12 April 2022

idee per il libero mercato

Istituto Bruno Leoni
idee per il libero mercato

IBL Special Report

Nothing lasts forever (even the gatekeeper's market share)

The implications of the Digital Markets Act for businesses, consumers and innovation

Aina Turillazzi and Carlo Stagnaro

Abstract

In December 2020 the European Commission issued two legislative proposals – the Digital Markets Act (DMA) and the Digital Services Act (DSA) – which introduce new regulations of online activities. The overall purpose of this article is to assess the impact that the legislative package, particularly the DMA, will have on businesses, consumers and innovation. In March 2022 the Parliament and the Council provisionally agreed on a revised version of the proposal. The DMA introduces a wide set of obligations for large online platforms that act as "gatekeepers". In practice, though, the designation of gatekeepers depends on the size of the companies offering digital services.

This paper performs a critical assessment of the content of the DMA: we attempt to understand the quantitative and qualitative criteria for being classified as a gatekeeper. We carry out a detailed examination of the terminology used in the regulation of certain practices. Since the digital market a dynamic and ever-changing environment, one of the most important aspects of these regulations is the transition from traditional antitrust scrutiny *ex post* to an *ex ante* enforcement. The focus of government authorities and institutions should shift back from the platform to the potentially offences caused by any harmful conduct. The papers concludes by drawing a few policy implications and suggesting possible modifications to the DMA in order to mitigate its potential shortcomings. It also focuses on a number of issues related to the implementation of the DMA, its possible consequences and the risk of an increasing regulatory fragmentation.

Keywords

Competition Law, Consumer, Digital platforms, Digital Markets Act, Gatekeepers, Innovation.

Aina Turillazzi is an intern at Istituto Bruno Leoni. She is also the Growth Lead the non-profit organisation AI for People.

Carlo Stagnaro is Director of Research at Istituto Bruno Leoni.

12 April 2022
Aina Turillazzi and Carlo Stagnaro

1. Introduction

The European Union (EU) is in the process of adopting new regulations concerning competition and consumer protection in the digital environment. Its stated objective is the following:

> Ensure a fair, contestable and innovative platform environment in the internal market for digital services, including by ensuring effective competition in digital markets" (Digital Markets Act, Commission's proposal 2020).

In order to achieve this result, the EU Commission has drafted two legislative proposals: the Digital Markets Act (DMA), aimed at regulating the behaviour of large online platforms that act as "gatekeepers"; and the Digital Services Act (DSA), that updates the e-Commerce Directive issued in 2000. This article is focused on the former, as modified after the provisional agreement between the European Parliament and the Council of March 2022. The agreement intervenes on a number of substantial issues – including the size of the affected companies and the obligations they shall have to comply with – but it maintains the core structure of the Commission-sponsored regulation.

According to the EU Commission's own website, the DMA "establishes a set of narrowly defined objective criteria for qualifying a large online platform as a so-called gatekeeper". A gatekeeper is defined as a company that meets the following criteria:

- has a strong economic position, significant impact on the internal market and is active in multiple EU countries;
- has a strong intermediation position, meaning that it links a large user base to a large number of businesses;
- has (or is about to have) an entrenched and durable position in the market, meaning that it is stable over time.

The DMA builds upon the results of the Platform to Business Regulation (2019) and the EU Observatory on the Online Platform Economy. The basic idea underlying the new regulation is that: i) traditional competition rules fall short of capturing the potentially harmful behaviour of the gatekeepers; ii) *ex-post* regulation and other *ex-ante* rules such as consumer or data protection are not enough to limit the (potential) abuses of the gatekeepers; iii) under the current rules, gatekeepers are able to pursue conducts that, albeit not necessarily illicit, do or will result in the monopolization of digital market(s). This threat is regarded as economically harmful in the light of the growing importance of digitalization in every aspect of the contemporary economic and social lives, but also politically relevant insofar as virtually none of the largest platforms is headquartered in Europe. Therefore, the EU hopes to ensure a greater consumer protection, creating a more favourable environment for the development of European competitors, and improving the

competitiveness of European markets. All these issues are somehow enshrined with, but logically distinct from, alleged tax avoidance schemes pursued by the online multinationals. We shall not deal with this latter issue.

The above-mentioned legislative proposals are also intended to prevent, or overcome, the current regulatory fragmentation. Absent common rules at the EU level, and despite the European dimension of digital markets and the ongoing process to create a digital single market, several Member States (MSs) have adopted national legislations to regulate the behaviour of large online platforms or are in the process of doing so. For example, countries such as France and Germany have already taken steps towards regulating large online platforms, whereas similar proposals are being discussed in Italy as this paper is being written. A number of MSs, including Austria, Belgium, France and Italy, have introduced national legislation to regulate specific aspects such as the use of Most-Favoured Nation (MFN) clauses by online travel agencies (OTAs), while others, including Austria, France, Hungary, Italy, Poland, Spain have levied national taxes upon the online revenues of multinationals. Other EU member states, including Belgium, the Czech Republic, Latvia, Slovakia and Slovenia are considering similar taxes.

The DMA and the DSA would impose the same rules across MSs, but their impact upon each MS would be differentiated according to their current legal frameworks as well as the degree of maturity of their digital markets. Consequently, differences across the MSs' legal systems may undermine the goals of EU policies. On top of this, the DMA entails complex implementation issues that rely on vague concepts and is potentially exposed national interpretations of its content, especially if the Commission will have to rely on national competition authorities (and leave them some scope for discretion) for practical matters. Therefore the risk of fragmentation does not lie in the adoption of competing regulations within the MSs, but also in the diversified implementation between them.

Both the DMA and the DSA introduce *ex ante* obligations (or prohibitions) on the behaviour of online platforms. The DSA is a horizontal initiative that focuses on the liabilities and obligations of several a broad range of actors as well as the safety conditions against potential harmful activities, intended to increase the degree of consumer protection and to update the old rules to the new technologies and market evolutions. It also includes specific rules for very large online platforms. In contrast, the DMA is concerned with the allegedly negative and unfair consequences of the very existence of such platforms. The proposed regulations are supposed to supplement the enforcement of traditional competition policy, that is designed to detect and sanction harmful conducts *ex post*. But this also means that the mission of antitrust authorities – both at the EU and national level – is somehow changed from the mere policing of the platforms' market conducts, to defining and enforcing constraints on their behaviour. A key difference between the DSA and the DMA is that the former is intended to update

and improve the existing rules in order to ensure adequate consumer protection, hence it does not necessarily imply a paradigm shift in the regulation of digital markets. The DMA, on the contrary, is predicated upon the belief that the gatekeepers are to be regarded as culprit of conducts that are not yet defined as illicit: the entire focus is upon the platforms, rather than on the conducts – an approach that has been called "precautionary antitrust" (Portuese, 2021a; Azguridienė, 2022).

