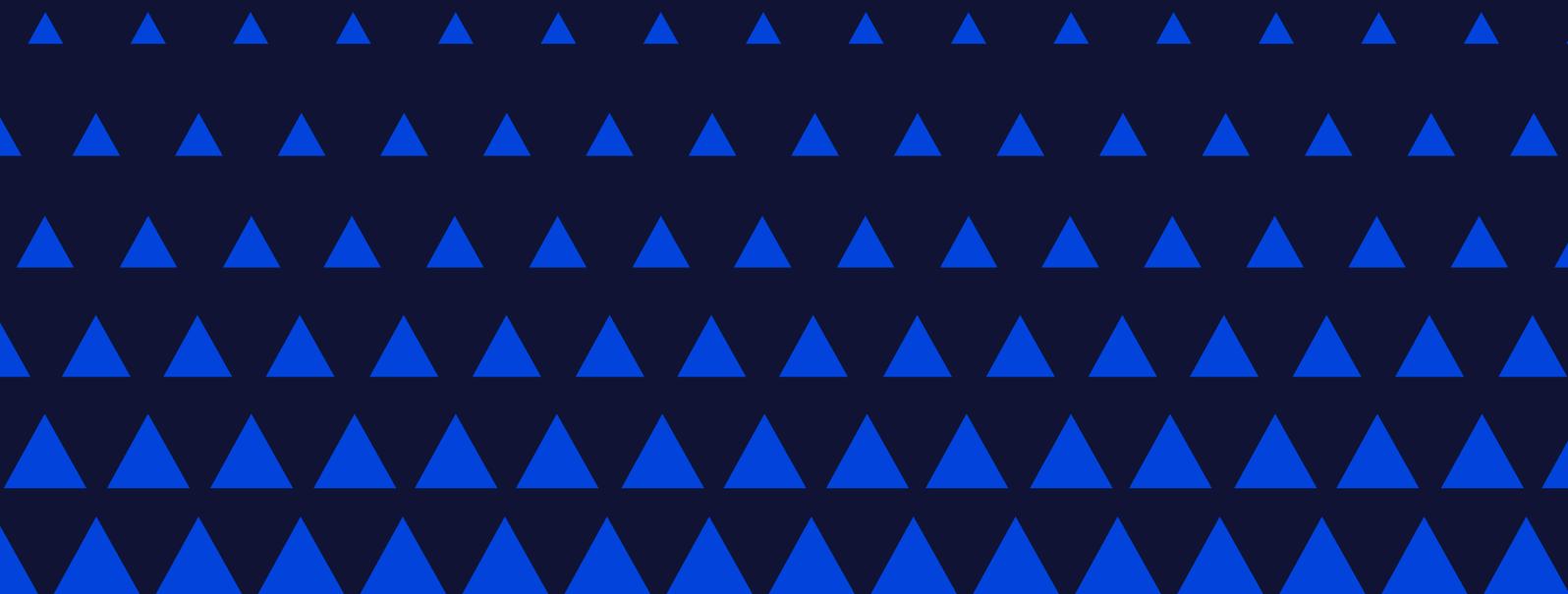


CAMP

— European Democracy Shield

Canadian Anti-Monopoly Project
(CAMP) consultation submission



About CAMP

The Canadian Anti-Monopoly Project (CAMP) is a think tank dedicated to addressing the issue of monopoly power in the Canadian economy. CAMP produces research and advocates for policy to make the Canadian economy more fair, free, and democratic.

Introduction

CAMP welcomes the opportunity to participate in the European Commission's (EC) open consultation on the European Democracy Shield. As a longtime friend and ally, Canada stands to benefit from our continued partnership with the European community, a partnership that we believe should deepen amid rising global uncertainty.

The Canadian Context

Though the focus of the consultation is the challenges facing European democracies today, Canadians share many of these challenges along with other democracies around the world.

