Trusted Health Ecosystems
Concept for a national platform strategy

In the "Trusted Health Ecosystems" project we are creating a concept and a product vision for a national health platform of the future. This text is part of the overall concept which is published at www.trusted-health-ecosystems.org.

What is platform power?

Platforms. We all use them every day. Instagram, eBay, Uber, Wolt, Airbnb … Platforms are useful because they organize communication, coordination and transactions, and thus make all kinds of tasks easier. But if we're honest with ourselves, we also often feel uncomfortable with our dependence upon them. In the following article, I explain various aspects of platform power and its implications.

Platforms have power. Few would disagree with this truism. But there is often dispute about exactly what kind of power they have. For example, there is the issue of economic power. Platform companies often have vast amounts of money and resources that enable them to implement their ideas. In addition, they have market power. Platform companies are often described and analyzed as monopolies, or at least as actors that dominate their markets. And finally, platforms have data power. They collect mountains of data about us and our behavior, and about society as a whole. In addition, they can increasingly be said to have political power. Their lobbying corps are among Brussels' and Washington's largest, and they can often influence political discourse through their algorithms.

All of these analyses are correct. But it seems to me that these areas of power are themselves only the effects of an entirely different power. My thesis is that platforms have their own, very specific power, and that all these other forms of power derive from it.

Platform power

I am referring here to "platform power" (Seemann 2021): a power held and wielded only by platforms, and which can be explained only by their very special structure.

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Platform power consists of two parts:
- **Network power,** which draws individuals, institutions and other participants into the platform and binds them to it.
- **Control,** which allows platform operators to influence everything that happens on the platform.

Network power is actually just another name for "network effects." This term from the field of economics describes the circumstance in which actors always prefer the network that itself contains the greatest number of other actors. We all have seen how this works: A social network with no one else in it is not very appealing. To have value to me, a network must allow me to communicate with others. The value of a network is therefore directly related to its size.

However, this effect can also be described as a form of power (Grewal 2008). My decision to join one network or the other is not completely free, as it is strongly influenced by these network effects. At the same time, it's hard to leave a network in which I've already built a lot of relationships. This effect is also called "lock-in," because in a certain sense it prevents departures. Network effects thus draw people into a network and keep them there. For this reason, it also makes sense to speak of "network power."

But network power long predates digital platforms' arrival on the scene. Most of us learned English as our first foreign language, for example. This is partly because it is so useful to be able to speak English, given that English is the language spoken by the greatest number of other people in the world. The network power of the English language, one might say, is greater than that of French.

Network power exists everywhere in our lives. Gestures, languages, customs – all have network power because they rely on there being a sufficient number of other people able to recognize and interpret them. Platforms too have network power. But while no one is able on their own to control, change or exclude people from languages, gestures or customs, Instagram and Uber can determine who is allowed to access their networks and what people can do there.

This is where control, the second factor of platform power, comes into play. Platforms are technical infrastructures that give their operators many opportunities to exercise control. Simply by designing the platform's features, operators can determine which things are possible on them and which are not. They also have the ability to control what interactions happen on the platform via the search, recommendation or matching algorithms. And they can even decide to exclude certain people, or reduce their opportunities for interaction. Put these two things together – network power and the ability to exercise control – and a new form of power emerges: platform power.

The graph grab

Every platform faces an initial challenge: To be attractive to users, the platform must acquire network power. To do so, it must attract users. This is a chicken-and-egg problem that is difficult to solve. In the past, platforms have solved the dilemma by incorporating existing networks within themselves. Google, for example, sits on top of the world wide web, WhatsApp imports its users' contacts by uploading their address books, Uber initially poached cab drivers, and Facebook went from campus to campus in its early days persuading students at elite universities to join its platform.

The trick of integrating existing networks into your platform in order to make them the basis of your own network's growth is what I call "graph grabbing" *(Graphnahme)*. A graph grab of this kind conducted by profit-oriented platforms could pose a serious threat in the healthcare sector. I have developed a plausible scenario for this elsewhere (Seemann 2022).

The politics of platforms

Following the graph grab, a platform is more attractive to outsiders, and also has a community that interacts according to its rules. Like land grabbing, a graph grab is an act of political order-making (Schmitt 1950). That makes platforms political institutions: Every platform has a political effect both internally – mostly via moderation processes (domestic network policy) – and externally, because it has to engage with other powerful institutions, such as other platforms or states (foreign network policy).

