SUSTAINABLE AND UNCHALLENGED ALGORITHMIC COLLUSION

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Hub and Spoke
1. Intentional v incidental.
2. Use of same algorithm.
3. Use of same provider.
4. Challenge – Identify a threshold of illegality - CMA, DOJ

Human driven tacit collusion –
1. Algorithmic interdependence (subject to market characteristics).
2. Communication as condition? ‘coordination problem hard/impossible to solve’
3. Challenge – Identify a threshold of illegality -
   ... rational reaction, observe and imitate, decode strategy, RPM,...
Algorithm driven tacit collusion –

1. Avoid disruption - will not be used if uncontrolled.
2. Initial observations - Q-learning

3. Challenge – Technology developments, undetected activity, illegality (?)
Paper available on SSRN:

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‘Sustainable and unchallenged algorithmic tacit collusion’