

Data-Enabled Regulation: Market-Based Solutions

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In many industries, data-intensive activities pose both difficulties and promises to effective regulation. Often, regulators lack access to, or ability to productively assess, the amount and variety of data used by regulated firms. Current advances in data collection and analysis tend to exacerbate these issues – as well as produce new ways for public-private cooperation.

In this case-study, the role of financial intermediaries will be discussed. Such firms act as effective gatekeepers, as well as potential facilitators to effective regulation. While large businesses are often addressed through specialized regulators who are able to collect their own data while utilizing that of the regulated firms, this is not the case for SMEs (small to medium enterprises). The study will thus focus on the case of SMEs in Israel, and the role of financial firms providing them with access to credit.