# Why Europe has been ineffective in regulating social media platforms

Hannu Nieminen, Helena Sousa & Claudia Padovani Conference on Governance of Digital Media and Platforms University of Minho, Braga, 3 October 2022

#### Structure

- Background
- The birth moment of the internet
- European regulatory history
- Possible explanations
- Is change possible

## Background

- European (and global) dependence on the US media and technology companies:
  - Public administration
  - Public services (and public-like services)
  - Business
  - Private citizens and consumers
- In the field of the media, double-dependency:
  - Daily functionality depends on US-origin media and technology companies (hard- and software)
  - At the same time, the same companies undermine the economic basis of European media: advertising income & tax-dodging = deprivation of European media and decrease of diversity
- Consequences: less innovation, less new investments, increasing dependence?
- Conclusion:
  - European societies becoming increasingly dependent on a few US-based technology and media companies
  - What used to be understood as democratically produced and monitored public sphere (relatively speaking) has transformed into a privately conditioned quasi-public sphere

#### The birth moments of the internet

- Explanation for this can be sought from the birth history of the internet:
  - Initiated in the late 1950s: the Sputnik shock & Eisenhower: USA needs a military communication system that sustains a nuclear attack
  - Following this, in the 1960s a close collaboration was established between Pentagon and several universities; the best talents were sought and recruited; open purse for trials and errors
  - Several IT companies were engaged (soft- and hardware); telecoms were not interested (AT&T: fear of competition)
- Contradiction: military-industrial complex allied with libertarian hippie generation researchers;
  - Researchers/data engineers as activists; autonomy against the State and all authoritative power structures
  - In practice: non-paid/non-profit work to benefit first the military-industrial complex, and later the GAFAM companies, aiming at global domination
- In Europe, at the same time: only a few separate projects UK, France, Switzerland; small scale, no coordination
- The birth moment of the internet as we know it today: the privatisation of the internet in 1992; fully developed with public money was offered for free to be exploited by commercial actors

#### European regulatory history

- In the beginning of the 1990s, in Europe:
  - A discourse on the Information Society: national strategies
  - The coming of the World Wide Web and Web 1.0 applications
  - EU documents: Deloirs' White Paper (1993); Bangeman report (1994); EU Green Paper on Convergence (1997); eEurope: An information society for all

#### • At the same time:

- The collapse of the Soviet Union and Eastern socialist countries
- European/global economic crisis
- Neo-liberal economic policy: deregulation; radical decrease in the role of the state and in the public steering of national economy
- The result: in the early 1990s, neither European countries (EU) nor European industries were prepared for the arrival of the internet and, as a consequence, for the US-led digital turning point in global economy

## EU's reactions

- Early reactions (not exhaustive):
  - Delors' White Paper on Growth, Competitiveness, and Employment (1993)
  - Bangemann report on Europe and the global information society (1994)
  - EU Green Paper on Covergence (1997)
  - eEurope: An information society for all (2000)
  - World Summit on Information Society (2003 & 2005)
- Towards better coordination:
  - EU's digital single market strategy (2015)
  - Open Internet Access Act (2016)
  - GDPR (2018)
  - AVMSD (updated in 2018)
  - EU Copyright Directive (2019)
  - DSA & DMA (2021)
- However: Hans Bredow Institute 2020: The European Communication Disorder
  - European regulatory framework for information and communication is fragmented and reactive
  - To create a coherent overview is very difficult as regulation is mostly sector-specific and often overlapping
  - (https://leibniz-hbi.de/en/publications/the-european-communication-dis-order-mapping-the-media-relevanteuropean-legislative-acts-and-identification-of-dependencies-interface-areas-and-conflicts)

#### Initial explanations

- The role of the State:
  - USA: state-led investment and innovation policy
  - Europe: EU's fragmented innovation and technology policies; deregulation in the fields of ICT (telecoms & electronic communication)
- Libertarian myths:
  - US-origin libertarian net-culture (individualism, anti-statism and anti-authority) translated in the terms of digital democracy (hacktivism)
  - Deployed also to support European deregulatory/anti-statist policy
- European crisis:
  - Europe was dominated in the early 1990s by European and global economic crisis and EU's Eastern expansion
  - Lobbying: the US technology and media companies developed massive lobbying power in Brussels/EU
- In sum:
  - EU's regulatory approach appears to be led by the belief in market self-regulation, while the US digital media and tech companies have done their best to obstruct all regulation – both statutory, co-, and industry self-regulation, and instead, aim for market domination and sharing the markets between themselves

- All comments and improvements are welcome!
- Many thanks!
- Hannu, Claudia & Helena