This paper is structured as follows: Section 2 after the Introduction briefly deals with the very definition of gatekeepers. This is a contentious concept from a theoretical point of view, while it seems widely accepted from a policy-making perspective. Since we are focused on the latter aspect we shall not speculate upon this, but it is important to understand where the proposed regulations come from. Section 3 will shift the focus upon the DMA's main revolution, i.e. the move from traditional antitrust (that is mainly concerned with ex-post remedies after an illicit or harmful conduct has been detected and proven) to ex-ante regulation, as in the cases of market failures (such as natural monopolies). Section 4 describes the obligations that are being introduced and that stem from the idea that large platforms are gatekeepers and that, therefore, by their very existence they exert market power and hinder competition (although not necessarily the consumers). Section 5 discusses the potential consequences of the newly-introduced obligations or constraints and shows that not just large online platforms, but also the consumers, may in fact be harmed as a result of widespread regulations. Section 6 summarizes, concludes and draws some recommendations.

2. The concept of gatekeepers

In 2016 the seven largest online platforms accounted for 69 percent of the total €6 trillion platform economy marketplace in Europe. The turnover in B2C e-commerce increased by 13 percent from 2014 to 2019, and the estimated turnover for 2019 was €621 billion. Promoting e-commerce and digitalization is an increasingly important political target of the EU and the MSs. Hence, creating a favourable environment for competition in online services and preventing, detecting, and removing harmful conducts or abuses in the digital markets are desirable goals.

The DMA is grounded in the presumption that so-called gatekeepers should be regulated and made subject to specific prohibitions and regulations regardless of how they behave. The concept of gatekeeper was originally introduced in the economic literature as to define those large online platforms that intermediate transactions between buyers and sellers. By so doing, they benefit from strong network effects and therefore are able to capture a significant share of the value created in their transactions. According to a report prepared by an EU-appointed panel of experts, gatekeepers are

> online intermediaries that bring together people or undertakings looking for information, transactions and social interaction (…) The

> combination of economies of scale and scope, network effects, zero pricing, consumer behavioural biases, create new market dynamics with sudden radical decreases in competition ('tipping') and concentration of economic power around a few 'winner-takes-it-all/most' online platforms (Cabral et al., 2021).

The legal definition of gatekeepers is much less grounded in theory and much more like a sort of regulatory rule of thumb. In fact, gatekeepers are supposed to come out and state themselves whether they meet specific qualitative and quantitative criteria (Table 1). Companies like Twitter, Airbnb, Bing, LinkedIn and Netflix do not (yet) meet the criteria. Still others like Spotify, Uber and Google Cloud meet some of the criteria but not all of them. Further clarifications by the EU Commission will be needed in this regard. In principle there might be exceptions: companies that meet the criteria may be awarded a chance to provide evidence to explain why they are not gatekeepers after all, even though it not clear how they are supposed to demonstrate that. On the other hand, the EU Commission may designate as gatekeepers companies that do not meet all the criteria, provided that the choice is properly justified. This process of escaping the definition (and the burden) of being labelled as a gatekeeper is opaque, discretionary and possibly capricious.

Table 1. Relation between the digital service category and gatekeepers.

Digital service	Digital platform
Search engines	Google Search Bing
Intermediation services	Amazon Marketplace Google Apple App Store
Cloud computing services	Microsoft Azure Amazon Web Services
Social networks	Facebook
Operating systems	Apple iOS Android Windows
Communication services	Facebook Messenger WhatsApp Telegram Signal
Video-sharing platforms	YouTube TikTok
Advertising networks, exchanges, and intermediations services	Google AdSense

Source: Authors' elaboration adapted from De Streel (2021)

With regard to the quantitative criteria, three main factors identify gatekeepers:

1. The size of the company, namely, an annual turnover equal to or greater than €7,5 billion in the last three years within the European Economic Area (EEA); or a market capitalization amounting to at least €7.5 billion during the last year, while operating in at least three member states;[1]
2. The exercise of a control action on an important gateway for business users to reach end-users to access their data. This applies if there have been at least 10,000 active business users during the last year and more than 45 million active end users per month in the European Union;
3. Enjoys a deep-rooted and durable position on the market, or is likely to continue to enjoy such a position. The latter is defined if the two previous criteria are met in all three years prior to the verification of the requirements.

Several antitrust cases have been brought against these platforms, both at the EU and national level, often finding them liable for illicit or harmful conducts: this very fact suggests that good old antitrust authorities still have the power to identify, sanction, and stop harmful behaviours.

A first important conclusion regarding the DMA is that it relies in some degree on a tautology: online platforms are designated as gatekeepers if they are large, and they are large because – it is assumed – they leverage upon the privileges of being a gatekeeper. Being large is equated to being big, and both features are regarded as bad: under its own terms, such equivalence cannot be either falsified or argued about. It is just a given.

3. From antitrust enforcement to ex ante regulation

The *ex ante* nature of the legislation urged the EU Commission to reserve the possibility to update the thresholds resulting from technological change. Most importantly, the Commission declined to list companies that would be directly deemed gatekeepers (Freemont & Ciofu, 2020), even though – as we have just argued – the list of the target companies has been clear enough since the onset of the entire discussion. The Commission has also to ensure that the new rules apply to smaller platforms that either do not have sufficient revenues to meet the EU's first criteria, or are only dominant in specific online markets. The transition from antitrust enforcement to monitoring and applying *ex ante* rules was mainly encouraged by the supposed inadequacy of Articles 101 and 102 of the Treaty on the Functioning of the European Union (TFEU). They were deemed unable to limit the risks

1 Interestingly, the EU Commission decided to assess its quantitative criteria by looking at market capitalization: firms that do not have a great number of users in the EU – but still have robust economic resources – can be subject to legislation. However, smaller companies might also engage in harmful practices, even if not financially strong yet.

of harmful conduct by digital platforms, mainly for timing reasons. The EU Commission found it appropriate to modify the scheme of legal action.

In short, the application of *ex ante* norms is intended to:

- Limit the presumed damage of anti-competitive conduct by a more prompt intervention time
- Provide more transparency and details on the functioning of the digital market
- Allow targeted intervention on gatekeepers
- Collect data on possible anti-competitive conduct

The lack of adaptability and flexibility that comes with the adoption of *ex ante* regulations may be inappropriate to digital market dynamics. As indicated by Broadbent (2020): "The ex ante regulations are unusual, require labour-intensive application and are poorly adapted to rapidly changing sectors". Moreover, it may raise serious issues and uncertainties when it comes to the actual enforcement of vaguely-defined obligations.

