

PromethEUs DIGITAL CONFERENCE

TOWARDS A NEW EUROPEAN DIGITAL ENVIRONMENT Preparing for DSA and DMA revolution

16 June 2021, 16:35 – 19:00

SPEAKERS AND AUDIENCE

On 16 June, PromethEUs hosted its second Digital Conference, entitled *“Towards A New European Digital Environment. Preparing for DSA and DMA revolution”*.

The event aimed at addressing the **Digital Services Act (DSA)** and the **Digital Markets Act (DMA)**. Namely, the package of two legislative initiatives published by the European Commission, as part of its European Digital Strategy Shaping Europe’s Digital Future. While the former proposal amends the E-commerce Directive to ensure the best conditions for the provision of innovative digital services in the internal market, to contribute to online safety and the protection of fundamental rights (above all, freedom of expression and information) and to establish a sound and sustainable governance model for the supervision of intermediary service providers. The latter, on the other hand, aims to ensure contestability of digital markets, a fair B2B relationship between market gatekeepers and their users and strengthen the internal market by providing harmonised rules across the Union.

As the debate on these topics has recently intensified within the European Institutions and the national capitals, **PromethEUs wanted to provide a forum for 15 high-level representatives from EU and national institutions, research and business organisations, trade and consumer associations and other relevant stakeholders**, in order to take stock of the initiatives and the Commission Digital Strategy.

The event was opened and moderated by **Stefano da Empoli**, President, I-Com – the Institute for Competitiveness, who then left the floor to **Michael Koenig**, Special Advisor on the DMA, DG CNECT, for the introductory remarks. After the stimulating introduction, Mr. da Empoli alongside with **Aggelos Tsakanikas**, Scientific Advisor, IOBE, proceeded presenting PromethEUs newest paper on the DSA and DMA.

Following, the speakers, and the public had the chance to watch a video statement by **Anna Cavazzini**, Chair IMCO Committee, who was unable to physically attend the conference but wanted to contribute to the debate with a short speech.

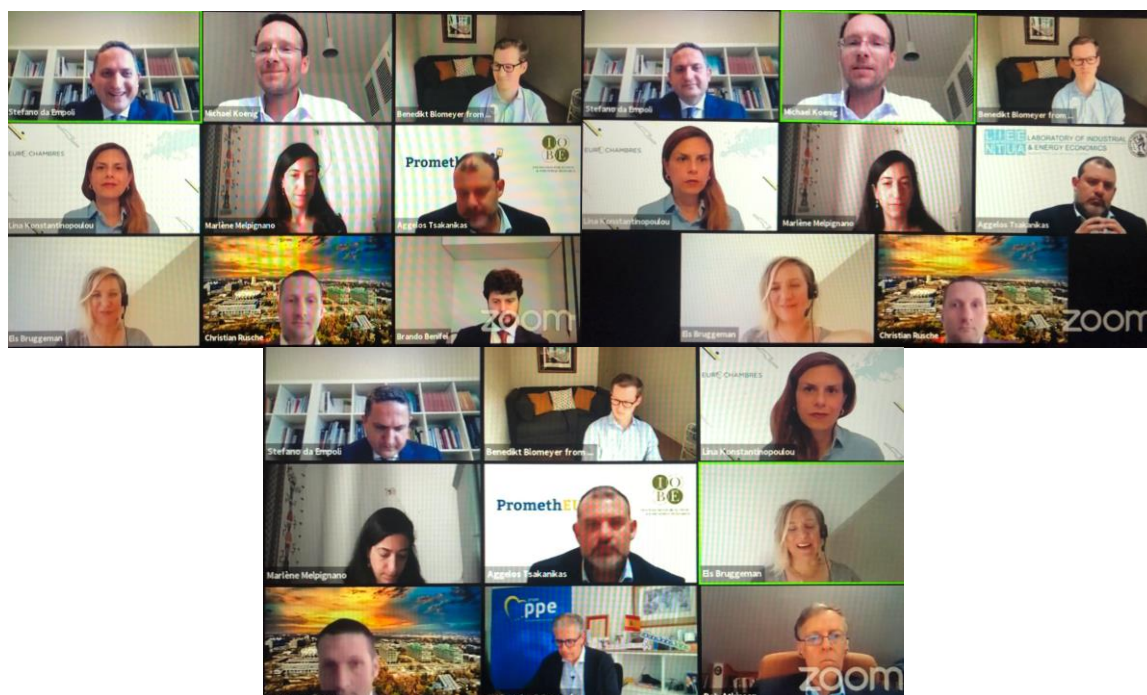
The digital conference was structured in two separate panels, respectively dealing with the economic impact and the geopolitical impact of the new EU digital legislative framework for markets, competition, and businesses. Each discussant was given 7-8 minutes to deliver a keynote speech.

