

Towards a New Social Contract for the Digital Age

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Based on less concentration
of power, better distribution
of value, greater autonomy
and enhanced democratic
governance

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TABLE OF CONTENTS

EXECUTIVE SUMMARY	3
1. INTRODUCTION. Why the digital age requires a new social contract	5
2. CONCENTRATION. From digital scale to private power	9
3. REDISTRIBUTION. From collective value creation to shared gains	12
4. AUTONOMY. Meaningful agency under technological dependence	15
5. GOVERNANCE. Democratic legitimacy in hybrid digital orders	18
6. CONCLUSION. The political economy and transition toward a new social contract	21

AUTHORS:

José Luis Martí, Miguel Otero Iglesias
and Jen Schradie

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EXECUTIVE SUMMARY

The digital revolution is a decisive force in the **structural transformation** of modern society, which has reshaped economies, political systems, public authority, individual rights, international relations and democratic life. Yet digital policy is often treated as a set of separate problems: platform regulation, artificial intelligence governance, data protection, taxation, digital skills, technological competitiveness and digital sovereignty.

This concept paper, which marks the launch of the fourth work package of the multiannual research program on the **Digital Revolution and the New Social Contract** by the Center for the Governance of Change (CGC) at IE University, argues that these and other digital issues should be understood together as part of a deeper challenge: the need for a renewed social contract for the digital age.

The proposed digital social contract refers neither to a constitutional amendment or reform, nor to the classical philosophical tradition of social contractualism. It is a metaphor for a broad political, institutional and moral framework governing the relationship between citizens, civil society, markets and the state. While we are focusing on Europe, the framework's broader purpose is to ensure that **digital transformations remain democratic, people-centered and oriented toward public value** rather than domination, extraction or techno-authoritarian control. The contractual metaphor is also meant to capture the importance of the broad consensual dimension inherent in this type of frameworks, despite the objective difficulties to reach consensus particularly in polarized and fragmented societies.

The paper identifies four central fractures in the current digital order:

- 1 Concentration,
- 2 Redistribution,
- 3 Autonomy and
- 4 Governance.

Digital technologies have concentrated power in a small number of private firms; created new forms of value that are often collectively produced but privately captured; weakened meaningful autonomy through technological dependence and surveillance; and generated hybrid forms of governance that often lack democratic legitimacy.

These four dimensions are deeply interconnected, each reinforcing and influencing the others. Democratic governance and civil society participation are foundational to addressing them. Our societies cannot sustainably diffuse market concentration, enforce redistribution, or secure relational autonomy without first reclaiming capable and accountable public institutions and legitimate spaces for collective decision-making.

1

First, digital concentration is more than a market failure. It is a democratic problem. Large technology firms now control key infrastructures for communication, commerce, cloud computing, data storage, artificial intelligence, payments and public services. Their gatekeeping role allows them to shape markets, information flows and access to essential services. A renewed social contract must therefore ensure that **critical digital infrastructures are subject to public rules**, oversight, contestability and meaningful alternatives.

2

Second, the digital economy raises major redistribution problems. Data, networks, public investment, user activity, labor and collective knowledge all contribute to digital value creation. However, the largest gains are often captured by platform owners, shareholders and dominant firms. **The paper argues that redistribution efforts must go beyond after-the-fact compensation** to encompass predistribution and empowerment: rules on ownership, access, interoperability, taxation, labor rights, public returns on public investment and data governance that shape how value is created and shared from the outset.

3

Third, autonomy must be redefined for a world of deep digital interdependence. Individuals, firms, public administrations and states increasingly depend on platforms, cloud systems, algorithms, semiconductors, data flows and external technological infrastructures. **The goal is not isolationism, but digital sovereignty redefined as relational autonomy:** the ability to act meaningfully within unavoidable dependencies. This requires intelligibility, contestability, real alternatives, institutional capacity and technological capabilities that protect individual agency, organizational resilience and democratic self-government.

4

Fourth, digital governance must become more democratic, capable and accountable. There is a generalized growing perception that the private sector, or at least a significant part of it, has evolved and come to terms with the logic of the new digital world, while the public sector is becoming obsolete and dysfunctional. Corporations, platforms, technical bodies and public-private systems are governing beyond the power of elected governments. This creates a legitimacy gap. Democratic institutions must lead and develop stronger technical expertise, regulatory capacity, auditing mechanisms, participatory foresight and public digital infrastructures. **The principle should be democratic primacy:** technology may be developed by many actors, but its purposes, limits and accountability must remain subject to public authority and social deliberation.

