

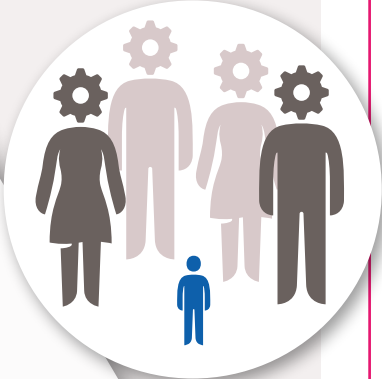
# Conceptual framework for data policy

The role of data in the economy is large and growing. Due to external effects and unequal balance of power, the data economy is not functioning in an optimal way. Our framework — the pyramid on the right — provides insight into various types of solutions.

**Bottleneck: Unequal balance of power**  
Data processors are often in a powerful position. Consumers and small businesses, therefore, have little or no choice and are in a poor bargaining position.

**Large differences in bargaining power**

*Problem: data processors are too powerful*



**Example**  
Mandatory data unbundling

**Example**  
Collective data agreement

Three types of solutions for a stronger data economy. Which one is chosen differs from case to case and depends on the size of both bottlenecks

**3. Direct government intervention**

**2. Strengthen the collective**

**1. Increase individual freedom of choice**

**Example**  
Restrictions on the collection of certain data

**Example**  
Incentives for data sharing

**Example**  
Standardised privacy agreements

**Example**  
Public databases

**Small differences**

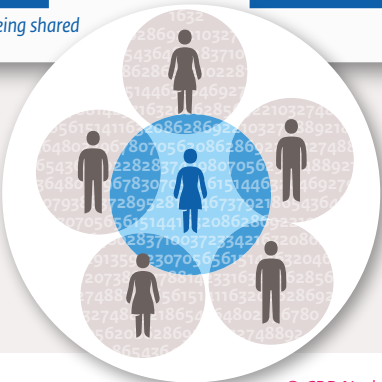
**Negative net external effect**

*Problem: too many data are being shared*

**No external effects**

**Positive net external effect**

*Problem: not enough data are shared*



**Bottleneck: external effects**  
External effects arise because data sharing also impacts the privacy or user experience of others.