

## CHAPTER 5

# REINING IN THE US ‘TECH-INDUSTRIAL COMPLEX’

The EU amid transatlantic divides and shared concerns

by  
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In his farewell address on 15 January 2025, former US President Joe Biden warned against the rise of a ‘tech-industrial complex’. By this, he was referring to both the significant power of a few major American tech companies (namely, Alphabet, Amazon, Microsoft, Meta, Apple, Nvidia and Tesla) and their growing influence over political affairs. He denounced a ‘dangerous concentration of power in the hands of very few ultra-wealthy people’, leading to the emergence of an ‘oligarchy’ that ‘threatens [...] democracy, [...] basic rights and freedoms’<sup>(1)</sup>. These companies’ influence has become particularly evident through their unprecedented closeness to the Trump 2.0 administration, especially during the campaign and inauguration. Many tech leaders saw Donald Trump as an ally who might support their fight against regulations hindering their global operations. Indeed, President Trump wasted no time

in targeting countries and international organisations that had adopted content regulation or antitrust laws, with the European Union chief among them. His administration launched a barrage of tariff threats aimed at undermining such regulatory frameworks. Yet, Trump’s aggressive policies could prove detrimental to the tech giants in the long run. Moreover, the new administration has shown little willingness to defend them in their disputes with national authorities. The honeymoon may thus be coming to an end, creating an opening for the EU – now more aware of the transatlantic fractures in the digital realm – to stand its ground and pursue pragmatic cooperation based on shared political interests, including towards Big Tech.

(1) The White House, ‘Remarks by President Biden in a Farewell Address to the Nation’, 15 January 2025 (<https://bidenwhitehouse.archives.gov/briefing-room/speeches-remarks/2025/01/15/remarks-by-president-biden-in-a-farewell-address-to-the-nation/>).

# BIG TECH AND TRUMP AGAINST THE EU

Democrats, and the Biden administration in particular, have taken several steps over the years to regulate the practices of these giants domestically, especially by means of anti-trust laws and measures against disinformation. This led to growing frustration among the 'tech oligarchs' who gradually distanced themselves from the Democrats, eventually going so far as to actively support Trump's 2024 campaign. Many tech companies contributed financially to the campaign, donating nearly \$268 million in total. Trump's biggest supporter is Elon Musk, CEO of Tesla and SpaceX, who alone contributed over \$240 million. The heads of these major companies were also prominently in attendance at the inauguration of the 47th President of the United States: Elon Musk, Jeff Bezos (Amazon), Mark Zuckerberg (Meta), Tim Cook (Apple), Sam Altman (OpenAI), and Sundar Pichai (Alphabet) each donated \$1 million to the event. Peter Thiel, founder of PayPal and Palantir and another prominent figure in Silicon Valley, has also been a longtime supporter of Donald Trump, dating back to 2016.

These powerful CEOs saw Trump as a potential valuable ally for the US tech sector, as shown by the 3% rise in the tech-heavy Nasdaq index following his election. They are counting on his support to help defend their interests both internationally and domestically, and to secure new public contracts in sectors such as cloud computing where Google, Oracle, Microsoft and Amazon are vying for dominance, or in the race for space travel and satellite connectivity, led by Space X and Blue Origin. Tech leaders