The paper frames these challenges across **macro, meso and micro levels**.



At the **macro level**, digital transformation is shaped by global platforms, geopolitical rivalry, critical infrastructures, data flows and technological dependencies.



At the **micro level**, individuals, workers, SMEs and communities experience these forces as opacity, insecurity, weak bargaining power, limited choice or loss of agency.



The **meso level** is the bridge between them: public institutions, regulators, universities, firms, labor organizations, civil society, cities and data spaces are the connective tissue through which systemic digital power can be translated into democratic oversight, collective capacity and meaningful participation.

The transition to a new digital social contract will be politically contested. It requires short-term action against urgent harms, medium-term investment in public capabilities and long-term reconstruction of trust, solidarity, fairness and democratic legitimacy. Ultimately, the paper argues that digital transformation must be governed as a collective political project, not left to market power, private infrastructures or reactive regulation.

Over the next months, the CGC **aims to serve as an inclusive forum** for multidisciplinary debate on these issues, with the goal of developing concrete **policy recommendations** and sharing them with relevant stakeholders and the broader public.



1. INTRODUCTION.

Why the digital age requires a new social contract

The digital revolution has become one of the defining transformations of our time. It is changing how economies produce value, how societies communicate, how knowledge, culture and ideas are produced, how states conduct international relations, how firms compete, how citizens exercise their rights or lose their autonomy and how power, both hard and soft, is projected within or across borders.

Yet digital transformation is too often framed as a sequence of separate problems: how to regulate platforms, how to govern artificial intelligence, how to protect data, human rights and democratic systems, how to tax digital firms, how to educate people on technology and close the digital divide, or how to increase European technological competitiveness and sovereignty. All these questions matter. But taken in isolation, they fail to capture the deeper transformation underway. The digital revolution does more than require new rules for new technologies. It requires a new social contract¹. In other words, it requires designing a reconfigured and most crucially people-centric social contract through social deliberation that ensures democracy prevails over techno-authoritarianism. This requires moving from diagnosis to concrete solutions, legal, and institutional reforms and policy proposals, which is precisely the objective of this fourth and final work package

The necessity of a new social contract should not be understood here as a literal constitutional document or a fixed legal settlement at the EU, UN, or other governmental level, even if some amendments to existing constitutional documents might be eventually required. Rather, it should be understood as the framework that governs the relationship between citizens, markets, and the state.

It is the broad political, institutional, normative and moral arrangement through which societies define how power is constrained, how value is distributed, how rights and obligations are allocated, how ownership is assured and how public authority is accountable and legitimized. It emerges from broad social consensus and defines what individuals can expect from institutions,

¹ Beth S. Noveck, *Reboot. AI and the race to save democracy*, New Haven: Yale University Press, 2026.

what institutions can legitimately demand from individuals, and what forms of economic and political power are considered compatible with collective life. Furthermore, this contract recognizes that the digital transformation must go hand in hand with the green transition, ensuring that the environmental impacts and energy demands associated with data centers, AI computing, and electronic waste do not undermine long-term sustainability. While the systemic forces of the digital revolution operate at a global scale, the social contract proposed here is for how Europe can promote to safeguard democratic values, fundamental rights, economic security, and environmental sustainability in an increasingly interdependent and volatile world.

Every historical social contract rests on an implicit balance between markets, states and citizens. Between openness and closeness and between liberty and security. That balance is now under strain like never before since World War II.

Digital technologies have altered the foundations on which the modern social contract rested. The industrial era social contract was built around relatively stable assumptions about work, taxation, property, national sovereignty, public authority and democratic representation. The digital age unsettles each of these assumptions all at once. The present and potential positive contributions of new technologies to the expansion of, economic efficiency, institutional integrity or even democratic legitimacy are enormous and must be welcome. But this digital transformation has opened social fractures across four central dimensions: the distribution of power, the redistribution of value and socioeconomic opportunities, individual and collective autonomy, and governance that now require a fundamental rethinking of our institutional and normative foundations.

