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An Integrated Perspective

Yan Carrière-Swallow and Vikram Haksar

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Abstract

Is data the new oil of the digital economy? We provide a synthesis of data’s functions in the modern economy, as an input in the production function and as a means of shifting information across agents. We consider three characteristics of data that form a potential basis for policy interventions: (1) non-rivalry and the associated returns to scale and scope, (2) privacy externalities, and (3) partial excludability. We describe how data policy frameworks affect objectives for efficiency, equity, and stability, and discuss their implications for cross-border activities and the financial sector. An integrated approach to data policy is required to balance the complex trade-offs that arise across objectives. We identify four growing concerns that modern data policies must address, including via domestic and international cooperation among agencies.