M.; Duval-Couetil, N.** 2019: Token Entrepreneurs: A Review of Gender, Capital, and Context in Technology Entrepreneurship, in: Entrepreneurship and Regional Development 31 (3-4), p. 308–336.

**Wolter, P.; Phillips, R.** 2019: Der Zukunftsfonds Deutschland: Ein Weg zur Stärkung des Innovationsstandorts? (The Future Fund for Germany: a way to strengthen it as an innovation hub?), WISO direkt, Friedrich-Ebert-Stiftung, <http://library.fes.de/pdf-files/wiso/15407.pdf> (9.2.2020).

**Wynn, A. T.** 2019: Pathways Toward Change: Ideologies and Gender Equality in a Silicon Valley Technology Company, in: Gender and Society, p. 1–25.

**Yu, H.** 2018: For Some Platforms, Network Effects Are no Match for Local, <https://hbr.org/2018/07/for-some-platforms-network-effects-are-no-match-for-local-know-how> (10.2.2019).

**ZDF** 2019: Terra X: Erklärvideos zu Klimafaktoren und Klimawandel zur freien Nutzung (Free to use explanatory videos relating to climate parameters and climate change), <https://www.zdf.de/dokumentation/terra-x/terra-x-creative-commons-cc-100.html> (10.2.2019).

**Zhu, F.; Iansiti, M.** 2019: Why Some Platforms Thrive and Others Don't, in: Harvard Business Review 97 (1), p. 118–125.

**Zuboff, S.** 2015: Big Other: Surveillance Capitalism and the Prospects of an Information Civilization, in: Journal of Information Technology 30 (1), p. 75–89.

## Die Friedrich-Ebert-Stiftung

The Friedrich-Ebert-Stiftung (FES) was founded in 1925, and it's the political foundation with the longest history in Germany. It has remained true to the legacy of its founder and namesake, and it upholds the values of social democracy: freedom, justice and solidarity. Its ideals are linked to the Social Democratic Party and free trade unions.

The FES promotes social democracy primarily through:

- political education work to strengthen civil society
- political consultancy work
- international collaboration with foreign offices in over 100 countries
- providing financial support for gifted students
- preserving the collective memory of social democracy with facilities including an archive and a library

## IMPRINT

© 2020

### **Friedrich-Ebert-Stiftung**

Godesberger Allee 149, 53175 Bonn

Orders/contacts: [BeMo@fes.de](mailto:BeMo@fes.de)

The views expressed in this publication are not necessarily those of the Friedrich-Ebert-Stiftung. The commercial exploitation of the media published by the FES is allowed only with the written permission of the FES.

**ISBN: 978-3-96250-625-4**

Cover photo: Monkey Business/ mozzz – [stock.adobe.com/Composing: zumweissenroessler.de](https://stock.adobe.com/Composing: zumweissenroessler.de)

Design concept: [www.bergsee-blau.de](http://www.bergsee-blau.de)

Implementation/layout: [www.zumweissenroessler.de](http://www.zumweissenroessler.de)

Printing: [www.bub-bonn.de](http://www.bub-bonn.de)

Printed on RecyStar Polar (100 percent recycled paper, Blue Angel certified).

## FOR A BETTER TOMORROW

### A vision for digital Europe

Digital platforms are an integral part of our social lives. They not only shape large sections of the commercial internet, they are also reshaping traditional markets and sectors. The platformisation of the economy is accompanied by a major concentration of market power. This presents a real danger which doesn't just threaten competition. The platform economy poses a variety of challenges to the European economic and social model. The call for regulation is becoming louder. But how can platforms be tamed? There is more than one answer to this question. This study shows which regulation strategies and approaches might be successful for which types of platform.

Between the digital capitalism found in the United States and driven by shareholder value, and the Chinese version which combines technological excellence with state control, there is space for an independent European vision: a digital form of humanism. Regulation of the platforms is just the first step towards achieving this vision. Further important components for establishing a European digital humanism are: an entrepreneurial state which creates and promotes alternative public platform offerings; fair competition and a new entrepreneurial order which enables the market and society to organise alternative platform models; and a supportive ecosystem which extends from the field of education to proactive state support and investment policies.

#### The author

**Prof. Dr. Thomas Gegenhuber** is a Junior Professor of Business Administration focusing on the digital transformation at the Leuphana University of Lüneburg.



Further information about the project can be found at:  
[www.fes.de/fuer-ein-besseres-morgen](http://www.fes.de/fuer-ein-besseres-morgen)