It is no longer possible to understand today's politics without taking platform politics seriously. Google's past involvement in China, Facebook's influence on the U.S. elections, Elon Musk's purchase of Twitter: Platforms are political, even if they have long wanted to give a different impression. Even the incorporation of another set of networked relationships is a political act. Imagine if a private platform could gain similar control over the healthcare system, for example.

The business model

However, platform power is not only a source of political order-making; it is also the foundation of all platform business models. In one way or another, every platform business model uses network power and control as leverage to make certain user groups pay – whether by limiting access to features or by limiting access to other users. This is evident when Uber or Airbnb collect commissions, or when Amazon takes fees from merchants, for example. But even the advertising business model only represents the toll that advertisers pay to the commercial platforms in order to be allowed to reach the user base.

Enshittification

For-profit platforms face a contradiction here. On the one hand, a platform always wants to grow, because growth is the way to achieve platform power and thus usefulness. To do this, it must be as open as possible, and provide everyone access to everything. On the other hand, a platform usually also wants to earn money. To fulfill this goal, it must close itself off and limit access, because otherwise no one will pay the tolls. As a result of these conflicting dynamics, every platform goes through multiple phases.

Phases of a platform
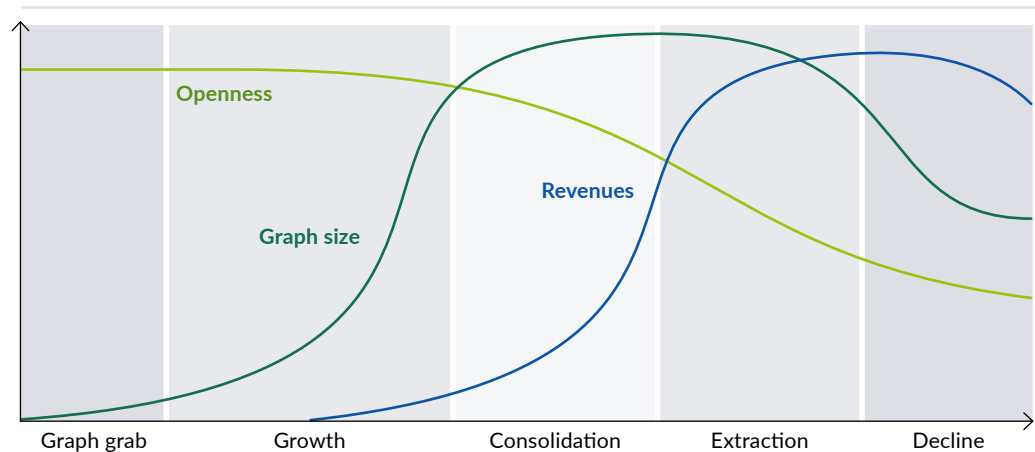
Source: The authors, based on Seemann 2021   ✷ Trusted Health Ecosystems

In the early phase – that is, shortly after the graph grab – a platform is focused on growth. In this phase, platforms try to be as useful as possible to everyone in order to acquire platform power. The platform finds its business model only once a significant number of people have joined and begun using it. The operator then determines the bottleneck points where it wants to exact tolls, and starts to close them little by little. As growth levels off, these access points are increasingly closed off, and tolls are collected in an increasing number of places. In the next phase, the platform is then concerned only with extracting the greatest amount of profit possible from the increasingly dependent community. Little by little, user options narrow, overall usefulness diminishes and use of the platform becomes increasingly expensive. Science-fiction author Cory Doctorow and net activist Rebecca Giblin call this process "enshittification" (Giblin & Doctorow 2022).

The ambivalence of platforms: Usefulness is power

It is incredibly difficult to get people to establish a common standard. In sociology, this is referred to as the "problem of collective action" (Olson 1965). Once

a common communication standard has been established, all communication participants benefit from it. That is the great merit of platforms. Therefore, we can't forget: Platforms are useful for the same reason they are powerful.

Platforms are a concept for organizing human interactions in which network power can be combined with control. Platform power is the foundation both of platforms' increasing political influence and their business models. Since most platform operators are capitalistic companies, they look for ways to skim off the added value they generate. To do so, they must inevitably limit access to inter-actions, and reduce the platform's usefulness.

Platforms are useful, and are dangerous precisely for that reason. Platforms should not be rejected as a matter of principle, but users should be very careful about which platforms they depend on. Especially when it comes to sensitive social settings such as healthcare.

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