## Trust between the EU and the US in the digital sphere was already fragile before Trump 2.0.

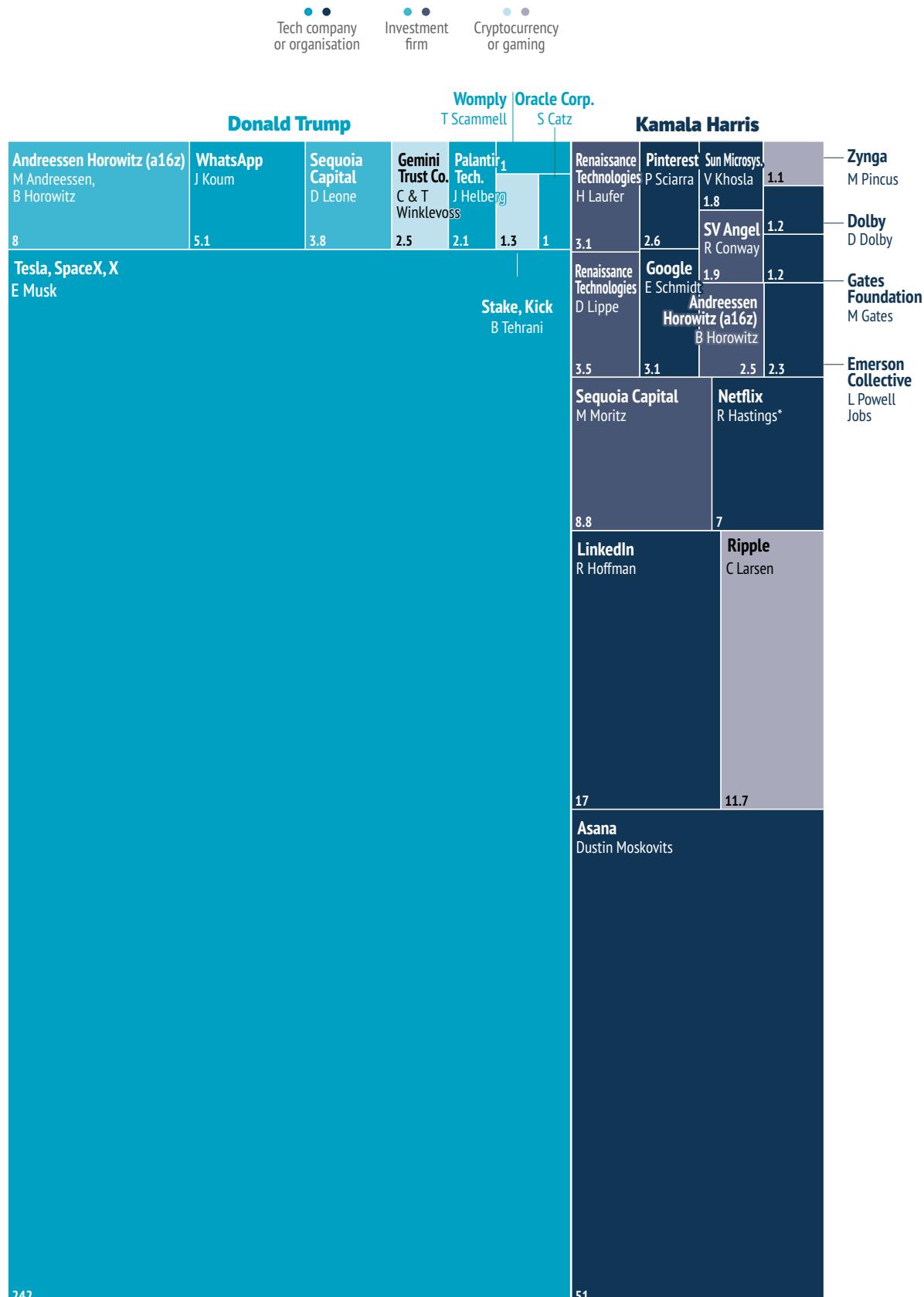
are thus eager to stay in Trump's good graces. Elon Musk succeeded early on, having been appointed head of the new Department of Government Efficiency (DOGE). Mark Zuckerberg, for his part, made a *volte-face*, turning away from the progressive stance he had previously embraced to align more closely with the MAGA movement and its conservative ideology. On his platforms, Meta and Instagram, he overhauled content moderation rules and dismantled programmes promoting diversity, equity and inclusion within his companies.

If there is one issue on which Donald Trump and these tech oligarchs seem to be particularly aligned, it is their opposition to the EU and its market regulations. Trust between the EU and the US in the digital sphere was already fragile before Trump's return to the White House. Under President Biden, the renewal and tightening of the Foreign Intelligence Surveillance Act (FISA), in particular, illustrated weak alignment and, to some extent, Washington's disregard for its European ally. US intelligence agencies have also long benefited from the American digital oligopoly and the market concentration of Big Tech to access foreign – including European – users' data without consent, in clear violation of EU privacy standards. But Donald Trump's second term has significantly exacerbated these tensions, largely due to the close ties between US Big tech leaders and the new political establishment in Washington. Structural European dependencies have also been increasingly exploited by Trump and leveraged in his broader trade war, from threats of retaliatory tariffs to pressure campaigns against European taxation of US tech companies.