In our dependency on American digital platforms, Canada is just as if not more exposed than EU member states. Most Canadians report using Meta platforms at least a few times a month.ⁱ Google's search engine is as dominant in Canada as it is elsewhere. In online advertising Google, Meta and Amazon hold 90% market share.ⁱⁱ This dominance extends to the infrastructure of digital markets, where most cloud computing services used by nearly half of Canadian businesses as well as the federal government are provided by Amazon, Microsoft, and Google.ⁱⁱⁱ

Each of these companies holds an extraordinary amount of power in their ability to shape how Canadians communicate, access information, and engage in commerce. It's also clear that these platforms have been a vector of attempted interference in Canada's democratic process. In the most recent federal election, the Canadian Digital Media Research Network found a surge in AI-generated content posing as legitimate news sources pushing divisive narratives on top of cryptocurrency scams.^{iv} This content is particularly problematic in the context of Canadians' restricted access to legitimate news sources as a result of Meta blocking Canadian news sites from its platforms in response to Canada's news funding legislation, C-18.^v

While the monopolization of key digital markets was an issue prior to the second Trump administration, concern now extends beyond economic concerns and towards Canada's future as a sovereign nation. In a fundamentally changed relationship with our neighbour to the south, Canada must revisit the assumptions that allowed the power of American tech giants to grow unchecked in our society. While Canada has made progress, competition policy being a standout example, policy frameworks related to digital markets need reform to match the new reality we find ourselves in.^{vi} As a partner to the European community, Canada can contribute to stepped-up efforts to rebalance our economies and defend the health of our independence and democracies.

Europe's Opportunity

Europe has a unique opportunity to provide a staunch defense of democracy to the benefit of countries far beyond the European community. Taking that opportunity will mean robust effort across several policy areas to push back against the monopolized markets and information ecosystems that pose a threat to the health of our democracies today. This will include:

- Strict enforcement of the GDPR, with a focus on the dominant companies operating the markets that shape how we communicate, access information, and engage in commerce.
- Assertive antitrust enforcement with a focus on structural remedies that go to the heart of the concentrated economic power that allows for the kind of abuses we see in digital markets.
- A strong defense against further concentration of key digital markets through European merger control regimes with a focus on maintaining and improving media plurality.
- Proactive enforcement of the Digital Services Act (DSA) and Digital Markets Act (DMA) with a focus on fair competition and preventing further concentration in the markets that shape our access to information and communication channels.
- Creating the conditions for digital alternatives that de-concentrate economic power and reduce the ability of a handful of private firms to shape information ecosystems. This will involve supporting more decentralized and democratic alternatives to U.S. tech giants.

While Europe can lead on each of these fronts, the global nature of the threats we face means that allies like Canada must be ready to step up and be part of a global response. Together, trusted allies can forge a new path forward in an increasingly uncertain geopolitical climate.

Presenting a united front in defense of sovereignty

While Canada and Greenland have borne the brunt of the direct threats to our sovereignty so far, it's clear that the second Trump administration has limited interest in the ability of other sovereign states to regulate within their borders. Spelled out in directive from the White House earlier this year, key pieces of Europe's attempt to regulate American tech giants such as the DMA and DSA are in the sights of the current administration.^{vii}

Core to the continued ability of Canada and Europe to regulate the operation of foreign companies within their own borders is a recognition that no country or policy area will be spared from intrusion if we do not present a united front. While attractive to assume that this pressure will only apply to policy areas such as

competition and platform regulation, capitulation in these areas creates the potential for future intrusions into fundamental elements of sovereignty such as taxation and national security. The same concept applies to individual countries targeted by the Trump administration. Allowing one country to succumb to this kind of coercion encourages the spread of this bullying behaviour.

Instead, Canada and Europe, along with other dependable allies, must present a unified front in defense of the rights of countries to protect their citizens and enforce their respective rules of the road on multinational firms. While this will not spare individual countries from these kinds of pressure tactics, it will send a clear signal that like-minded democracies will not stand by as their sovereignty is stripped from them.

Greater regulatory cooperation and coordination

In addition to a united front in defense of the sovereignty of individual nations to police the firms that operate within their borders, there is also a greater need for cooperation and coordination on regulatory frameworks with a global scope. As previously discussed, the challenges motivating the Democracy Shield are shared by Canada and other democracies around the world. Without sacrificing our ability to develop solutions that meet the unique needs of individual countries and blocs, Canada and Europe stand to gain from greater cooperation on the solutions to these challenges.

