

Funders' briefing: Digital Sovereignty

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Summary

- Europe's tech policy arena has shifted in the past year to focus on who controls the technologies that Europeans use and rely on across all areas of life – from transportation to healthcare, public services to social media.
- Facing pressure to relax its tech regulations and anxious about heavy dependence on US tech giants as transatlantic relations fracture, policymakers are looking for ways to achieve regulatory, political and economic sovereignty for Europe.
- Currently the debate focuses on economic and national security concerns, positioning national tech champions as an alternative. This risks creating AI with a 'made in Europe' label, but which follows Big Tech's paradigm, causing harm to people, society and the planet.
- Funders can help build the power of public interest groups to engage in and shape this discussion to leverage the potential this moment offers to seed an alternative vision for AI.

What's driving the digital sovereignty debate in Europe?

Europe's tech policy arena has shifted in the past year to focus on who controls the technologies that Europeans use and rely on. For years the EU focused on creating legislation to set guardrails and common standards around digital products and services, notably through the Digital Markets Act (DMA), Digital Services Act (DSA) and AI Act. But in 2025 the fracturing of the transatlantic relationship turned attention to Europe's reliance on US Big Tech firms. Attacks on Europe's tech policy rulebook by the Trump administration and an aggressive America-First AI policy has sent European policymakers scurrying to find ways to decouple Europe's technology infrastructure from foreign providers.

As AI and other digital technologies are adopted at an unprecedented speed, they have become the infrastructure of our societies – from transportation, to healthcare, public services to social media. More than 80% of the technology used in Europe is provided by foreign companies – and largely US Big Tech providers including Amazon, Google and Microsoft. This has allowed them to capture the direction of AI in Europe, with people, society and the planet paying the price.

France and Germany co-hosted a [Summit on European Digital Sovereignty](#) in Berlin in November 2025, bringing together policymakers, industry, investors and civil society from all EU member states and institutions. Germany's Chancellor Merz noted:

"For Europe, digital sovereignty means the ability to shape technology across the entire value chain in line with European interests and needs. We seek competition on equal terms. This does not exclude anyone. As a community of states, we must align our legal frameworks, procurement and investment procedures accordingly."

Both he and French President Emmanuel Macron emphasised the importance of supporting European industry to develop home grown technologies. But the summit provided few concrete outcomes, and the concept of digital sovereignty remains vague and contested.

Defining digital sovereignty

There are competing visions of what sovereignty could or should mean. As Leevi Saari of AI Now [identifies](#), there are three strands to the current digital sovereignty debate.

1) Regulatory sovereignty: *having rules and regulations and being able to enforce them.*

Europe's digital legislation is under attack. US Vice President JD Vance launched a broadside against European legislation at the Paris AI Summit in February, a Republican-led congressional committee staged a hearing on "Europe's Threat to American Speech and Innovation", EU officials responsible for tech policy have been threatened with visa restrictions, and the US has demanded changes in tech regulation as part of tariff negotiations. Meanwhile emboldened Big Tech companies are dialling up their criticism, with Apple, which was found in breach of the Digital Markets Act, demanding the law be repealed.

The European response has been contradictory. The Commission and national leaders have denounced threats to Europe's regulation and declared their intentions to stand by their rulebook. But in practice there's been flip-flopping on enforcement decisions and fines. As part of the Digital Omnibus 'simplification' push to streamline regulation the Commission proposes changes to GDPR to loosen restrictions on data use for AI model training and delays and relaxation of measures in the AI Act – a move described as the most extraordinary reversal of digital rights in a generation.

2) Political sovereignty: *the idea that having your own technological infrastructure can reduce the threat to national security and being cut off by foreign tech companies.*

With more than four-fifths of Europe's digital infrastructure and technologies imported, there are fears foreign providers could 'pull the plug', causing damage to Europe's economies, public services and national security. These fears were made concrete when, following Trump administration sanctions against the International Criminal Court, Microsoft reportedly cut its chief prosecutor's email access. The Court has since adopted European software.

In response, the idea of the Eurostack, which envisions a coordinated European industrial strategy for digital infrastructure, has swiftly gained traction across the political spectrum. And Denmark, Germany and France are putting their money where their mouths are, moving away from using Microsoft and the like to open-source systems. But Big Tech vendors have adapted to this pressure by offering "sovereignty-as-a-service," promising governments and organisations greater "control" over their data, infrastructures, and cloud operations, which can in practice deepen dependencies.

3) Economic sovereignty: *that value generated through digital infrastructure, should benefit the country or region it's in, rather than being siphoned off by foreign companies.*

Not only is Europe dependent on foreign companies for its digital infrastructure, it's dependent on a handful of providers – so-called hyperscalers – that have captured the market, in particular for the chips and cloud infrastructure required to build AI. Nvidia, Google, Amazon and Microsoft, which dominate these markets have trillion-dollar market capitalisations. So the value they derive from doing business in Europe is being pocketed by these companies, and not benefitting the wider European economy.

At the [European Digital Sovereignty Summit](#), European tech start-ups were centre stage, and French AI company Mistral and German software firm SAP announced plans to build "Europe's first fully sovereign AI stack." However unless this is accompanied by a rethinking of the approach, there's a risk that this results in AI, which has a "made in Europe" label, but which in practice is no different from Big Tech's offer and fails to deliver technology that serves the public interest.

How can civil society influence the digital sovereignty debate?