The first panel on the economic impact of the DSA/DMA started with a speech by **Brando Benifei**, Member, IMCO Committee. Amongst the other panellists there were: **Benedikt Blomeyer**, Director for EU Policy, Allied for Startups; **Els Bruggeman**, Head of Policy and Enforcement, Euroconsumers; **Lina Konstantinopoulou**, Policy Director, Eurochambres; **Pablo Arias Echeverría**, Member IMCO Committee; and **Marlène Melpignano** Legal Officer, Permanent Representation of Italy to the EU.

After having summed up the conclusions of the first panel, the moderator gave the floor to **Ricardo Castanheira**, Counsellor, Permanent Representation of Portugal to the EU. Mr. Castanheira, was the first speaker addressing the geopolitical consequences of the proposed regulatory framework. He was then followed by **Pilar del Castillo Vera**, Chair of the European Internet Forum (EIF); **Robert D. Atkinson**, President, Information Technology and Innovation Foundation (ITIF); **Christian Rusche**, Senior Economist, German Economic Institute (IW); and **Christian Borggreen**, Vice President, Computer and Communication Industry Association (CCIA).

Finally, after a brief exchange of views among the keynotes of the second panel Mr. da Empoli wrapped up the event in the concluding remarks and thanked the discussants and the public for taking part to the event.

PICTURES





MAIN TAKEAWAYS

PromethEUs views.

The digital conference was the occasion for PromethEUs to present its paper on the DSA and DMA. The paper was presented by I-Com President, **Stefano da Empoli**, and **Aggelos Tsakanikas**, Scientific Advisor, IOBE.

Da Empoli, referring to the DSA proposal, underlined how it is crucial to strike the right balance between fundamental rights and freedoms, and the necessity to foster innovation and competitiveness within the EU, through the introduction of an over-regulated system. The goal of the new framework should be to provide clear and certain provisions, while avoiding replicating pre-existing ones. Further aspects to consider, according to the moderator, are the obligations to which platforms are subject. Such obligations should be achievable, proportionate, and should consider the implications in terms of compliance costs for Small and Medium Enterprises (SMEs). The risk is, otherwise, to favour the displacement of illegal activities from large to small enterprises. He also highlighted that any new rule should be based on a correct understanding of market dynamics, strengthen fairness and transparency. When addressing the DMA, instead, da Empoli pointed out how the introduction of higher standards for digital platforms and intermediaries could slow the process of digitalization of traditional companies. Adding to this, Mr. Tsakanikas recalled how legal fragmentation across Member States (MSs) represents an additional issue for SMEs, as it hinders the optimal functioning of the European single market. Lastly, beyond being harmonised, provisions should be clear to avoid margins of interpretations which are deterring SMEs from entering new markets.

The relevance of the proposal.

As **Michael Koenig** highlighted in the opening remarks, Europe's ambition for a safe and fair online space, brings it to be the frontrunner worldwide in regulating digital platforms and the online world. In this sense, the term "revolution" used by PromethEUs in the title of the webinar, seems deeply appropriate. In the sense that these two proposals will generate a huge -positive- impact and important consequences for the European Digital Space. **Anna Cavazzini**, during her video statement recalled this view, arguing that the EU needed a regulation on the matter to ensure harmonization and to create a level playing field for its industry, SMEs and Startups. Such regulation would deeply favour digital transformation and fostering competitiveness at European and global level. Adding to this, **Ricardo Castanheira**, from the Portuguese Permanent Representation, underlined how the proposed regulation represents the chance to set a standard in Europe that could serve as an example worldwide in the domain of digital services.

