

Six Ways the DMA Is Backfiring on Europe by Harming Users, Innovation, and Allies

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THE BRUSSELS EFFECT

How the EU exports its regulatory policies to the world

By [Lilla Nóra Kiss](#)

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June 30, 2025

The European Union’s Digital Markets Act was designed to curb the perceived dominance of primarily U.S. platforms and promote a “fairer, more contestable” environment for consumers and smaller—particularly European—businesses. Yet leading European economists, legal scholars, and consumer advocates warn that it is degrading user experience, stifling innovation, and placing new burdens on smaller firms, all while jeopardizing Europe’s global competitiveness and straining ties with the United States. Below are six critical pitfalls that undercut the regulation’s stated ambitions.

1. The DMA Degraded User Experience Due to Anti–Self-Preferencing Rules

The DMA’s ban on self-preferencing has become a case study in how good intentions can go awry—most notably by disrupting the simple act of accessing Google Maps from search results and forcing users to click through aggregators instead.

- Clicking on a map shouldn't feel like navigating a maze. William Echikson, senior fellow at the Centre for European Policy Analysis (CEPA), [reports](#) that “Google has stopped allowing automatic linking from its search to its maps. Instead of a single click to find a destination, Europeans must now make multiple clicks,” adding, “As a user based in Brussels, I can testify that the change has made the service worse, not better.”
- Former Member of the European Parliament Jessica Stegrud (ECR, Sweden) [agrees](#), calling the DMA a “bureaucratic behemoth” that erects unnecessary hurdles. “If someone doesn’t like Google Maps,” she said, “they can simply switch to another map service—there’s no need for central control from Brussels.”
- Digital policy expert Patrick Hansen [compares](#) the post-DMA Maps experience to the GDPR’s “endless cookie consent forms,” highlighting that “the inability to jump from search to Google Maps creates a really bad UX for European users.” These added layers, he argues,

“just waste users’ time.”

2. The DMA’s Mandatory Interoperability Harms Consumers

Mandatory interoperability isn’t really about giving users more options. Instead, it forces platforms like Apple to expose internal system components, which undermines functionality, security, privacy, and ease of use.

- Interoperability isn’t just a user interface tweak—it affects core functionality and product features. Apple is already being required to expose sensitive system components, such as notification content and Wi-Fi history, to third parties without proper safeguards. As tech analyst John Gruber [underscores](#), “this isn’t about USB C ports or browser defaults—it’s about treating Apple’s integrated software as if it were public infrastructure,” risking a future of less secure and less functional devices for EU users.
- Furthermore, mandated interoperability “vastly increases the attack surface at every level in the stack—from the cryptography up through usability to commercial incentives and the opportunities for government interference” [according](#) to Cambridge University computer scientists Jenny Blessing and Ross Anderson. Their research shows that achieving “reasonable” security under interoperability entails complex trade-offs that reduce the protections users currently enjoy.
- [According](#) to Mikołaj Barczentewicz, senior lecturer at the University of Surrey, “if interoperability can’t be accomplished without reducing security, then the DMA mandate arguably should remain a dead letter until it can.” In his view, the rule forces users to trust not just their own messaging service, but also “any used by their communication partners,” which significantly increases the attack surface for malicious actors. He [warns](#) that the interoperability mandate may also violate Articles 7 and 8 of the EU Charter of Fundamental Rights, which protect privacy and user data. This suggests that mandated interoperability not only reduces safety but also exposes a contradiction in EU law: complying with the DMA could lead to violations of privacy obligations under the Charter and GDPR, ultimately affecting users’ privacy.
- As Kay Jebelli, a former European Commission competition practitioner and now senior director for Europe at the Chamber of Progress, and senior analyst Hope Ledford of the same organization [emphasize](#), the DMA’s “regulatory isolation threatens to widen the gap between Europe and other parts of the world, as consumers in Europe are gradually deprived of the most productive and efficient digital tools and services, digital adoption slows, and stagnation spreads [...leading to] Europeans has become second-class citizens in the digital economy.”

3. The DMA Chills Innovation and Undermines Dynamic Competition

Anticipatory regulation creates uncertainty, delays innovation, and reduces platforms' incentives to invest in new features and services.