The current focus on digital sovereignty opens a window to shift the debate around AI. With Europe forced to rethink its AI infrastructure, this is an opportunity to seed new ideas about how and why AI technologies are built and deployed. Currently however the debate is dominated by economic and national security interests, and the wider needs of the public are poorly represented.

At our Funders' Briefing on Digital Sovereignty in November 2025, Max von Thun of [Open Markets Institute](#) suggested five principles that should shape Europe's approach.

1. **Autonomy, not autarky:** Having local technology systems that collaborate with technology from other democratic countries such as Japan and Brazil could make Europe more autonomous, but not insular.
2. **Diverse markets, not EU champions:** Fostering a more decentralised and open-source technology field would play to Europe's strengths, and lessen

the risk of Big Tech monopoly being replicated.

3. **Tech that puts public interest, not profits, first:** Working with civil society to actively avoid harms being baked into tech systems, and having an alternative business model to exploitative advertising.
4. **Independent values, not just independent tech:** Rather than replicating the US Big Tech's expansion strategy (at massive scale, rolling out systems before they are properly tested, profit over people), taking the time to ensure new systems and interoperability support European independence and digital rights.
5. **Sovereignty for citizens, not just states:** Ensuring European citizens have choice and control of their digital footprint, access and data.

Katarzyna Szymielewicz from [Panoptikon Foundation](#) also argued to expand the idea of sovereignty:

"European technological sovereignty should be understood as the people's ability to proactively shape technological progress and innovation consistent with the fundamental rights enshrined in the EU Charter, the best interests of citizens and society as a whole."

This includes looking beyond control of the physical infrastructure (servers, undersea cables) and thinking about communication platforms, storage services, identity systems, and the software, protocols, and standards that support them.

"Whether we like it or not, social media platforms became critical infrastructure for the distribution of essential knowledge in society. Safeguarding democracy in the digital age requires ensuring that public discourse is not controlled by a few very large companies, whose recommender systems determine the content people see."

She argues that the algorithmic recommender systems that social media platforms use to prioritise and amplify content shape Europe's political debate, constituting a loss of sovereignty. Panoptikon calls for "algorithmic pluralism" ensuring "*people have choice in the algorithms that feed them information and can move between providers*" as a way of reasserting citizens' autonomy in the digital public sphere.

But the sovereignty debate poses risks for civil society too. As [Corinne Cath](#) of Article 19 reflects on the experience in the Netherlands, where a plan to shift Dutch domain names to Amazon Web Services (AWS) led to a backlash, "the

current framing of the debate is politically effective in mobilizing opposition. Yet, it inadvertently narrows the discussion to questions of national, or European, control and chasing European competitiveness, as others also argue, rather than addressing the more fundamental changes caused by commercial cloud imperatives."

This debate is challenging for tech justice groups that have been focused for years on Europe's regulations, building expertise and networks among parliamentarians and officials. The digital sovereignty debate is high politics, thrashed out between the leaders of Europe's biggest nations and shaped by private investors and national tech champions. Few civil society groups have access to these closed-door discussions and need a new approach and narrative to inform these debates.

What can funders do?

The future direction of AI will profoundly shape our societies, so the digital sovereignty debate is relevant to funders that are engaged in a range of issues including democracy, human rights, social and economic justice. While this area has particular salience for European funders, it's of interest too to funders with a global perspective that hope to seed alternatives to the current tech paradigm.

Putting the public voice at the heart of this debate will require efforts across a range of approaches. This includes:

- Work to shape the narrative around digital sovereignty to shift away from simply copying the Big Tech paradigm of blanket AI adoption and large scale AI.
- Research to educate policymakers about the nature of Europe's AI market and where dependencies lie and can be most effectively targeted.
- Advocacy that's focused towards Europe's public investments and procurement reforms to ensure these contribute to a public interest vision
- Advocacy that's focused towards pushing back against the deregulation agenda and securing legislation that provides safeguards for the public.
- Movement building and coordination that links groups working across sectors to articulate a positive agenda for public focused innovation.

The European AI & Society Fund has been supporting AI Now's work in Europe to help tackle this agenda. As well as participating in high level discussions on Europe's AI strategy, AI Now has also been building bridges between the digital sovereignty and industrial policy discussion and the wider digital rights and tech justice community.

We have also given additional support to our grantee Panoptikon Foundation – the only watchdog in Poland for digital and human rights – to host a roundtable with foundations, civil society organisations, think tanks, and academics to discuss a collective approach to digital sovereignty, resulting in a set of demands to the Polish EU Presidency.

Meanwhile our AI & Market Power Fellows have been researching how the AI hyperscalers achieve their market capture and create dependencies that undermine sovereignty.

What's next?

It's essential to build the power of public interest groups to engage in and shape this discussion to leverage the potential this moment offers to seed an alternative vision for AI. Independent philanthropic support is urgently needed to ensure advocates and experts can operate free of government and corporate ties.

The European AI & Society Fund team can help you find the right strategy for funders considering how to approach AI's impacts on society. You can support our work directly as one of our funding partners, or we can advise on relevant organisations within our network that could be a good fit.

Get in touch with our Senior Partnerships Manager Peggye to find out more:
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About the European AI & Society Fund

The European AI & Society Fund pools resources from 17 diverse funding partners to mobilise a powerful public interest community in Europe fighting for Artificial Intelligence that serves people, society and planet. Since 2020, our partners have contributed over €10.5 million to support the European AI & Society Fund's mission. With that money we have supported over 65 organisations from around Europe to shape Artificial Intelligence to better serve people and society

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