



Digital
National
Alliance



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Towards the digital - CEE's vision

We welcome Europe's aim to embrace digital transformation to help build economic prosperity, adapt to the challenges digitalization presents, while ensuring a fair and contestable market in the platform economy and safety for citizens. As the debate over the EU's Digital Services Package heats up, the digital industry of Central Eastern Europe has come together to raise its concerns about some of the implications for the sector arising from the legislation.

Fair cause, justified concerns

Commission President Ursula von der Leyen prioritised the creation of a 'Europe fit for the Digital Age'. As part of the Commission's efforts to achieve this, President von der Leyen stated that there was a need to introduce a Digital Services Act in order to "upgrade our liability and safety rules for digital platforms, services and products, and complete our Digital Single Market".

This was a laudable aim, particularly since the 20 year old e-Commerce Directive has failed to keep up with the rapid growth of online services, business models and technology. Europe was clearly in need of a future-proofed set of rules fit for the 21st century.

The proposals for the Digital Services Act (DSA) and the Digital Markets Act (DMA) were a significant milestone for Europe. They both seek to create a safer digital space, respecting the fundamental rights of all users, as well as to create a new unified set of rules across Europe that is intended to foster innovation, protect consumers, deliver a prosperous digital economy and ensure contestable and fair markets in the digital space.

However, there are concerns about enforceability of DMA and the fact that DSA and DMA touch on issues like the freedom of speech, and equal opportunities amongst Member States. These concerns remain as the European Parliament sets about finalising its position on both pieces of legislation.

Regional approach

The CEE Digital Coalition is composed of fourteen organisations representing the digital and advanced technologies industry based in eleven CEE countries. At the heart of the initiative is the goal of supporting national governments and EU decision makers as they seek to build an innovative European economy. This very manifesto has been signed by 9 organisations from 8 countries.

The CEE Digital Coalition has identified a set of issues revolving around the DSA, regarding protection of citizens' fundamental rights, maintaining a clear liability framework for intermediaries focused on illegal content and the impact on SMEs and their continued ability to innovate. It has called for the adoption of a principle-based approach that drives Europe towards a true Digital Single Market that ensures easy access to digital services by European citizens.

Progress made

Achieving a true digital single market through the DSA and DMA is possible. But key to this is preserving the main principles of the e-Commerce Directive - in particular the country-of-origin principle - further avoiding disproportionate burden on micro- and small enterprises, admitting the risk of content moderation obligations in regard to fundamental rights and the importance of reaching a balance between due diligence and the exemptions from liability for intermediaries.

There is still work to be done

It is important for the new EU rules to respect the great diversity of digital services across Europe and avoid imposing one size fits all solutions. Unfortunately, as it stands, the DMA gathers online intermediation services such as marketplaces and app stores, online search engines, social networking sites, video sharing platform services, number-independent interpersonal electronic communication services, operating systems, advertising services and cloud services under a single blanket definition of 'core platform services'. It goes without saying that scope of activity and tasks completed by such services varies greatly and imposing uniform do's and don'ts upon them is questionable. Cloud computing services in particular are clearly differentiated from the other services identified, as they are not a homogenous group, covering fields of computation, storage, databases, networking, analytics, robotics, machine learning and artificial intelligence, Internet of Things, application development, deployment, and management. Cloud computing services providers do not intermediate between business users and end users. This may explain why there have been

no antitrust enforcement concerns addressed in cases by the European Commission regarding cloud computing services. The presence of cloud computing services on the list of core platform services should be reconsidered.

Concerns regarding the effect on competitiveness of SMEs and basic freedoms remain to be answered. Fundamental rights of citizens, including access to information and freedom of speech online must be maintained. This may prove to be difficult while designing regulations affecting the sharing of content and the shaping of rules related to the removal and blocking of access to certain content. Care must be taken by the regulators to assure a balance between digital security and freedom of data flow as well as the development of new services. A clear liability framework for intermediaries focused on illegal content must be provided if we want to keep the balance with fundamental freedoms. Before the regulations reach their final form, we must make sure that the cost of adapting to a new regulatory landscape will not be detrimental to the well-being of innovative, promising SMEs and start-ups and the potential of Central and Eastern Europe and its digital economy. It is also not clear how the regulations may affect Europe's attractiveness as a market for setting up or expanding a business.

The Coalition is hopeful that the conclusions drawn in the progress report on DSA were implemented into the Presidency compromise text on Chapters II, IV and V, with respective recitals. It must be noticed however, that these chapters do not cover all of the concerning articles.

The future is digital and it is right here

With Slovenia currently assuming the Presidency of the Council of the European Union and Czech Republic scheduled to do so in the second half of 2022, Central Eastern Europe is well positioned to bring some influence to the DSA and DMA discussion in Brussels. There is work to be done in order to assure a strong, unified and open true digital single market based on legislation that is clear and unambiguous. Now more than ever, Europe needs a thriving and innovative digital economy, in particular to draw on the potential of startups and scale-ups as it seeks to rebuild our economies and societies after the devastating impact of the Coronavirus pandemic.

Efforts to create the best possible rules at European level, through the DSA and DMA legislative processes can deliver a new regulatory framework that will benefit European consumers as well as digital startups and SMEs alike. However, a faulty regulatory process puts us in danger of heading in precisely the opposite direction. Caution is advised.

Signed by:

- APDETIC - Association of Producers and Distributors of IT&C Equipment
- ASE - Consumer Electronics Association of the Czech Republic
- DNA - Digital National Alliance
- INFOBALT - Information, Communication and Technology (ICT) Sector Association
- IVSZ - ICT Association of Hungary
- SAPIE - Slovak Alliance for Innovation Economy
- SPCR - Confederation of Industry of the Czech Republic
- ICT association of Slovenia at Slovenian Chamber of Commerce
- ZISPEE - Digital Poland Association