In order to ease tensions with Washington, in an EU-US Joint Statement issued

## Buying influence

Tech sector donations of \$1 million or more to the main PACs for the 2024 US presidential campaign, \$ million



on 21 August 2025<sup>(2)</sup>, Europeans accepted non-reciprocal 15% US tariffs on their goods, committed to purchasing 'at least \$40 billion worth of US AI chips for its computing centres' and agreed to align their technology security requirements with those of the United States to prevent 'technology leakage to destinations of concern'. Yet, just four days later, President Trump undercut the deal, threatening additional sanctions against any state imposing regulations on American tech companies. Earlier this year, US House Judiciary Chair Jim Jordan openly criticised the EU's Digital Services Act (DSA) and the Digital Markets Act (DMA), describing them as censorship and protectionist tools. This led the House Judiciary Committee to release a report in July that bluntly presents the DSA as a 'foreign censorship threat'<sup>(3)</sup>. Vice-President JD Vance also repeatedly condemned European regulations, including in his speech at the Paris AI Summit in February where he refused to endorse the joint declaration following the event. Prior to Donald Trump's second mandate, Vance even suggested limiting US participation in NATO should the EU persist in content moderation requirements for American platforms.

In addition, the future of the EU-US Data Privacy Framework, a transatlantic data transfer agreement, is now uncertain. Following President Trump's dissolution of the Privacy and Civil Liberties Oversight Board (PCLOB), which played a key role in ensuring safeguards for foreign data subjects, the agreement is likely to

face legal challenges in European courts, if not outright annulment.

## FACING THE AMERICAN OLIGOPOLY

Transatlantic trust in the digital realm has thus frayed across all major sectors: platforms, AI, cloud, hardware, and connectivity. Until recently, many EU countries underestimated the risks of digital dependency on the United States, often viewing American technologies as reliable tools to address pressing issues such as the digitalisation of public services or Russian cyberattacks. But Donald Trump's return to the White House has laid bare the strategic vulnerabilities inherent in this reliance. His administration's confrontational approach has triggered a shift in perception across Europe, and while already present in EU policymakers' discourses, digital sovereignty, strategic autonomy, and economic security have now surged to the top of the EU agenda. Since January 2025, this has translated into renewed efforts to reduce dependencies: major investments in AI (through the AI Giga factories, or the upcoming Cloud and AI Development Act), policies supporting the semiconductor industry (such as the enforcement and revision of the Chips Act, and national initiatives), and progress on the digital single market. The EU's International

(2) European Commission, 'Joint Statement on a United States–European Union framework on an agreement on reciprocal, fair and balanced trade', 21 August 2025 ([https://policy.trade.ec.europa.eu/news/joint-statement-united-states-european-union-framework-agreement-reciprocal-fair-and-balanced-trade-2025-08-21\\_en#:~:text=In%20addition%20to%20the%20European%20Union,those%20of%20the%20United%20States](https://policy.trade.ec.europa.eu/news/joint-statement-united-states-european-union-framework-agreement-reciprocal-fair-and-balanced-trade-2025-08-21_en#:~:text=In%20addition%20to%20the%20European%20Union,those%20of%20the%20United%20States)).

(3) US House Judiciary Committee, 'The foreign censorship threat: how the European Union's Digital Services Act compels global censorship and infringes on American free speech', 25 July 2025 (<https://judiciary.house.gov/media/press-releases/foreign-censorship-threat-how-european-unions-digital-services-act-compels>).

Digital Strategy<sup>(4)</sup> also reflects the Union's focus on diversification.

In parallel, tensions between US tech giants and the political establishment have been growing. One of the most consequential ruptures is undoubtedly the dramatic falling-out between Donald Trump and Elon Musk, with both men openly trading barbs – Musk notably criticising Trump's tax policy and even going so far as to launch his own political party<sup>(5)</sup>. At the same time, US regulators continue to pursue antitrust actions against major platforms undertaken by former Chair of the Federal Trade Commission (FTC) Lina Khan and former Antitrust Chief at the Department of Justice (DOJ) Jonathan Kanter. Donald Trump's FTC Chair, Andrew Ferguson, and DOJ antitrust chief, Gail Slater, have pledged to maintain cases launched under Biden, particularly against Meta and Google. Their efforts to rein in monopolistic practices parallel EU actions under the DMA, highlighting a shared transatlantic concern over excessive market concentration. These frictions unfold against the backdrop of longstanding, albeit intermittently muted, tensions between certain CEOs and Donald Trump. Mark Zuckerberg, for instance, banned Trump from his platforms after the Capitol attack in 2021, while Jeff Bezos owns *The Washington Post*, a newspaper that repeatedly took a critical stance against Trump during his first term.

