

FAILED EXPERIMENT: THE DIGITAL MARKETS ACT'S VAST UNINTENDED CONSEQUENCES

As the European Union enforces its Digital Markets Act (DMA), it is raising fundamental questions about Europe's approach to digital markets regulation, how it may actually be undermining Europe's long-term ability to improve its digital ecosystem, and unintentionally exposing Europeans to new harms, without any commensurate ability to move swiftly to fix things. This report series from Trusted Future's co-chair Jim Kohlenberger assesses the unintended effects of the DMA and finds that **contradictions in the EU's digital governance framework create potentially catastrophic consequences – and require immediate patching and a reboot.**

Though the DMA aims to promote competition in Europe's digital ecosystem, this report series explores **three foundational mistakes with long-lasting impacts:**

- **Creating an App Governance Gap:** The digital disconnect between the EU's Digital Services Act's (DSA) ambitions for a safer app store ecosystem and the DMA's disjointed digital agenda that expands some of the exact harms the DSA tries to mitigate.
- **Damaging Mobile Security:** The many ways the DMA weakens security and the near-catastrophic consequences it could bring to Europe's consumers, businesses, critical infrastructure, and national security.
- **Impeding Competition and Hindering Potential:** The DMA's impact on Europe's broader economic ecosystem, including ways it actually inhibits competition and opportunities to advance a more dynamic, vibrant, innovative, and trustworthy ecosystem that can lift its economy and propel new competition.

These consequences have real-world impacts for consumers and businesses:

- **Consumers face increased security risks,** at a time when digital frauds and scams already impact one in four Europeans every year.
- **Businesses face an unfriendly regulatory environment,** with European companies spending 40% of their tech resources on compliance with regulation.
- **European markets are left with less innovation,** fewer and delayed features, and – ironically – less consumer choice.

These impacts are explored in a [series of case studies](#) of how these regulations play out in person:

- **Protecting children from illicit and pornographic content**
- **Establishing effective platform-level parental control tools**
- **Protecting children's privacy and security by default**
- **Protecting intellectual property**
- **Protecting consumers from frauds and scams**
- **Protecting democratic processes and election integrity**
- **Protecting women from online gender-based violence**

Europeans deserve a vibrant mobile digital ecosystem that is innovative, safe and secure, competitive and trustworthy. Europe's policymakers have taken important steps towards a better digital ecosystem but the DMA threatens this forward progress. This regulation is driving Europe backwards towards a potentially disastrous digital danger zone. Today, as a result of the DMA's implementation, European consumers and businesses face a less secure, less innovative, and more fragmented digital experience.

While Europe has rightfully criticized Silicon Valley for its "move fast and break things" approach to technology, Europe's DMA risks taking the same approach in its regulations for consumer facing technology. This is a bad technology development approach and an even worse regulatory approach. As the DMA is enacted, it is raising fundamental questions about Europe's approach to digital markets regulation, how it may actually be undermining Europe's long-term ability to improve its digital ecosystem, and unintentionally exposing Europeans to new harms, without any commensurate ability to move swiftly to fix things.

This timely report includes recommendations for policymakers in Europe to address the fundamental flaws of these regulations, and a warning for regulators around the world who may be looking to copy the EU's example. With over 70% of Southern Europeans [preferring](#) to restore pre-DMA services, the DMA is a failed experiment that must be remedied and not replicated.

To read the full report, visit trustedfuture.org/failedexperiment.