Value is increasingly generated through data, networks, intangible assets, algorithmic systems and global platforms under a winner-takes-all logic. Power is increasingly exercised through hard and soft infrastructures that are privately owned, transnational and technically opaque, and with a tendency toward excessive concentration. Economic resources and social opportunities are very unequally distributed, and these inequalities tend to increase. Autonomy is increasingly conditioned by level of skills and capacities, digital dependencies, behavioral prediction and automated decision making. Governance is increasingly dispersed across public authorities, both national and transnational, private platforms and hybrid technical regimes, and highly contested due the increasing gap between those who govern and those who are governed. At this historic turning point, building on and expanding democracy requires the construction of viable political alliances and a new call for collective action against structural paralysis. Because digital technologies and infrastructures bypass traditional territorial borders, a renewed social contract must ultimately be drafted as a global attempt that seeks to tackle global data flows, tax transnational monopolies, and coordinate standard-setting across borders.

These changes in social life are neither isolated nor independent. Together, they reveal a broader fracture in the foundations of the social contract. Understanding this fracture has been the guiding objective of our research program at the CGC over the past three years. The first three annual work packages on the “Digital Revolution and the New Social Contract” progressively identified different dimensions of this fracture. The final work package, within which this paper is situated, seeks to outline the contours of a new social contract capable of addressing them.

The research on the digital economy showed that technology cannot substitute for institutions. Digitization can increase productivity and create opportunities, but it can also reproduce existing inequalities², deepen institutional mistrust and leave

2 Schradie, Jen. 2020. “The Great Equalizer Reproduces Inequality: How the Digital Divide Is a Class Power Divide.” *Political Power and Social Theory*, Volume 37. P: 81-101.



parts of society behind. Innovation and inclusion are not inherently incompatible, but their balance depends on political choices, institutional capacity, stakeholder participation and public legitimacy.

The analytical work on the data economy showed that data is not simply another economic resource. It is reusable, contextual, difficult to value, often collectively generated and asymmetrically controlled. The data economy creates enormous possibilities for innovation and public value, but also new forms of extraction, asymmetries, dependencies, mistrust and exclusion. The key issue is not whether data should flow or be protected in the abstract, but under what conditions, for whose benefit, with what safeguards and under whose ownership and authority.

The work on digital geopolitics showed that the digital revolution has entered a strategic phase. Digital technologies are now foundational and critical infrastructures through which power is exercised, dependencies are created and geopolitical influence is projected. Artificial intelligence, semiconductors, cloud infrastructures, data governance and digital payment systems are no longer merely economic sectors. They are the building blocks that may bring more prosperity,

justice and legitimacy to our new societies, or more pain and domination. At the same time, and partly for that reason, they are also arenas of strategic competition. For Europe, this means that the sustainability of a democratic social contract is inseparable from digital sovereignty, resilience and technological capability. Europe cannot just be the global rights-based regulatory referee under the Brussels Effect mantra³; it needs to become a player in its own right⁴.

The territorial scope of this concept paper is openly European. It is an exercise to reflect on what Europe requires in order to build up a digital social contract that secures or protects European interests, social justice and democratic legitimacy. This, however, does not ignore, first, the fact that a large part of the diagnostic and strategic lines advanced here and of the specific solutions that will emerge from subsequent work in this project, is applicable in many other regions in the world; second, that some of the solutions needed can only come from broad international agreement and cooperation and from a global common regulatory framework; and third, that Europe has a special responsibility and role to play in developing such a global common framework of cooperation that results in more, not less, inequalities across and within countries worldwide.

3 Anu Bradford, *Digital Empires. The Global Battle to Regulate Technology*, Oxford: Oxford University Press, 2023.

4 Heijmans, Maaïke et al. 2025. "Beyond LEGO: The need for EU-based building blocks of technology", IE Center for the Governance of Change.