Once a platform is designated as a gatekeeper, several implications follow that may significantly impact its business model as well as its compliance costs – and, in fact, are intended to achieve precisely this goal. The gatekeeper must keep the EU Commission informed in real time about the size of its business. Moreover, it has to comply with specific conduct obligations. These also include two additional transparency obligations:

1. Gatekeepers ought to inform the EU Commission about planned takeovers, including small rivals that would otherwise fall below traditional merger review thresholds;
2. They will also have to provide independently audited descriptions of the consumer profiling techniques that they use.

The EU Commission could also perform a qualitative assessment since it would enjoy a broad array of investigative powers (e.g., request information, perform interviews and conduct on-site inspections). The Commission will conduct market investigations, by which it will study the ability of the platform to control and manage access by competitors to users of the platform – that is, acting as an intermediary. The ability to exploit user data for analytical purposes to compete in other markets is analysed, as well as the usage of competing platforms by users (so-called multi-homing), or the presence of entry barriers. Conversely, relative limited power is given to national authorities, which (in theory) prevents MS from adopting national legislation: the DMA imposes a rigorous set of obligations on the gatekeepers and gives increasing responsibility to the EU.

The shift to ex ante regulation is rooted in the idea that abuse is inherent in the nature of gatekeepers. Still, the economic rationale behind this presumption is weak. On one hand, it lies in a narrow definition of relevant

market: if markets are narrowly defined then yes, each online platform is a monopolist and it may be inclined to take advantage from this. If, however, markets are defined in a more realistic way, for example by encompassing online as well as offline distribution channels for products, then the alleged dominance is substantially tempered (Portuese, 2021b).

On the other hand, arguing for ex ante regulation presupposes some sort of market failure, as if large online platforms could be regarded as non-replicable infrastructures and therefore should be regulated as public utilities. But, differently from the latter, most platforms are generally either concerned with businesses that develop over-the-top or that can be easily substituted by other competitors without affecting the proper functioning of the internet (Amenta et al., 2021).

Finally, the gatekeepers engage in a number of conducts that, depending on specific factors, may or may not be deemed as illicit or harmful. Many of such conducts are not unknown to the EU's law: under specific circumstance they may be (and have often been) found illicit, leading to sanctions or behavioural remedies being imposed upon large online platforms. The EU and national antitrust authorities often successfully dismantle abuses and other problematic behaviors, by relying on the very same rules and methods that have underpinned the enforcement of competition policy over the past few decades. Such conducts, though, are performed by individual platforms and can (and should) be demonstrated on a case-by-case basis. The existing rules have proven to be effective in addressing abuses by online companies as much as they do with regard to offline abuses (Colangelo and Borgogno, 2022). Other illicit conducts have been added by the Parliament: some are defined vaguely, others have never been assumed to be harmful before. On top of this, no impact assessment has been performed with regard to these new conducts. And the efficiency defense – i.e. showing that some conducts, albeit demonstrably anti-competitive, result in greater efficiencies that offset the effects from less competition. Therefore, a number of practices shall not be allowed with no explicit reason, no idea of what the consequences will be, and no possibility for the gatekeepers to explain why they were adopted in the first place.

One wonders where the foundation lies for such a dramatic shift in the enforcement of online competition, how that will work in practice, and what kind of consequences should be expected. These are the subjects of the next sections.

4. What are the obligations of gatekeepers?

On top of the above-mentioned obligations concerning the duty to provide specific information, the DMA forbids gatekeeper to engage in a series of practices that would otherwise be regarded as *per se* licit. According to the traditional antitrust policy, these practices could only be targeted *ex post* by national or European competition authorities on a case-by-case basis, if

they are instrumental to exercising market power or committing other abuses. The key point is that, in this case, antitrust bodies should demonstrate that such practices are harmful to the consumers or that they decrease the social welfare in some way. On the contrary, under the DMA these practices are blacklisted *ex ante*.

The blacklist includes (but is not limited to):

1. *Refusal to adopt interoperability solutions where the gatekeeper has a competing product*. Preventing users from uninstalling any apps on their devices. Gatekeepers will have to assure fair terms to business users in their platforms, such as the ability to communicate and function with other systems, products or services. According to the EU Commission, this behaviour introduces high barriers to switching and therefore it prevents competitors from gaining market shares from the incumbents (Drozdiak, 2020);
2. *Utilize commercial users' data to gain a competitive edge*. The gatekeepers cannot use data gathered via their main service to launch a product that will compete with other established businesses (Kelion, 2020). The rationale is that big tech platforms are able to collect large amounts of data while becoming financially powerful thanks to the privileged (and potentially non-replicable) access to those services. As a consequence, they will be able to improve and optimise their platform as they manage to quickly adapt services to evolving consumer trends, and use it as a competitive advantage on competitors.
3. *Leveraging*. This practice consists in exploiting a dominant position in one market in order to cover new ones, which may limit the access to online services and products (Carbone, 2020);
4. *Data collection and portability*. If the consumer has consented to share their data, the unjustified refusal of the gatekeeper to grant access to the data collected is a matter of concern. The same happens when the user is prevented from leaving the platform due to unreasonable dismissal of data portability from the gatekeeper.
5. *Tying and bundling*. This commercial practice, if done "unjustifiably" (e.g., the sale of services without adequate justification) is prohibited;
6. *Terms and conditions*. Ambiguous terms and conditions on commercial and/or end users are banned; specific platforms shall have to give access in fair, reasonable and non-discriminatory ways. An example of the latter imposition could be to block certain features of the digital platform;
7. *Access to external services*. In quite the same way it happens with data, the unfair denial of access to the platform – such as to the payment services – may be banned by the EC (Carbone, 2020);
8. *Self-preferencing*. This refers to treating their own services more favourably in rankings. It is important to remark that this form of unfair favouritism is done to the detriment of the products offered by third-party

companies. By way of illustration, Google may be limited in placing its own products at the top of people's search results (Scott et al., 2020). Another form of favouritism is third party preferencing, which goes to the detriment of one or more competing companies.