From the regulatory perspective, this would entail greater coordination between Canadian institutions such as Elections Canada, the Office of the Privacy Commissioner, the Canadian Radio-television and Telecommunications Commission (CRTC), the Competition Bureau, and their European counterparts. The mandate of each of these institutions overlaps with different elements of the goals of the Democracy Shield, and increased cooperation and coordination, even at the level of information sharing, will be critical to building more resilient democratic societies.

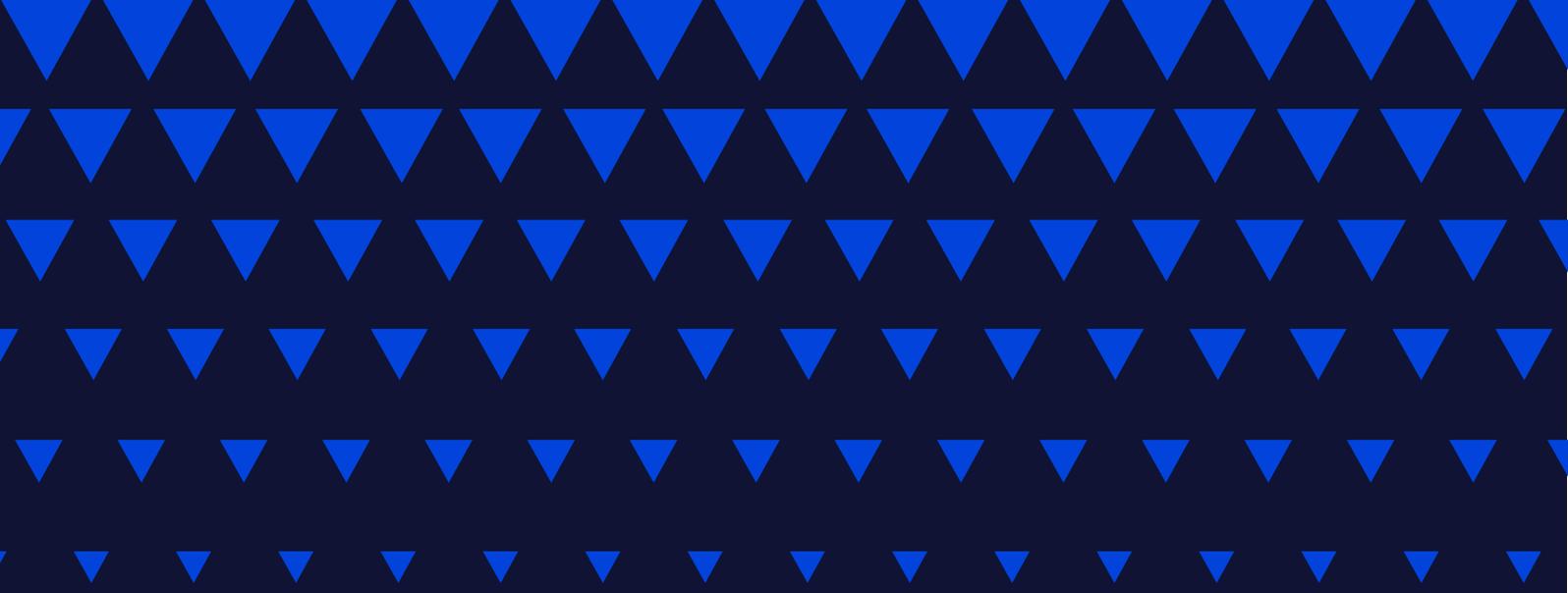
This kind of increased cooperation should also extend to related legislative efforts as well. One example of this principle in practice is the approach to digital services taxes, where Canada along with peers in the European community have worked together to ensure fair taxation in digital markets.^{viii} Though actions have not been entirely uniform, by moving together countries can create a global standard and reduce the ability of global tech companies to pick off individual jurisdictions with threats and intimidation. In the coming years Canada and Europe should build on this foundation as we develop our respective responses to the issues motivating the Democracy Shield.

Conclusion

Once again, CAMP welcomes the opportunity to participate in the EC's open consultation on the European Democracy Shield. In many cases the challenges faced by the EU and its member states are shared by Canada and other democracies around the world. While Europe has a unique opportunity to lead the way on pushing back in defense of democracy, a coordinated response between like-minded countries will be critical for preserving and improving the health of our democracies in this new global environment.

Endnotes

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