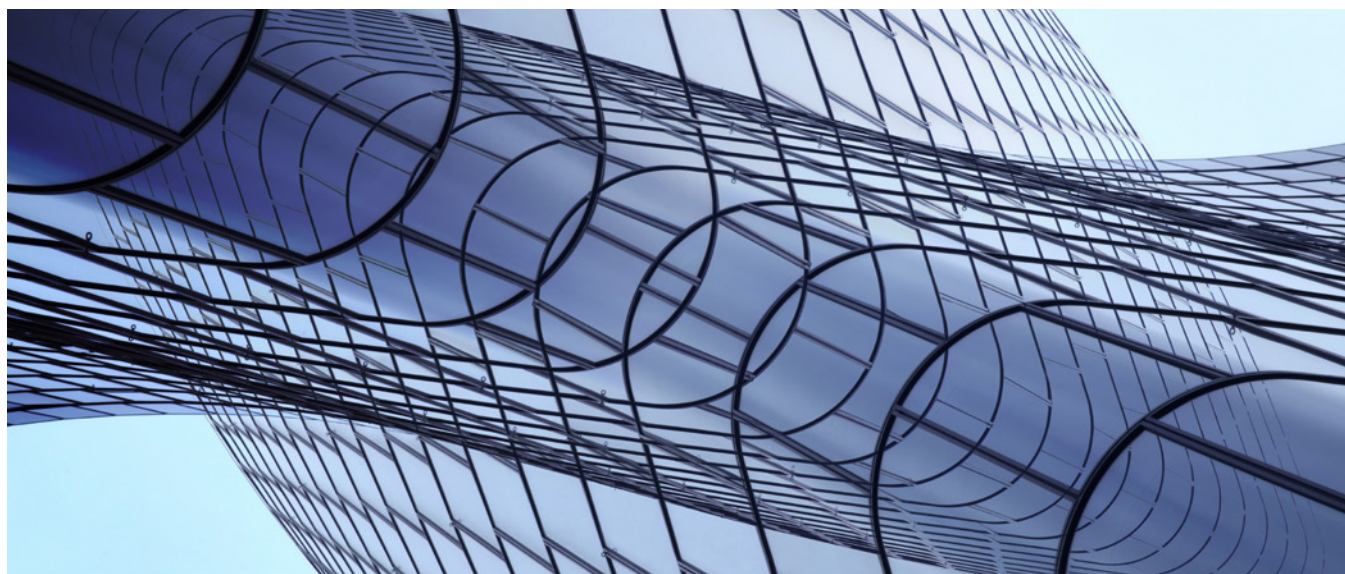
This fourth work package acts as a synthesis, bridging the dimensions of the fractured social contract explored in previous phases, first through the digital economy, then through data, and finally through geopolitics. This paper argues that a digital social contract must address four core questions:

- **First**, who controls and monetizes the data that structure collective life and how much political power does this generate? This is the problem of concentration.
- **Second**, who captures the value generated by the digital revolution, and who bears its risks? This is the problem of redistribution.
- **Third**, how can individuals, firms, organizations and political communities preserve meaningful agency under conditions of technological dependence and weaponization of this interdependence? This is the problem of autonomy.
- **Fourth**, how can societies govern technological change in ways that remain democratic, accountable, legitimate and effective? This is the problem of governance.

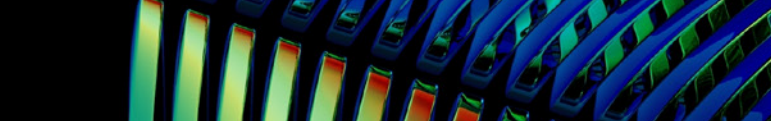
These four pressing questions are connected by further analytical tensions. The digital age has widened the gap between macro structures of power and micro experiences of vulnerability.

At the **macro level**, great power rivalry,⁵ Big Tech, global platforms, cloud infrastructures, artificial intelligence and data flows operate at planetary scale. At the **micro level**, individuals, workers, small- and medium-sized firms and local communities often experience digital transformation as dependency, opacity, insecurity or lack of voice. The **meso level** is where this gap must be bridged. Institutions, public administrations, universities, firms, labor organizations, civil society, cities, data spaces, regulatory bodies and democratic mechanisms are the connective tissue of the social contract. They are the spaces through which societies can reconnect systemic power with individual and collective agency.

This task goes beyond regulation. It is to build the institutional and normative bridges that allow societies to govern technology collectively and sustainably. The collective itself needs to be rethought and rebuilt.



5 Fratini, S., Pohle, J., Di Marco D., Thabit Gonzalez, S. and Sgueo, G., Digital Sovereignty as a Geopolitical Strategy—Navigating Dependencies, Power, and Democratic Resilience in a Changing Global Order, European Commission, Ipsra, 2026, JRC146878.