In summary, the European Commission has decided to deem as illicit some practices based on certain characteristics. It should be noted that many, if not all, of these practices have been investigated by antitrust authorities for decades. In several instances they have been regarded as illicit or harmful because, under specific circumstances, they were shown to be harmful, both in the traditional markets and in online markets. But a theory of harm had to be devised and the consumer harm had to be demonstrated. The DMA reverses the burden of the proof, assuming that the same practice (say, tying) shall not be allowed to large online platforms (unless it shows it does not result in any detriment to the consumers) but it will be allowed to large *traditional* companies (unless they are shown to be abusive). The gap between traditional companies and gatekeepers is even larger as far as the "new" obligations are taken into consideration: the EU Parliament amended the DMA in a way that expands its scope with no theoretical background, no empirical understanding, and virtually no escape clause for the gatekeepers even if they might argue for their behaviours on the grounds of efficiency and consumer welfare.

On top, a set of predefined and "adaptive" obligations depending on specific cases are introduced. The proposal also grants the EC the authority to revise the content of the legislation (e.g., register new practices that ought to be forbidden). The EU Commission shall have some flexibility to supplement or adapt the list of prohibited practices. Despite the need to perform market analyses and to provide evidence that further conditions need to be introduced, the Commission still retains a huge degree of discretion. The DMA introduces the notion of market contestability due to the undefined nature of prohibited practices. They will have to be specified by the EU Commission on a case-by-case basis, and a cost-benefit analysis on the precise obligation for the gatekeeper may be assessed (De Streel, 2021).

The DMA provides that fines will be imposed in the case gatekeepers fail to comply with their obligations. Sanctions may be as high as 10 percent of global turnover or, for more procedural matters, 1 percent. When it comes to systematic non-compliance, the EU may impose extraordinary remedies regarding structural changes in European services (Drozdiak, 2020). For instance, the EU Commission could oblige the gatekeeper to sell part of the company assets – the so-called splitting. The DMA establishes that whether gatekeepers are sanctioned three times in eight years they will be deemed as repeat offenders, and sanctioned accordingly. The provisional agreement expands this as to include a temporary ban on acquisitions and increases the potential sanctions up to 20% of the turnover.

Even if not properly discussed in the regulation, the EU's current merger rules have often failed to stop large companies from buying start-ups, in what many see as a tactics to stifle competition (Scott et al., 2020). Therefore, further policy considerations and research are needed on this regard. This paper does not deal with this specific issue which, at any rate, should be discussed in the context of merger control, rather than the DMA, not being an exclusive of digital platforms (although it may admittedly be a bigger issue for online companies).

5. The consequences of the DMA

These obligations, once implemented, will change the gatekeepers' behavior, in some cases their business models, and possibly even the very functioning of online competition, to the detriment of consumers. We present a few examples of how pervasive these changes may be.

5.1. An example of the DMA-induced obligations on gatekeepers: sideloading and interoperability

Some obligations of the gatekeepers under the DMA are intended to empower the platform users. In so doing, they merely reinforce what the law already says or generalize obligations that have already been introduced – at the EU or national level – in the context of antitrust cases concerning the large online platforms. An example is Art.5(1)(d) of the Commission's proposal, under which the gatekeepers shall "refrain from preventing or restricting business users from raising issues with any relevant public authority relating to any practice of gatekeepers". Other obligations, seem to endanger the very functioning of competition in the digital world. A case in question is Art.6(1)(c) (Commission proposal), under which the gatekeeper shall

> allow the installation and effective use of third-party software applications or software application stores using, or interoperating with, operating systems of that gatekeeper and allow these software applications or software application stores to be accessed by means other than the core platform services of that gatekeeper.

In the final version of the DMA such obligation is reinforced, by providing also a duty of the gatekeeper to allow interoperability of third-party applications.

Hence, under Art.6(1)(c) the gatekeepers would be required to allow so-called sideloading, e.g., downloading and installing applications or stores from third parties. The issue of sideloading is particularly interesting from a competition point of view. In fact, different environments and operating systems have different approaches to the software developed by third parties. For example, Android tends to allow sideloading, whereas on Apple iOS app distribution happens through the App Store, where every app undergoes human review to ensure it is free of malware and accurately represented to

users. The choice of whether or not – and to what extent – making an environment open to third-party applications reflects the gatekeeper's expectations regarding its customers' preferences on security, openness, etc. are concerned. Data confirm that security threats are far greater where sideloading is allowed, therefore a more secured eco-system with a curated store offer a significant advantage in preserving (sensitive) data security (Nokia, 2021). On the other hand, sideloading broadens the number of applications that can be installed and possibly reduces their costs by multiplying the channels to get them; however it may also result in increased costs because it requires the ability to manage multiple channels, payment systems, and customer care flows. There is no optimum balance in principle; the balance depends on the suppliers' as well as the customers' preferences. Competition is also about allowing for alternative approaches – as long as they are available, and no-one cannibalizes the market – and alternative business models.

Interoperability may raise even greater challenges. A case can be made for interoperability under specific circumstances, i.e. when a gatekeeper can be shown to provide an essential facility. But, generally speaking, this is not the case: the services from the gatekeepers may be supplied by competitors and quite often the competitors themselves offer "closed" environments. In fact, the value proposition of many applications (for example instant messengers) relies in their security and promise to grant the user's privacy. On top, interoperability requirements may be at odds with the legitimate protection of the intellectual property underlying applications or operating systems, thereby raising an issue of proportionality in the application of the DMA (which calls upon the implementation of the new regulation).

Imposing sideloading and interoperability would result in the adoption of a uniform business model, a uniform approach, and a balance between security and openness as well as in the degree and effectiveness of IP protection set by the law rather than by the market. In so doing, it would reduce, not improve, competition and choice. Neither can one argue that this is the only practical solution to address a gatekeeper's ability to foreclose the market downstream. On one hand, the largest market operator in the market of operating systems (particularly for smartphones), e.g., Android, already substantially allows sideloading. Imposing sideloading to companies that have founded their value proposition on the protection of privacy and data security would not just disrupt their own business model, but also depriving of the freedom to choose those consumers that appreciate security over interoperability (Barczentewicz, 2022). These customers would find themselves worse-off while nobody else would be better-off.

On the other hand, if it can be shown that the choice of preventing sideloading results in, or it is intended to, market abuses, antitrust authorities (either at the EU or national level) do already have the powers to open a case and possibly force the gatekeeper to open its system operator partly or

fully. But that would be a decision take on a case-by-case, individual basis, rather than a general and abstract rule. The same applies to interoperability.