This evolving context reveals not only diverging interests between US policymakers and Big Tech – whose loyalties are ultimately shaped more by economics than ideology – but also potential openings for the EU and its Member States, as the American 'tech-industrial

complex' proves less cohesive than it once appeared.

## HOLDING GROUND WHILE STEERING COOPERATION

Trust with Washington is unlikely to be restored soon, but cooperation can continue where interests converge, particularly in cybersecurity and infrastructure protection, on condition that the EU strengthens its own capabilities and obtains safeguards and guarantees to prevent weaponisation of its digital dependencies by the US. It can thus act on several fronts.

First, the EU must bolster its resilience to US policy volatility by reducing its over-reliance on American tech companies. This entails reinforcing Europe's digital industrial ecosystem and infrastructure, notably by addressing internal market fragmentation, supporting European firms through public procurement, and harmonising digital policies across sectors and Member States. Pursuing efforts in diversifying partnerships and investments along the entire digital supply chain is equally essential.

Second, the EU must stand firm against US pressures and uphold its regulatory frameworks, such as the DSA, the DMA, the General Data Protection Regulation (GDPR), and the AI Act. Despite threats from the Trump administration, the EU needs to stay consistent in its commitment to implementing these regulations:

(4) European Commission, 'Joint Communication on an International Digital Strategy for the EU', 5 June 2025 (<https://digital-strategy.ec.europa.eu/en/library/joint-communication-international-digital-strategy-eu>).

(5) 'Trump says Musk is "off the rails" and call his new political party "ridiculous"', *The Guardian*, 7 July 2025 (<https://www.theguardian.com/us-news/2025/jul/06/elon-musk-america-party-scott-bessent>).

no more playing 'nice', 'kind' or 'polite', as stated by European Commission Executive Vice President Teresa Ribera, who explained that 'we cannot play with our values just to accommodate the concerns of others'<sup>(6)</sup>. The EU should not shy away from playing on Trump's turf, reminding Washington that its digital market is among the world's largest and represents a substantial share of Big Tech's global revenues.

Third, the EU needs to maintain cooperation in areas of mutual interest and emphasise strategic convergences. In cybersecurity and infrastructure protection, for instance, continued collaboration is critical to counter shared threats from state and non-state actors, relying on cooperation among agencies such as the EU Agency for Network and Information Security (ENISA) and the Cybersecurity and Infrastructure Security Agency (CISA) or existing frameworks like the EU-US Trade and Technology Council (TTC). AI governance is another area of focus, as the US July AI Action Plan signals its willingness to engage in multilateral forums. The EU should actively involve the US in these discussions to ensure its own regulatory leadership is not overshadowed. It should also make the most of the commonalities with US tech companies on issues such as data privacy to build support in these assemblies. Debates on digital content regulation should also be refocused on concrete, high-priority issues, including terrorism, child sexual exploitation, and financial fraud. The August 2025 Washington summit on Ukraine demonstrated Europe's skill in navigating complex diplomatic landscapes; the EU should apply the same strategic acumen in the digital

domain to safeguard its interests while advancing shared objectives with the US.

The global and structural power of American Big Tech makes these companies difficult to regulate and capable of challenging public authority, both in Europe and the United States. Donald Trump's second term has highlighted the rise of this 'tech-industrial complex', making the influence of these tech giants on US politics undeniable and exposing the EU's strategic vulnerabilities arising from its dependence on them. It is now clear that the EU's long-term resilience and influence will not rely on US goodwill, but on its own capacity to act as a digital power, one able to shape its future, uphold its values, and defend its autonomy in a shifting geopolitical landscape.

**The EU needs to stay consistent in its commitment to implementing these regulations: no more playing 'nice', 'kind' or 'polite'.**

(6) 'Stand up to Trump on Big Tech, says EU antitrust chief', *The Financial Times*, 28 August 2025 (<https://www.ft.com/content/010c5b1e-e900-4ec2-b22a-61300c70e531?utm>).