2. CONCENTRATION.

From digital scale to private power



The first challenge for a new digital social contract is concentration. Digital concentration is often described merely as a problem of monopoly or market dominance. But treating it as only a market failure fails to capture its true scope: it concerns a narrow set of technology companies controlling the basic data and infrastructures through which economic, political and social life increasingly operates.

These large firms no longer simply provide services to consumers. They organize communication and transport, mediate access to information, structure online commerce, store public and private data, provide cloud infrastructure, enable digital payments, shape advertising markets, support artificial intelligence systems and increasingly influence the provision of public services. In some cases, they provide capabilities used in policing, migration control, defense, intelligence and national security. Their **power is therefore infrastructural and structural**⁶. It lies in the ability to define the conditions under which others act⁷.

This power also includes gatekeeping control. Entire ecosystems can be intentionally moulded by platforms, app stores, search engines, cloud providers, payment systems and artificial intelligence models that decide which firms reach markets, which information becomes visible, which actors can scale, which services can interoperate and which users are included or excluded. In the digital economy, power does not only come from owning assets. It comes from setting the conditions of access⁸. Big Tech also gatekeeps by its power to curate, rank, and moderate what people consume. This control of the digital public sphere has negligible political oversight, which can shape those very democratic and regulatory bodies.

6 Cecilia Rikap, *The Rulers. Corporate Power in the Age of AI and the cloud*, London: Verso, 2026.

7 Susan Strange, *States and markets: An introduction to international political economy*. Pinter Publishers, 1988.

8 Pasquale, Frank. 2016. *The Black Box Society: The Secret Algorithms That Control Money and Information*. Harvard University Press.

Finally, **this power has quasi sovereign⁹ features**. Some firms can impose rules that affect millions or billions of people. They can moderate public speech, shape information flows, structure labor markets, define contractual conditions for businesses and influence the operational capacity of governments. Yet unlike democratic institutions, they are not grounded in public accountability and participation. Their legitimacy comes from utility, innovation, convenience and excessive market power rather than from representation, contestation or public control.

This raises a central question for the social contract: can democratic societies allow critical data flows and digital infrastructures of collective life to be controlled by private actors without sufficiently clear public obligations and oversight?

The debate over concentration has two sides. One view emphasizes innovation. Large technology firms have built tools and systems that people, firms and governments use because they are efficient, scalable and often cheaper than alternatives. From this perspective, concentration is a different model than a market failure. It is partly the outcome of success.

The opposite view emphasizes structural control. Digital markets tend toward concentration because data, scale, user lock in, network effects, capital intensity and control over infrastructure make it difficult for challengers to compete. The largest firms can acquire rivals, shape standards, privilege their own services, integrate vertically and use data advantages to reinforce dominance. Once a platform becomes an indispensable intermediary, competition no longer takes place on equal terms. Scale becomes control. The winner-takes-all logic prevails.

A serious digital social contract should not punish innovation or romanticize fragmentation and antitrust, but neither should it pretend that the problem is one of equal sides. The current concentration of digital power

is the result of a lopsided system in which companies have been able to exploit the scalability of technology to accumulate more power, more control, and more advantages over time. The key issue is not whether firms should be allowed to grow. It is determining whether growth allows them to exercise unchecked control over markets, public life and the direction of future innovation.



At the **macro level**, concentration is inseparable from global power. The dominant digital ecosystems are largely American and Chinese, with Europe occupying a more regulatory than structural and material position. This creates a strategic dilemma. Europe has developed powerful regulatory instruments and has shaped global debates on privacy, platform governance, competition and artificial intelligence. But regulatory influence alone is insufficient if the material infrastructures of the digital economy remain externally controlled. At the same time, greater European technological capacity cannot be an aim in itself. A European technology champion that simply reproduces the same patterns of concentration and private dominance would not resolve the underlying problem. A renewed social contract therefore requires both stronger technological capabilities and governance arrangements that ensure innovation serves the public interest.



At the **micro level**, concentration affects individuals, workers, small firms and civil society. Individuals face lock in, opaque terms, limited choice and weak control over their data. Workers may be managed by algorithmic systems they cannot question. Small and medium sized enterprises depend on platforms, cloud providers, app stores or advertising systems whose terms they cannot negotiate. Startups may be unable to scale without relying on dominant infrastructures or may be acquired before they become real competitors.