5.2. Uniform business models

The DMA occasionally mentions business models of the gatekeepers (e.g., four times in the whole document and to no particular purpose). The lack of a clear and sound position on the matter could also be the motive for such legislative confusion. While the so-called GAFAM are clearly the target of the DMA, it is unclear how the new norms might apply to other companies. In a way, it seems that the DMA identifies the murderer, the murder weapon and the occasion, but it fails to show that a murder has happened at all.

One way of rationalizing the proposed regulations' aims is to try to better define the concept of gatekeeper. Caffarra and Scott Morton (2021b) propose three groups of potential gatekeepers depending on their business model (Table 2).[2] They recognise four main features:

1. *Economies of scale*. Different models entail different costs and needs (e.g., research and development costs);
2. *Network effects*. They result in a given user deriving more value from a product as other users join the same network, therefore the type (direct/indirect) and direction (one/both directions) of network effects are particularly relevant;
3. *Multihoming*. The potential for such practice is to increase reliability or performance for the digital platform – one or both sides – since its network will be connected to more than one network.
4. *Disintermediation*. The potential for disintermediation refers to the process of removing the middleman from future transactions amongst digital platforms (Hayes, 2021). This can be done through the intermediation of two sides of the platform to introduce a different layer of intervention, such as end-users and business users. Similarly, the platform could find a way for the two parties to directly connect to each other.

Table 2 summarizes and exemplifies.

Table 2. Relationship between the designated gatekeepers and their business model.

Business model	Gatekeeper
Ad-funded digital platforms	Google, Facebook, Twitter
Marketplaces and exchanges for transaction or matchmaking platforms	Uber, Airbnb, Amazon,
Operating systems and app stores for OS ecosystem platforms	iOS, Appstore, Android, Google Play Store, Microsoft Windows, AWS, Microsoft Azure

Source: Author's elaboration adapted from Caffarra and Scott Morton (2021b)

2 Notice that the groups differ substantially amongst their task operability.

The issue of operability is of crucial importance here: organizing principles around business models are considered a proper measure, whereas a fixed set of rules for all platforms is quite controversial. Caffarra and Scott Morton encourage a flexible approach, and reject the two-step process proposed for the gatekeeper's self-designation. The separation between obligations and designation does not stand in front of the actual evaluation of conduct of the firm. Then, a supervisory body defines a set of personalised rules to address the specific problem.

In short, Caffarra and Scott Morton (2021b) emphasize the complexity of formulating rules that do not take into account the differences in business models ad in the organizational design of the platforms themselves – as well as the fact that the co-existence of alternative business models and organizational structures is a consequence of, not a limit to, a lively competition. Similarly, recognizing that firms' business models evolve over time is equally important: business model innovation is one of the main elements for competition, especially regarding digital platforms since competitors can operate under different models. By way of illustration, different models have co-existed in several sectors. The market for news is one example with its subscription-based and ad-funded models. Regarding self-referencing, Google Shopping demonstrated that such practice is more likely to arise for an ad-funded business model.

In relation to this 'flexible' approach, an effective strategy that would avoid the standardization of rules – and ineffectiveness – is to introduce a set of universal principles (e.g, fairness, transparency). The regulation would stand still in front of future business models' changes, as well as improving clarity: the type of business model adopted by each platform will determine how they are going to react to the evolution of the market ecosystem (Caffarra & Scott Morton, 2021a)

5.3. What about the SMEs and consumers?

Competition takes place along several dimensions – not just price – but also quality, choice and innovation. For example, being Facebook a service which is apparently rendered free-of-charge to consumers, it would not entail any concern for price competition. Rather, it is common knowledge that the company exploits the network effects and monetizes them in terms of advertising (Valletti, 2021). The role of quality is fundamental for competition. Absence of competition may translate into higher prices and reduced quality. But, *what is quality*? To give an example, a reduction in consumer data protection and/or privacy will most likely provoke a reduction in quality, at least to some customers. Consumers may be willing to accept it if they feel like the loss in data protection or privacy is offset by some other gain.

In Europe, a minimum level of data protection and privacy is already granted by the General Data Protection Regulation (GDPR). All customers enjoy a minimum set of protection, beyond which they may freely choose whether

they want more privacy – while giving up some opportunities (e.g., targeted advertising). This, however, belongs to sectoral regulation (in this case: data protection regulation) rather than to a broad tool to address competition in the digital realm.

Innovation is another aspect – or consequence – of competition. It is a powerful force insofar as it provides customers with more, and better, ways to meet their needs and to satisfy their preferences. The DMA is predicated upon the belief that innovation may be promoted by limiting the large platforms' ability to exercise market power.3 Limiting the gatekeepers' ability to "exploit" their customers is supposed to be a tool to protect small and medium enterprises (SMEs) and create a more favourable environment for them to grow, prosper, and innovate. That is far from obvious. The SMEs play an important role in the economy, employing vast numbers of people and leading the innovation playing field. In 2018, they accounted for 99.8 percent of all enterprises in the EU, while generating 56.4 percent of value added and 66.6 percent of employment (European Commission, 2017).

With the DMA, the EU Commission declared to protect the interest of SMEs: by increasing the responsibility and obligations of gatekeepers, it creates a sort of two-tier system which is intended to limit abuses while not hindering the growth of smaller competitors. However, unintended consequences may show up: the same practices that are prohibited to the gatekeepers – regardless to whether they actually result in harmful effects – may become more common in smaller platforms, although the Commission will have the flexibility to address this, too (G'sell, 2021) and SMEs are excluded. Another important issue is the development of user-centric features generated by large platforms. The SMEs use both the services of large platforms and produce alternative services themselves.[4] In several instances SMEs themselves found that the DMA-induced obligations would have large, negative impact: for example, software developers openly questioned sideloading mandates (ACT, 2022).

The question is: *Will the existence of limits to growth, higher regulatory costs, and uniform business models, improve the SMEs' ability to grow? And to challenge large platforms in the market?* Most of these platforms are not headquartered in Europe, which suggests that Europe's digital markets are not designed to support a successful digital environment. For what concerns the impact of the legislation on consumers are still uncertain, and only time will give the appropriate answer. The EU Commission makes reference to four

3 The fact that market power is abused should be demonstrated first, rather than relying on the assumption that a large firm would automatically be in the position of – and take advantage of – market power.

4 The digital transformation is largely about incentivizing SMEs to exploit the progresses that have already been made by their corporate ancestors – as well as the products that are already available in the market.

potential benefits for consumers:

- Enhanced interoperability with different services (e.g., different from the gatekeeper)
- Improved services and lower prices
- Easier to switch platforms
- Forbiddance of unfair practices

As a result, the gatekeepers may eventually be induced to retrieve specific services from the European market, in order to avoid compliance costs or potential litigations.