On the other hand, while addressing criticisms referring to over regulation, Mr. Koenig recalled how the proposals aimed at introducing ex-ante regulation which would be directly applicable and that won't interfere with ex post regulation. Leaving the enforcement of national competition laws to act parallelly and autonomously to the DMA.

Building trust, protecting consumers and their rights.

Els Bruggeman, during her speech brought the consumers' voices to the table. She highlighted that European consumers are constantly exposed to products and contents, sold on platforms' online marketplaces, that do not comply with the EU safety regulatory framework. Hence, they feel like these illegal practices should be tacked by relevant regulatory initiatives, in order to restore trust. Key to consumers' trust, she added, is the capacity to make them feel safe and protected. Bruggeman affirmed that the DSA and DMA are meant to serve this specific scope, and they should not be seen as a barrier to innovation but rather as an enabler to grow social and economic activities.

Speakers and participants broadly agreed on PromethEUs argument according to which the new legislation should ensure the protection of users' and consumers' rights.

With respect to this, **Pablo Arias Echeverría**, recalled the final goal of the DSA. Namely, the necessity to safeguard fundamental rights, while fostering competitiveness. He then explained through an equation the relationship between SMEs, and digitalisation on one side, and growth, and employment on the other one. Specifically, for younger generations. He stressed out how the common denominator for both proposals is transparency, which is essential both in protecting consumers and fostering the development of SMEs.

The need for a future-proofed regulation.

Brando Benifei, in his speech underlined how since the adoption of the 2000 E-Commerce Directive, innovation in the digital field has allowed new technologies to emerge, improving the speed, the efficiency and the capacity of transferring and storing data online, radically modifying the domain of digital services, and new challenges have emerged. Benifei, while agreeing with other speakers on the importance of the proposed regulations and on the positive nature of the obligations foreseen, suggests some measures should be reinforced, such as enforcement mechanisms.

Supporting PromethEUs' view that an EU-wide regulatory approach is preferable in order to avoid internal market fragmentation, **Pilar del Castillo**, reflected on the peculiarity of the proposed regulation. Namely, the fact that it is based on ex novo legal concepts and definitions such as "fair competition", "significant impact" on the market, and "gatekeepers". Concepts that still haven't been discussed in courts, and that if not correctly specified could leave margin to interpretation. But, at the same time, she agreed with Mr. Benifei on the fact that with respect to some measures the proposals will still need some fine-tuning.

Marlène Melpignano, when discussing the economic impact of the DSA and DMA, brought to the discussion the acknowledgement that regulatory frameworks evolve at a lower speed compared to technological innovation. Causing laws to follow the developments in the digital field.

Furthering this aspect, **Christian Borggreen** stated that being aware of the speed of technological change, it would be prudent for lawmakers to keep scrutinising and adapting the proposals so that the final version will avoid any unintended harm to the European digital economy.

Ensuring competitiveness for enterprises, and SMEs.

Both institutional representatives and civil society stakeholders, including **Benedikt Blomeyer**, and **Lina Konstantinopoulou**, shared the belief that the EU should recall the importance of a clear regulation that fully considers the specificity of European SMEs and Startups. In particular, the new rules should avoid the risk of hindering the entry of new companies into the market and discouraging innovation and the provision of new affordable services to citizens and businesses. Beyond the legislative background, they suggest the diverse nature of the European digital environment should be taken into consideration.

As highlighted by previous speakers the need for a legal and regulatory clarity, can also contribute to making Europe attractive for external actors.

Robert D. Atkinson, with regards to this aspect, shared his thoughts about the Chinese way of disciplining digital services. Sharing Atkinson's concern about the Chinese market, **Christian Rusche**, suggested that being Europe a possible target market for China, a harmonised regulation across the EU should guarantee a trustful and reliable playing field, without overbearing platforms, hinder new entrants and SMEs from entering their marketplaces, and prevent large platforms from pursuing unfair behaviours.