9 Gillespie, Tarleton. 2018. *Custodians of the Internet: Platforms, Content Moderation, and the Hidden Decisions That Shape Social Media*. Yale University Press.



The **meso level** is therefore crucial. Competition authorities, public administrations, universities, research institutions, local innovation ecosystems, public interest organizations, standard setting bodies and business associations must help reconnect macro power with democratic oversight and social purpose. In particular, civil society organizations increasingly depend on private platforms to reach publics, mobilize support and contest power. Ex ante regulation, interoperability, data portability, public procurement, public digital infrastructure, open standards and stronger public capabilities can all contribute to diffusing digital power. These tools are not merely technical. They are social contract instruments. They determine whether digital infrastructures remain contestable, accountable and oriented toward public value.

A new digital social contract must therefore begin by recognizing concentration as a democratic problem, not only as an economic one. Concentrated digital power can be compatible with democracy only if it is constrained by public rules, contestable markets, institutional oversight, civic collective power, and meaningful alternatives.

Otherwise, the digital environment risks becoming a sphere in which private authority structures collective life without sufficient public control, and, therefore, without democratic legitimacy.



3. REDISTRIBUTION.

From collective value creation to shared gains

The second challenge is redistribution. If concentration asks who controls the system, redistribution asks who benefits from it. The digital economy creates enormous value, but the distribution of that value is increasingly contested. Many actors are forced to contribute to digital wealth for it to function: users, workers, public institutions, universities, researchers, communities, small firms and states. Yet a much smaller group captures the largest gains.

Redistribution in the digital age cannot be reduced to compensating those who lose after markets have already operated. It must address how digital value is created, captured and shared from the outset. The central problem is that digital capitalism often separates collective value creation from private value capture¹⁰. Public research, publicly funded technologies, education systems, communication networks, legal protections, user activity, social interaction, data generation and labor, all operating and based in Europe, all contribute to the growth of digital firms. But the financial returns often accrue to platform owners, shareholders, executives and powerful public, while the communities, workers, and societies that helped generate that value receive only a limited share of its benefits.

Data makes this problem especially complex¹¹. Data is not the new oil. It is even more powerful. It is not depleted through use. It can be reused in different contexts, and derives value from aggregation, interpretation, purpose and deployment. Its value often depends on what it refers to, how quickly it can be used, how it is combined with other data and who has the capacity to process it. Data can be abundant globally and scarce locally. It can be generated collectively but controlled privately. It can support innovation and public goods, but also surveillance, discrimination and manipulation.

If value emerges from the interaction between users, infrastructures, algorithms, datasets, public investment and network effects that are mostly transnational, then who has a legitimate claim over that value? Individuals produce data, attention and behavioral traces. Workers

¹⁰ Couldry, Nick, and Ulises A. Mejias. 2019. *The Costs of Connection: How Data Is Colonizing Human Life and Appropriating It for Capitalism*. Stanford University Press.

¹¹ Renda, Andrea. 2023. "Data policy: A conceptual framework". IE Center for the Governance of Change.

train, clean, moderate, maintain and deliver digital systems¹². Public institutions fund education, research and infrastructure. Communities generate cultural and social content. Firms build products and assume risks. The challenge is to design institutions that recognize this distributed contribution without reducing everything to negligible individual micropayments or narrow compensation schemes.



At the **macro level**, redistribution is a global political economy problem. Digital firms operate across borders, but taxation, regulatory agencies, labor protection and welfare systems remain largely national. Intangible assets, intellectual property, data flows and virtual presence allow profits to be shifted away from the places where economic activity, users and data are located. There are countries that benefit from this transnational activity through their structural and market power and attractiveness and there are countries that provide markets, workers and data that do not always capture corresponding tax revenues or strategic benefits. This is especially important for smaller economies and countries in the Global South, which may become sources of data, labor and users while remaining dependent on infrastructures owned elsewhere and not benefit from them¹³.