In a way, something similar happened after the adoption of the GDPR: the increased costs and obligations were too high for non EU-based websites (including several information outlets) that are no longer accessible to European users. Of course a discussion of the GDPR is well beyond the scope of this paper. However this fact helps to illustrate one key feature of any regulation, including the DMA and the DSA: by creating costs and imposing organizational or behavioural limits, they may well reduce, rather than increasing, the supply of services.

There may be good reasons for this: for example, in the case of the GDPR, one may argue that adequate protections to the security and privacy of personal information is more worth than the possibility of accessing a few websites that, in fact, had little (if any) visitors from the EU. Still, the trade-off should be explicitly recognized and assessed. As paradoxically as it may seem, these raising barriers may even lead to the outcome of strengthening, rather than weakening, the market shares (and market power) of the gatekeepers. In fact, smaller, successful platforms might be disincentivized from growing in order to remain unregulated, instead of growing big enough to fall into the field of application of the DMA. If this is the case, it will be a quintessential unintended consequence. This risk should be properly assessed and, again, the underlying trade-off should be explicitly addressed.

6. Conclusion: The challenge of implementation and a roadmap to the future

The digital transformation is one of Europe's greatest challenges. It entails both capturing the benefits from digitalization and promoting the creation of European digital firms – while protecting and promoting competition in Europe's digital markets. The EU is in the process of introducing new rules concerning competition in digital markets.

In this article, our aim was to understand the impact that the recently proposed regulations may have on businesses and consumers – from Europe and overseas. A closer look was given to the notion of *gatekeepers* – while defining their obligations, responsibilities, business models, impact on innovation and market competition. The DMA aims to desirable goals. Unfor-

tunately, it relies upon a fragile ground, e.g, the tautological idea that large online platforms are big because they act as gatekeepers, while acting as gatekeepers because they are large. Whilst there is a grain of truth in this assumption (e.g., network effects, magnified by the size of online platforms), it provides a poor criterion to design a policy.

Under the DMA, gatekeepers are required to comply with several obligations. This completely overlooks the wide difference between the gatekeepers themselves, businesses, business models and organizational choices. The DMA also introduces large regulatory costs that may raise the gatekeepers' costs, and preventing smaller platforms to grow big (e.g., because of the same increased costs). Hence, reinforcing the gatekeepers' dominant position. The EU Commission – as well as national antitrust authorities – already have the powers to go after the gatekeepers when they abuse their dominance, including the powers descending from Articles101 and 102 TFEU and the merger control policy. The presence of a provision on market contestability supposes an important element of the regulation. And other *ex ante* regulations (e.g., the GDPR) limit the ability of the gatekeepers to exploit their position or engage in anti-competitive conducts.

Beyond what the rules require, it should be up to the suppliers and consumers of digital services to strike the right balance between privacy, security, and access to tailor-made services. For example, the mandate to allow sideloading and interoperability limits the suppliers' efforts to differentiate their businesses according to the quality as well as the price, while limiting the customers' right to choose among different products. Rather than increasing the regulatory costs and raising barriers to the growth of firms' size, pro-competitive regulations should pursue two main goals: removing barriers to entry, and pursuing fairness in their relationship with stakeholders. The EU authorities must encourage greater collaboration and exchange of information with the gatekeepers – as well as national authorities – to better capture the peculiarities of each gatekeeper's business models. A one-size-fits-all kind approach should be reviewed: it aims at targeting the currently large companies under the presumption that, being big, they are also bad.

The proponents of the DMA argue that it will contribute to level the playing field in the European digital markets, thereby creating new opportunities for EU- and non EU-based platforms to challenge the gatekeepers. Critics argue that, in fact, dominant positions are more fragile than it seems in the digital markets, as the rapid growth of new actors – such as TikTok and Zoom – shows. Moreover, new burdensome, costly and arbitrary regulations may raise barriers that will eventually harm consumers and innovators alike, while protecting the market shares of the alleged gatekeepers. The jury is still out but, even though the Commission-sponsored legislative proposals is on its way towards the final approval as this paper is being written.

However, at least some adjustments to the DMA should be considered in order to mitigate the potential negative impacts. In the final part of the paper we suggest a number of adjustment to the legislative proposal as well as a number of implementation-related problems that may rise and that should be addressed.

The European Commission, the Parliament and the Council have already reached an agreement on the text of the DMA so further changes are unlikely. Still, the DMA introduces a brand new regulatory approach to ex ante regulation of the digital market that will have to be tested in practice and, therefore, will probably leave some room for adaptation in the next few years. The changes we propose should be seen as points of attention to be monitored closely and possibly to be considered as the regulation will become evaluated and perhaps updated.

In the shorter run, though, many concepts and obligations remain vaguely defined and the practical terms of application of the regulation will need to be developed. We also identify a number of criticalities in the implementation process that should be addressed as soon as possible, within the limits of the Commission's and the national competition authorities' discretion.

6.1. Proposed changes to the DMA

As we have argued many of the objectives of the DMA could be achieved by pursuing a more aggressive implementation of the existing norms, such as competition policy and merger control. However, the shift to ex ante regulation has been triggered and it is not an issue any more in the foreseeable future. Therefore, in the following we propose a number of adjustments that might make the new regulations less distortionary and more grounded in the reality of digital markets:

- Soften the definition of what a gatekeeper is. While size matters, it is not necessarily the only or most important dimension. If the Commission's concern lies with network externalities, it would be more straightforward to look at network externalities themselves rather than at a firm's size, in order to avoid both the risk of regulating subjects that do not commit abuses, and that of not regulating smaller platforms that may find themselves in the condition of exercising market power. This would mean to shift back to an approach closer to the traditional antitrust enforcement insofar as it entails a case-by-case regulation rather than the application of the new regulation all across the board. In practice, the idea is to request the Commission – upon the act of calling a firm a gatekeeper – to perform a market analysis in order to justify why that specific company is a gatekeeper, which kinds of network or other externalities raise concern, which conducts are potentially harmful, and which specific obligations, limitations or prohibitions are needed to address the problem. In other words, instead of relying on a one-size-fits-all approach, the Commission might consider opening a dialogue with

the potentially recipients of the regulation in order to draft a tailor-made regulation out of a box of regulatory tools;

