



By: *Tomorrow's Affairs Staff*

# Does Europe have the strength to preserve its digital sovereignty?



The digital sphere is becoming the new theatre of transatlantic conflict. While Europeans are determined to apply their regulatory frameworks to the biggest tech companies, regardless of where they are based, Donald Trump's administration is responding with accusations of "regulatory protectionism."

On Wednesday, the European Commission **issued** the first very high fines for offences against the Digital Markets Act. Apple and Meta were fined EUR 500 million and EUR 200 million, respectively, for violating regulations designed to prevent the abuse of a dominant market position.

By April, the European Commission has opened five non-compliance investigations under the Digital Markets Act (DMA) involving the largest gatekeepers (Alphabet, Apple, Meta, Amazon, and Microsoft), while formal proceedings under the Digital Services Act (DSA) were initiated against TikTok in February 2024.

These two laws are the strictest regulations that the EU has ever issued for internet platforms. The **DMA** came into force on 1 November 2022, and the obligations for the first gatekeepers began to apply on 7 March 2024.

A gatekeeper is a company whose platform has well over 45 million monthly active end users in the EU, more than 10,000 business users per year, a turnover of at least EUR 7.5 billion per year in the EU or a market value of more than EUR 75 billion.

It must run one or more basic platform services (browsers, app stores, social networks, communication platforms, etc.).

Companies can be fined up to 10% of their annual global turnover for a first offence and up to 20% for repeated offences.

The **DSA** came into force on 17 February 2024 for large platforms and provides for fines of up to 6% of annual global turnover if the obligation to remove illegal content within 24 hours is not complied with.

## Washington's discontent

US Vice President JD Vance has described European laws as a threat to freedom of expression and innovation and even **hinted** that harmonising EU regulations could affect US support for the NATO alliance.

The US Treasury Department has announced additional tariffs of 15% on digital services from countries that impose "discriminatory standards"—a concrete **response** to regulation that demands transparency of algorithms and protection of users.

**The EU favours "digital democracy" with a focus on user rights, accountability, and transparency, while the US is pushing "technological liberalism" with minimal regulation**

The difference in approach between the EU and the US is reflected in the essential model: the EU favours "digital democracy" with a focus on user rights, accountability, and transparency, while the US, under Trump, is pushing "technological liberalism" with minimal regulation.

This division is widening globally as countries such as China build their own models and regional leaders (India, Brazil) follow these trends to balance between the biggest Western powers.

In addition to public investigations, the DMA allows for private lawsuits in national courts, increasing the pressure on companies that continuously violate digital regulations: competitors and consumer organisations can claim damages caused by monopolistic practices.

While Germany already uses a model to promote such actions, other EU members are working on a legal framework that would enable similar initiatives.

## The controlling role of civil society

A coalition of 39 non-governmental organisations in the EU **called** on the Commission to resist pressure from the US administration and the lobbyists of big tech companies, stressing that giving in would risk perpetuating unfair market practices.

This appeal confirms the key role of civil society in monitoring the enforcement of laws and safeguarding competition.

In 2023, the EU **employed** nearly 10 million ICT professionals, accounting for around 5% of the Union's total labour force. The high-tech sector is growing rapidly: last year, 91% of citizens **used** the internet on a daily basis, and, according to projections by sources from consulting companies, investment in digital infrastructure will reach EUR 150 billion by 2027.

**Fragmentation of global regulations adds an estimated 6%–8% to companies' operating costs**

Fragmentation of global regulations adds an estimated 6%–8% to companies' operating costs, as different DSA, DMA, and regulatory requirements in other regions require separate technical and legal teams.

On the other hand, the Trump administration is considering additional measures—restrictions on access to US cloud services and additional tariffs—making digital regulation an important negotiation tool.

## The future of the conflict

The conflict over the regulation of the huge digital markets in Europe and America could give rise to various scenarios in the future:

**Splinternet:** the world fragments into regional

digital blocs (American, European, and Chinese).

**Digital arbitration:** agreement between the EU and the USA on the mutual recognition of regulatory standards modelled on a future 'Privacy Shield'.

**Unhindered enforcement:** the EU remains committed to consistent enforcement and does not bow to pressure from the US.



*Behind the conflict over technical standards and criminal procedures lies a much more profound question: who sets the rules of the digital world in the 21st century? - Ursula Von der Leyen with Donald Trump*

The conflict between the European Union and the Trump administration reflects a deeper difference in visions of the digital future: Europe insists on transparency and user protection, while America strives for flexibility and speed of innovation, without particular concern for data accuracy and breaches of rules by digital service providers.

Behind the conflict over technical standards and criminal procedures lies a much more profound question: who sets the rules of the digital world in the 21st century?

The European Union, faced with the absence of its own technological giants, is trying to restore the balance of power through regulation. The United States, with its dominant companies, sees regulation as a threat to its own technological and strategic supremacy.

The outcome will depend not only on the strength of the legal mechanisms but also on

Europe's ability to apply the rules tenaciously, ensure judicial protection for users, raise the level of digital literacy among citizens, and create its own competitive digital frameworks. If it succeeds in this, the EU will not only shape the market but also the standards of future digital civilisation.