At the **micro level**, the digital revolution reshapes inequalities within societies. Workers in high value technological sectors may benefit from rising demand and higher wages, while others face automation, task fragmentation, algorithmic surveillance or precarious platform work. Middle skilled workers may see their functions reorganized or displaced. Gig workers often lack stable wages, social protection and collective bargaining. Women, marginalized racial and ethnic groups, migrants, poor and working-class communities, LGBTQ+ people, and

those who disabilities may face amplified discrimination through biased automated systems in hiring, lending, housing, policing, health care and public services¹⁴. Meanwhile, youth, especially from these disadvantaged communities, face a double crisis. They are heavily exposed to algorithmic manipulation and platform addictions from an early age, while being forced to confront a precarious digital labor market that fails to offer stable career paths or traditional social protections. Users may generate value without voice or control. Consumers may receive convenience¹⁵ while losing privacy, bargaining power or autonomy.

Small- and medium-sized firms also face redistribution issues. They are often encouraged to digitalize, adopt artificial intelligence and participate in data-driven markets, but they may lack access to data, skills, finance, human and cloud capacity and bargaining power.

If digitization increases productivity only for firms already able to absorb it, the transition can widen the gap between leading firms and the rest of the economy.



The **meso level** is again the key to rebuilding collective capacity¹⁶. Redistribution requires institutions that connect digital value creation to public value. These include tax systems able to capture digital rents more fairly, labor institutions adapted to algorithmic management and platform work, data governance mechanisms that enable responsible sharing, public digital infrastructures that reduce dependency on private platforms, and education systems that respond to changing skill needs but still teaching critical thinking skills and without placing all responsibility on individuals.

12 Roberts, Sarah T. 2019. Behind the Screen: Content Moderation in the Shadows of Social Media. Yale University Press.

13 Casilli, Antonio A. 2019. En attendant les robots: Enquête sur le travail du clic. Seuil.

14 Noble, Safiya Umoja. 2018. Algorithms of Oppression: How Search Engines Reinforce Racism. NYU Press.

15 Fourcade, Marion, and Kieran Healy. 2024. The Ordinal Society. Harvard University Press (this is a good overall book on how Big Tech is affected every part of our day life into measurable/quantifiable data).

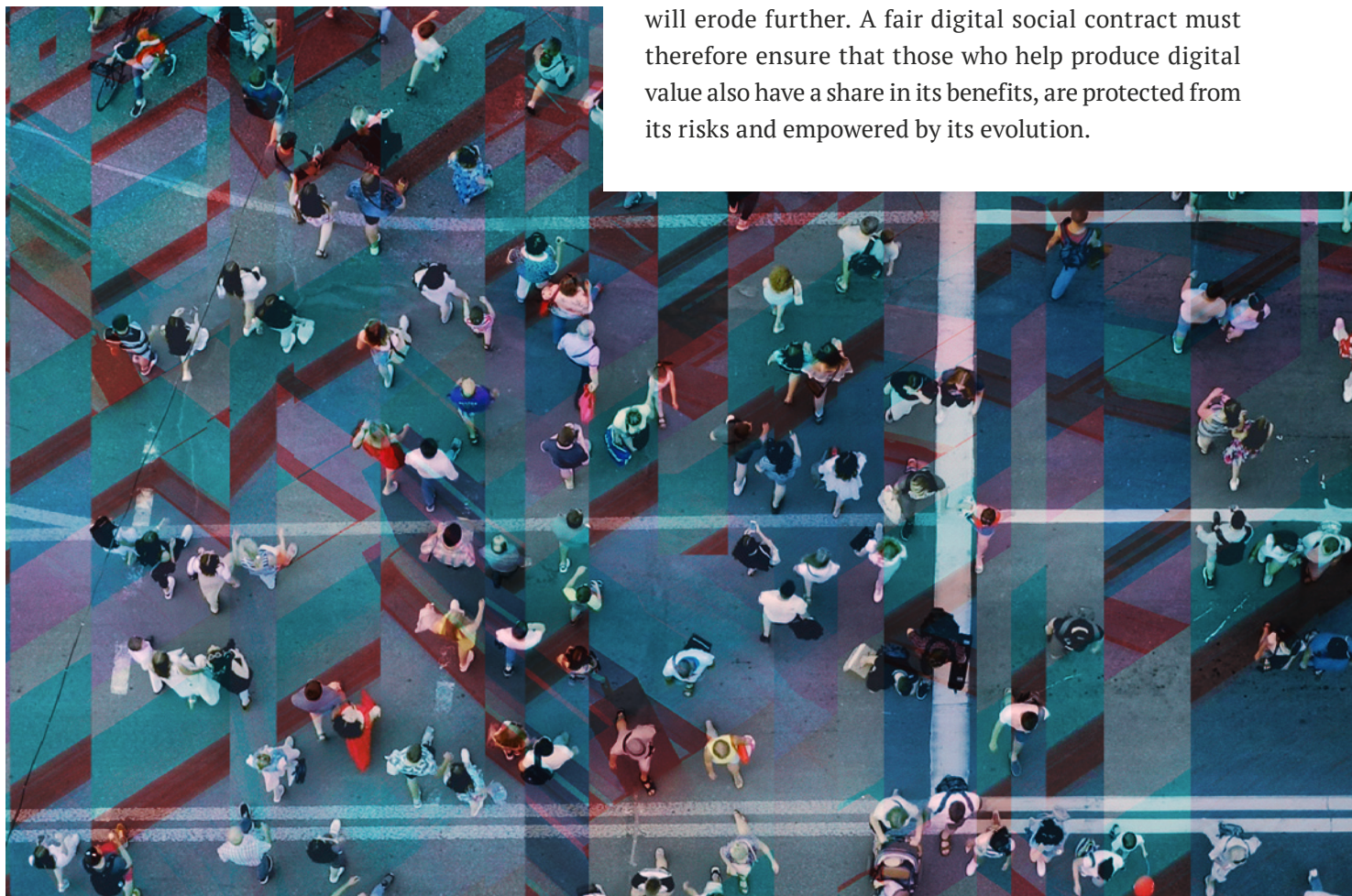
16 Eubanks, Virginia. 2018. Automating Inequality: How High-Tech Tools Profile, Police, and Punish the Poor.

