

Digital Ecosystems and the Challenges to Competition Policy [Working Title]

Supervisor: Dr. Chayanin Wipusanawan <chayanin.wipusanawan@uni-passau.de>

Date: As of now

Type: Bachelor's Thesis, Master's Thesis

Language: English

Motivation:

Competition law's actions against mergers or agreements between firms conventionally centers on those between competing firms in the same defined markets. Agreements or mergers between firms in complementary or unrelated markets have historically been viewed as benign or even efficiency-enhancing. However, this conventional wisdom has come under increasing scrutiny in the context of digital markets, where the so-called 'Big Tech' firms have become conglomerates that have entered many weakly related or even unrelated markets, often through mergers and acquisitions. This concern is exemplified by the cases of Facebook's acquisitions of Instagram and WhatsApp, and Google's acquisition of Fitbit. The critics contend that these mergers strengthen the dominance of these firms across the markets with potential harms to consumers and social welfare. To them, the approvals of these mergers reveal the gaps in existing competition policy, and newer theories of harms based on ecosystems should be incorporated into competition policy enforcement.

The aim of the thesis is to explain to provide an overview of the issue. The thesis should include the theoretical explanations of ecosystems and the proposed explanations of the economic harms from mergers or agreements in complementary or unrelated markets.

References and Related Literature:

van den Boom, J., & Samranchit, P. (2022). Digital ecosystem mergers in big tech—A theory of long-run harm with applications. *Journal of European Competition Law & Practice*, 13(5), 365–371. <https://doi.org/10.1093/jeclap/lpab085>

Bourreau, M., & De Stree, A. (2019). *Digital conglomerates and EU competition policy*. https://cerre.eu/wp-content/uploads/2020/08/march_2019_digital_conglomerates_and_eu_competition_policy_marc_bourreau_alexandre_de_stree.pdf

Heidhues, P., Kösters, M., & Kőszegi, B. (2024). A theory of digital ecosystems. ECONtribute Discussion Paper 329. https://www.econtribute.de/RePEc/ajk/ajkdps/ECONtribute_329_2024.pdf

Jacobides, M. G., & Lianos, I. (2021). Ecosystems and competition law in theory and practice. *Industrial and Corporate Change*, 30(5), 1199–1229. <https://doi.org/10.1093/icc/dtab061>

Jenny, F. (2021). Competition law and digital ecosystems: Learning to walk before we run. *Industrial and Corporate Change*, 30(5), 1143–1167. <https://doi.org/10.1093/icc/dtab047>