- Allow alternative business models as long as they demonstrably reflect the consumers' choices. Sideloading is perhaps the most obvious case but other practices may fall into this category, too, including the interoperability requirements. In the case of sideloading, what may be seen as a tool to lock consumers in, may also be seen as the outcome of a free choice of the consumers themselves, who freely chose a safer and more secure system (at the cost of less interoperability) over a more interoperable one (a the cost of less security and safety). Instead of banning a practice altogether, the Commission should open a dialogue with the gatekeeper in order to understand the reasons behind a certain organizational choice, and possibly explore alternative solutions other than imposing sideloading altogether;
- Do not underestimate the power of traditional antitrust and sectoral regulation: the DMA aims to creating a special branch of European law dedicated to online platforms. However, many potentially harmful practices of online platforms are carried out by traditional companies as well, with or without prejudice for the consumer and social welfare. Digital regulation should be viewed as a last-resort to tackle problems that cannot be addressed timely or properly by applying the existing instruments, including the competition policy (such as merger control or other abuses) and sectoral regulation (such as the GDPR). Hence, the Commission should be called to who on a case-by-case basis why the existing regulations fell short and, therefore, a special one is needed in that particular circumstance;
- As the Guns and Roses used to sing, "nothing lasts forever even cold November rain": by the same token, both the DMA as a regulation, and the designation of gatekeepers, should be subject to sunset clauses. In fact the DMA itself foresees a periodic review. The review, especially after the first stage of application, should be thorough and leave the door open to a radical revision of the existing obligations as well as the designation of those subject to the new rules. At the very least, especially if the proposal is accepted of leaving it up to an open-dialogue rather than on fixed criteria, the designation of gatekeepers should be periodically reassessed, also based on market research in order to keep trace of the rapidly evolving digital environment. By the same token, periodic assessments should review the potential market-based, bottom-up alternatives to ex ante regulation (Booth, 2022).

6.2. Implementation challenges

The DMA relies on loosely defined concepts and imposes a number of obligations that may be hard to put in practice. It also gives large discretion to the Commission as regards the actual course of action that shall be followed.

In the following we identify a number of criticalities that should be addressed since the onset of the new regulation:

- The DMA allows a great degree of discretion to the European regulator. At the same time, the human and financial resources of the Commission are limited. Especially in the initial stage, that means that the Commission will have a large discretion not just in interpreting the DMA implications in the real world, but also in picking which gatekeepers, behaviours, or obligations should be pursued more aggressively. This may raise the suspect of selective application or even discrimination in the enforcement of the DMA. This suspect is magnified by the fact that the enforcement is not tasked on an independent body, but on a political body, i.e. the Commission itself (Mazzone and Mingardi, 2011). The Commission should lay down a clear set of guidelines to reduce the uncertainty concerning the enforcement of the various obligations and to ensure all the subjects are treated equally;
- The Commission's discretion in enforcing the DMA is also magnified by the vagueness of several concepts or obligations. Some of them, if interpreted extensively, may severely interfere with other rules, most notably IP protection. Obligations should be clarified and made conditional to a proportionality test in order to grant that other rights (or duties) are not unduly sacrified;
- Discretionary powers and potentially high fines will make the gatekeepers (or other companies directly or indirectly at risk of being designated as such) very careful in their behaviour in the European market. One may argue that this is precisely the goal of the DMA – changing ex ante the behaviour of large online platforms in order to not go after them ex post. But that only applies to the behaviours that are deemed as socially harmful: what if the companies were inclined to limit their own innovation or cut some of their products just out of precaution? The Commission should take immediate and credible steps to address the fear of over-enforcement that might result in reducing the dynamism of digital markets, to the detriment of business and end consumers, that might have less choice in some markets or lose access to some products altogether;
- The DMA is supposed to prevent the legal fragmentation: however several member states have adopted or are in the process of adopting national regulations. It should be made clear that the digital single market, given its features, should not be regulated at the national level because that would not only be inconsistent with the principle underlying the EU Treaty, but also the goals of promoting the digital transformation of the European society. That does not necessarily mean that any action concerning the promotion of competition in the digital market should be centralized in the hands of, and exercised by, the EU Commission. In fact, the size of the market is so large, the number of interested parties

so high, and the array of conducts so wide, that the Commission may not have the time, staff, resources, and competences to address each and every gatekeeper or conduct. Hence, some share of the implementation effort should be outsourced to national competition authorities, that should be open to a continuous dialogue with the stakeholders (Santacruz and Stagnaro, 2021);

- As national competition authorities are recruited, though, the risk of a segmentation in the application of the DMA becomes high. The Commission should prevent this legal fragmentation – an enforcement fragmentation on top of the proliferation of national regulations that overlap on the DMA – by issuing strict guidelines and by adopting a strong role to achieve a reasonable degree of harmonization in the national implementation of the DMA:
- Generally speaking, and also in the light of the political momentum, the greater risk of the DMA is over-enforcement, that may create both uncertainty, fragmentation, and excess precaution on the gatekeepers' part. The Commission should be very careful in designing a reasonable implementation process and in defining clear implementation criteria in order to prevent too large a disruption in the supply of digital products.

All in all, the DMA addresses real problems – such as the dominance of some online platforms, the improvement of online consumer protection, and the risk of a regulatory fragmentation in Europe – but the solution falls both too short and too long. It falls short insofar as some abuses may be left untouched or even indirectly encouraged, if put in practice by smaller platforms. But it also falls way too long in the sense that gatekeepers – as defined based on their size and little more – are regulated regardless to the practices they put in practice and their potential effects. The DMA may also have unintended, adverse consequences, including limiting the supply of digital services in Europe, preventing European platforms from growing beyond a certain threshold in order to skip the gatekeeper regulation, and limiting innovation by standardizing business model instead of promoting a plurality thereof. We have proposed a few adjustments aimed at mitigating these consequences while preserving the general framework of the DMA, despite the criticisms that have been detailed above. These adjustments include a case-by-case assessment of whether a company is a gatekeeper; a duty to explore alternative ways to address the problems before resorting to the ex ante regulation; a broader collaboration with national authorities; and the provision of periodical reviews. We also have raised a number of doubts regarding the practical implementation of the DMA, that are made even more stringent by the strict implementation timeline. The Commission should both seek the collaboration of national competition authorities and refrain them from providing diverging interpretation of the DMA's content and implications, while adopting guidelines and criteria to reduce uncertainty.

Digital markets are rapidly evolving. Old platforms struggle to maintain their market shares and new platforms step in all the time. The features of the digital markets may require of surplus of research and more powerful instrument. They do not necessarily need an entirely new body of regulations whose long-term effects are well far from being understood, and that may be more persistent in time than the market power of gatekeepers themselves. Even less they need a proliferation of national norms and national implementation practices that might disrupt the digital market and induce online platforms to exceed in caution, to the detriment of European consumers, businesses, and innovation landscape.

