



The Daily Dish

Sideloading and the Complexity of Competition

DOUGLAS HOLTZ-EAKIN | MARCH 4, 2021

Eakinomics: Sideloading and the Complexity of Competition

One of the joys of my job is the chance to constantly learn new things. And as a certifiable dinosaur, I am always happy when these things include current and trendy concepts. So, let's talk "sideloading," [courtesy](#) of Jennifer Huddleston and Juan Londono. (This is Juan's debut piece at AAF; welcome Juan.)

Here's the issue: "Policymakers at both the federal and state level are scrutinizing Apple and Google for restrictions they have placed on the ability of users to access apps outside of app stores. On the mobile devices (such as phones and tablets) running these companies' operating systems, users either cannot access apps outside of the app store or must jump through a number of hoops to install such apps on their devices. Policymakers are scrutinizing whether such restrictions on 'sideloading'—the practice of installing an app not available in the app store—hurt competition."

The poster child for this issue is the dispute between Epic Games and Apple over the fact that Epic's game Fortnite is not in the Apple App Store. Epic contends that this is Apple restricting competition in the market for games on mobile devices running the iOS operating system. But the larger point is that consumers didn't have to choose Apple/iOS. They could choose the Android operating system. Or they could choose to play Fortnite on a game console or other device. There is, in fact, a myriad of options for those in the market for games. Similarly, Epic did not have to make Fortnite to run only on iOS. It also had the option of myriad platforms by which to reach consumers.

In short, the competition is also among platforms, and it is vigorous competition indeed. It is also not on a single dimension. Apple, for example, has featured security as an essential part of iOS, so in choosing Apple versus an Android phone the consumer is picking a bundle of security attributes, app store content, and other attributes. Forcing Apple and others to permit sideloading would endanger security and harm competition along the security dimension. As Huddleston and Londono put it, "For users who find it too limiting to only access the approved apps and would rather accept the cybersecurity risks, Android provides an alternative operating system, or they may accept the risks associated with some ways of working around the existing restrictions."

Stepping back from the sideloading issue, the success of the United States in the internet ecosystem can be traced to regulatory restraint and a continued adherence to a "light touch" approach to intervening in competition. This issue should be another of those occasions.