- The DMA is precautionary and broad, freezing innovation before it begins. In a policy brief, Matthias Bauer, Dyuti Pandya, and Vanika Sharma of European Centre for International Political Economy (ECIPE) [caution](#) that the DMA shifts away from flexible, case-by-case enforcement to sweeping, preemptive mandates—“reducing legal certainty, increasing the risk of inconsistent enforcement, and may inhibit dynamic competition, which is essential for innovation-driven sectors like fintech, e-commerce, ICT, and edtech.”
- The DMA risks undermining innovation incentives by treating platforms as “essential utilities.” European scholars Giuseppe Colangelo and Oscar Borgogno [warn](#) that such interventions “entrust public authorities with mammoth tasks that could ultimately jeopardize the profitability of app-store ecosystems.” These regulations, they argue, “essentially treating app stores” as “common carriers or public utilities” and overlook “the differences that may exist between the business models of different platforms,” flattening competition and deterring the development of differentiated, consumer-oriented services.
- János Tamás Papp, PhD, legal expert of the Hungarian National Media and Infocommunications Authority, [criticizes](#) the DMA's ex ante approach as “predictive and subject to the bias of the regulators,” imposing sweeping obligations before any market failure or consumer harm is proven. This aligns with what F.A. Hayek described as the “knowledge problem”—the idea that regulators cannot foresee how innovation will unfold in complex, dynamic markets.
- As CEPA's William Echikson bluntly [observed](#), “Tech companies are blaming the new rules for slow product rollouts,” illustrating the chilling effect anticipatory regulation can have on innovation, which is already taking a toll. For example, Apple released its Apple Intelligence suite in the United States in June 2024, with a public rollout in October, but withheld it from the EU due to DMA-related concerns, leaving European users nearly six months behind on a flagship product that only arrived in April 2025. “Meta did not release its Twitter competitor Threads in Europe until five months after it was available in the United States for similar reasons.”
- The DMA is already weakening the innovative capacity of high-growth sectors by disrupting the digital tools businesses rely on to compete. A [June 2025 report](#) by Professors Carmelo Cennamo, Tobias Kretschmer, Ioanna Constantiou, and Dr. Eliana Garcés found that compliance with DMA provisions could lead to revenue losses of up to €114 billion—equivalent to 0.64 percent of total turnover across key service sectors—and reduce revenue

per worker by €1,122 annually. These losses stem from reduced personalization, lower search visibility, and disrupted platform integration, particularly harming high-growth sectors like retail and tourism.

4. The DMA Creates Barriers to Entry for SMEs

The DMA hurts the very small and medium-sized enterprises (SMEs) it claims to protect by creating a twofold problem: It imposes costly compliance burdens that slow the growth of the startups Europe desperately needs, and it opens the door to regulatory capture by the very incumbents it seeks to restrain.

- As the [Draghi Report](#) on the Future of European Competitiveness cautions, “innovative companies that want to scale up in Europe are hindered at every stage by inconsistent and restrictive regulations.” This regulatory fog discourages startups from pursuing growth or cross-border expansion, as they fear ever-shifting obligations, ultimately preventing them from scaling into the very European champions Brussels claims to want.
- The DMA imposes indirect but unavoidable compliance burdens on SMEs, draining their limited resources and diverting focus from innovation to regulatory alignment. “Just as the GDPR has benefited large tech firms and hurt other companies,” [warned](#) Henrique Schneider, former chief economist of the Swiss Federation of SMEs, “the DMA creates extra regulatory costs that raise barriers to entry.”

5. The DMA Calls for Contestability Without Competition

The DMA suffers from a fundamental conceptual error: It focuses on platform size to encourage intra-platform rivalry, while neglecting the more important goal of inter-brand competition.

- Though intended to address the perceived dominance of gatekeepers and democratize digital markets, the DMA fails even at the narrower goal of enhancing “contestability.” Cristina Caffarra, a leading European competition economist, [warns](#) that the DMA is “not a real challenge to the platforms’ core status.” It promotes “mostly competition on the platform, not competition to the platform.” These dependent services cannot emerge as genuine rivals. As such, the rhetoric of “leveling the playing field” obscures this weakness, fostering only intra-platform rivalry while leaving entrenched power structures intact.
- Bertin Martens, senior analyst at Bruegel, makes a similar point: Mandated openness (e.g. Apple and Google have to allow third-party app stores and payment options) does not ensure viability or meaningful choice for consumers. He [explains](#), “Google already complies ... because Android phones allow sideloading from other stores. But, because of network effects, this theoretical choice makes little difference. App developers want to be where consumers are, and vice versa, meaning that developers must be present in both the Apple

and Google Play stores, while consumers have no incentive to switch to other stores because it would not give them access to more apps.” The core market dynamic remains unchanged, as both sides gravitate toward the dominant app store.

6. The DMA Creates Geostrategic Problems for Europe

The DMA not only risks stifling innovation at home but also threatens to strain transatlantic relations and undermine Europe’s own tech ambitions.

- Former EU competition chief Mario Monti [warned](#) at an OECD conference in early 2023 that promoting European firms as “national champions” may backfire abroad, cautioning that such strategies—while legitimate in aim—can “compromise [competition authorities’] objectivity” and provoke international resistance. Monti’s warning recalls the backlash that followed his 2001 decision to block the GE-Honeywell merger. The lesson applies equally to the DMA today: If Europe uses regulation to tilt digital markets in favor of homegrown firms, it may trigger geopolitical blowback and erode trust in the EU’s regulatory neutrality.
- As *Euronews* journalist Irakli Machaidze [puts it](#), “Brussels has once again cast too wide a regulatory net, strangling competition and innovation... [leaving] consumers scratching their heads in frustration.” And while shielding European markets may seem like a win in the short term, it risks producing digital actors “raised in sheltered environments struggling to compete on a global scale.”

Conclusion

The Digital Markets Act doesn’t reform—it restricts. While the “Brussels Effect” once symbolized Europe’s global regulatory clout, the DMA may come to represent its strategic myopia. In prioritizing control over competitiveness, Brussels risks not exporting its standards but instead showcasing its inability to create a legal environment that fosters innovation, while also alienating its closest allies.