References

ACT (2022). How Government Restrictions on Platform Privacy Measures Could Harm Small App Developers, January 2022.

Amenta, C., Boldrin, M. and Stagnaro, C. (2021). "Digital Platforms May Be Monopolistic Providers, But They Are Not Infrastructure", *ProMarket*, 26 January 2021.

Azguridienė, G. (2022). "Digital Markets Act: Competition, Property, Innovation and User Interest", Lithuanian Free Market Institute – ECIPE – INESS – IBL, January 2022.

Barczentewicz, M. (2022). Privacy and Security Implications of Regulation of Digital Services in the EU and in the US, *Stanford-Vienna TTLF Working Paper*, 84.

Booth, P. (2022). "Regulation from market institutions", in V. Hewson (ed.), *The meaning of competition in the digital age*, Institute of Economic Affairs, 28-34.

Broadbent, M. (2020). 'The Digital Services Act, the Digital Markets Act, and the New Competition Tool'. Center for Strategic & International Studies.

Cabral, L., Haucap, J., Parker, G., Petropoulos, G., Valletti, T., &Van Alstyne, M. (2021). "The EU Digital Markets Act", Publications Office of the European Union, JRC122910.

Caffarra, C., & Scott Morton, F. (2021a, January 5). The European Commission Digital Markets Act: A translation. *VoxEU*. https://voxeu.org/article/european-commission-digital-markets-act-translation

Caffarra, C., & Scott Morton, F. (2021b, January 11). How Will the Digital Markets Act Regulate Big Tech? *ProMarket*. https://promarket.org/2021/01/11/digital-markets-act-obligations-big-tech-uk-dmu/

Carbone, M. R. (2020, December 15). Digital Markets Act, così l'Europa limita il potere delle big tech. *Agenda Digitale*. https://www.agendadigitale.eu/mercati-digitali/digital-markets-act-come-si-sta-disegnando-il-futuro-delleconomia-digitale-europea/

Colangelo, G. and Borgogno, O. (2022). "Platform and Device Neutrality Regime: The New Competition Rulebook for App Stores?", *Stanford-Vienna TTLF Working Paper* , 83.

De Streel, A. (2021, January 13). What is the Digital Markets Act? Europe's Plan for Regulating Big Tech. *ProMarket*. https://promarket.org/2021/01/13/digital-markets-act-explainer-european-regulation-big-tech/

Drozdiak, N. (2020, December 15). Tech Giants Risk Breakup Under Strict EU Digital Rules. *Bloomberg*. https://www.bloomberg.com/news/articles/2020-12-15/tech-giants-risk-breakup-under-strict-eu-digital-rules

European Commission. (2017, July). *SME Performance Review*. Internal Market, Industry, Entrepreneurship and SMEs. https://ec.europa.eu/growth/smes/sme-strategy/sme-performance-review_en

Freemont, L., & Ciofu, S. (2020, December 17). European Commission publishes Digital Services Act and Digital Markets Act. *TechUK*. https://www.techuk.org/resource/european-commission-publishes-digital-services-act-and-digital-markets-act.html

G'sell, F. (2021, January 25). The Digital Markets Act Is Changing EU's Approach to Digital Gatekeepers. *ProMarket*. https://promarket.org/2021/01/25/europe-digital-markets-act-new-approach-gatekeepers/

Hayes, A. (2021). Disintermediation. In *Investopedia*. https://www.investopedia.com/terms/d/disintermediation.asp

Kelion, L. (2020, December 15). EU reveals plan to regulate Big Tech. *BBC News*. https://www.bbc.com/news/technology-55318225

Mazzone, L., & Mingardi, A. (2011). "Innovation, Competition And Antitrust: An Examination Of The Intel Case". *Economic Affairs*, 31(2): 68-75.

Nokia (2021). Nokia Threat Intelligence Report 2021.

Portuese, A. (2021a). "Precautionary Antitrust: A Precautionary Tale in European Competition Policy", in Mathis, K., Tor, A. (eds.), *Law and Economics of Regulation. Economic Analysis of Law in European Legal Scholarship*, Vol.11 Springer, 203-232.

Portuese, A. (2021b). "The Digital Markets Act: European Precautionary Antitrust". ITIF Report, May 24, 2021.

Santacruz, J., & Stagnaro, C. (2021). The EU's digital package and the role of national competition authorities. *Epicenter Briefing*.

Scott, M., Larger, T., & Kayali, L. (2020, December 15). *Europe rewrites rulebook for digital age*. POLITICO. https://www.politico.eu/article/europe-digital-markets-act-services-act-tech-competition-rules-margrethe-vestager-thierry-breton/

Valletti, T. (2021, January 18). How We Gave Away Our Data and Made Big Tech What It Is Today. *ProMarket*. https://promarket.org/2021/01/18/facebook-whatsapp-terms-of-service-ads-data-privacy/

Istituto Bruno Leoni
idee per il libero mercato

IBL Special Report

Chi Siamo

L'Istituto Bruno Leoni (IBL), intitolato al grande giurista e filosofo torinese, nasce con l'ambizione di stimolare il dibattito pubblico, in Italia, promuovendo in modo puntuale e rigoroso un punto di vista autenticamente liberale. L'IBL intende studiare, promuovere e diffondere gli ideali del mercato, della proprietà privata, e della libertà di scambio. Attraverso la pubblicazione di libri (sia di taglio accademico, sia divulgativi), l'organizzazione di convegni, la diffusione di articoli sulla stampa nazionale e internazionale, l'elaborazione di brevi studi e briefing papers, l'IBL mira ad orientare il processo decisionale, ad informare al meglio la pubblica opinione, a crescere una nuova generazione di intellettuali e studiosi sensibili alle ragioni della libertà.

Cosa Vogliamo

La nostra filosofia è conosciuta sotto molte etichette: "liberale", "liberista", "individualista", "libertaria". I nomi non contano. Ciò che importa è che a orientare la nostra azione è la fedeltà a quello che Lord Acton ha definito "il fine politico supremo": la libertà individuale. In un'epoca nella quale i nemici della libertà sembrano acquistare nuovo vigore, l'IBL vuole promuovere le ragioni della libertà attraverso studi e ricerche puntuali e rigorosi, ma al contempo scevri da ogni tecnicismo.

Istituto Bruno Leoni – Piazza Cavour 3 - 10123 Torino – Italy
T: +39 (011) 1978 1215 – F: +39 (011) 1978 1216 – www.brunoleoni.it – info@brunoleoni.it