

The DMA at a Crossroads: A Pivotal Moment for the European Union's Leadership to Shape Global Digital Markets

By Gene Burrus, Global Policy Counsel for the Coalition for App Fairness

“Things need to change”

In October 2020, Vice-President of the European Commission Margrethe Vestager concluded a speech¹ on the potential risks posed by the dominance of Big Tech companies with a simple realisation: “things are going to have to change.”

The European Union recognised early on that a handful of large companies in the digital economy – later labelled “gatekeepers” hold so much power that their behaviour leads to higher prices, fewer choices, and less innovation for consumers. It also makes it more difficult for innovators to start businesses. For example, app developers are prohibited from communicating freely with customers about offers or discounts and gatekeepers force consumers to use their in-app purchasing systems, charging an excessive tax on each payment – as high as 30% for Apple). And if a consumer or app developer does not like these terms, they have no alternative.

In her speech, Vestager highlighted an upcoming law designed to ensure fair competition and protect consumers: the Digital Markets Act.

Fast forward to March 2024, and the European Union has become the first jurisdiction in the world to start enforcing a robust piece of legislation targeting these global monopolies. By creating a list of dos and don'ts for Big Tech, the DMA creates opportunities for app developers, resulting in greater innovation and choice for everyday citizens. The DMA is designed to “pave the way for business models where citizens’ rights are at the centre of operations,” as Commissioner Thierry Breton remarked.

Meaningful change awaits

Today, due to the obstinance of the gatekeepers, we find ourselves a bit stuck as the promises of the DMA have yet to become reality for the digital economy and consumers. The EU has not stood by idly and has shown its commitment to enforcing the rules. The European Commission has launched several crucial investigations into gatekeeper compliance, recently reaching a [preliminary conclusion](#) that Apple is in breach of the DMA. We strongly welcome and support these enforcement actions. Ultimately, the success of

¹ [Speech](#) by Executive Vice-President Margrethe Vestager: Building trust in technology.

The logo for the Coalition for App Fairness features a stylized graphic of overlapping squares in shades of green and blue to the left of the text. The text "Coalition for" is in a dark blue, sans-serif font, and "APP FAIRNESS" is in a larger, bold, dark blue, sans-serif font.

Coalition for APP FAIRNESS

the DMA hinges also on concrete changes from gatekeepers that benefit innovation, the EU economy, and consumers.

The task ahead

Our call to the new European Commissioners and Members of the European Parliament is this: vigorously enforce the DMA, push for more digital fairness and competition in the EU, and continue your efforts to hold the gatekeepers responsible for not complying with the law.

Not an easy task, especially given defiance from Apple and Google

We realise that this crucial task will not be easy. Big Tech - as demonstrated by their actions in the Netherlands, South Korea, and the United States - persistently employs tactics that harm consumers and deny app developers equal and fair treatment, often flagrantly disregarding sovereign laws. Apple's "compliance plan" for the DMA only underscores their ongoing defiance of legal regulations and their reluctance to modify their practices to foster competition within the EU. Google's compliance plan exhibits a similar lack of seriousness.

But it can be done

Even so, regulating dominant digital platforms can be done effectively and efficiently. In the late 1990s, Microsoft was effectively a gatekeeper to the internet thanks to its dominance in personal computers. Thanks to the push from independent developers and software engineers, the US government, and later the European Commission, took action to rein in Microsoft's market power.

At the conclusion of those actions, independent developers were able to freely and reliably build their businesses serving customers on Windows computers. Ironically, two of the biggest beneficiaries of this freedom were Google and Apple who built massive successful businesses like Search, Chrome, iTunes, iPod, and even early versions of the iPhone, serving primarily PC customers without the threat of Microsoft interference.

Today, in the age of mobile devices and app stores, the European Union is filling a similar role, tasked with unleashing innovation in the online economy for the next generation, while reining in the undue gatekeeping power two companies hold over access to the internet from mobile devices. The Coalition for App Fairness (CAF) strongly encourages the EU to stand firm and continue to fight for consumers and developers alike, the same way it has done in the past. And CAF stands ready to be a stalwart ally to the EU as it undertakes this effort – and to demonstrate that Big Tech is not above the law.