Data stewards, data spaces, trusted intermediaries, public interest data collaboratives and privacy enhancing technologies can help structure more equitable forms of data use¹⁷. But these mechanisms must be embedded in broader institutional arrangements.

Data literacy is key, but literacy alone cannot compensate for structural asymmetries. Skills are vital, but skills alone do not solve the problem of unequal bargaining power. Consumer choice should remain a fundamental objective, but choice alone cannot correct markets where alternatives are weak, absent or too homogeneous.

A new digital social contract must therefore combine redistribution and predistribution. Redistribution concerns taxation, social protection, public investment and compensation. Predistribution concerns the rules that shape markets before value is captured: ownership, access, education, interoperability, collective bargaining, public returns on public investment, data rights and institutional capacity. The aim is not only to repair inequality after the fact, but to ensure that digitization is organized from the beginning in ways that produce shared gains. More than compensation, the focus should be on empowering.

The legitimacy of the digital economy will depend on this. If citizens perceive digitization as a process in which their data, labor, attention time and public investments generate private fortunes while insecurity, surveillance and dependency spread across society, trust will erode further. A fair digital social contract must therefore ensure that those who help produce digital value also have a share in its benefits, are protected from its risks and empowered by its evolution.



¹⁷ Verhulst, Stefaan. 2023. "Data collaboratives: enabling a healthy data economy through partnerships", IE Center for the Governance of Change.

4. AUTONOMY.

Meaningful agency under technological dependence

The third challenge is autonomy. The digital age does not only redistribute value, wealth and power. It reshapes the conditions under which individuals, organizations and political communities can act meaningfully. Autonomy cannot be understood today as complete independence or total control. Digital societies are structurally interdependent. Individuals depend on platforms, firms depend on cloud systems, states depend on global supply chains, and economies depend on data flows, standards, semiconductors and computational infrastructures.

The question is therefore more than simply eliminating dependence and seeking to rebuild classic sovereignty. It is about preserving meaningful agency within the existing dependencies, in spite of growing geopolitical vulnerability. It is not autonomy understood as isolationism or separateness. It is relational autonomy¹⁸.

Autonomy has at least three dimensions. The first is **individual autonomy or agency**. In digital environments, individuals are formally free to choose, consent, click, share, refuse or move to another service. But formal choice often hides weak effective autonomy. It may not imply real freedom. Consent mechanisms are difficult to understand. Terms of service are non-negotiable. Alternatives may be absent. Algorithmic systems shape what people see, buy, believe and desire. Attention economies are designed to capture engagement. Artificial intelligence systems increasingly mediate access to information, employment, credit, education, health care and public services. They can also distort the conditions under which people form knowledge, belief, and even judgments¹⁹. This raises a problem that goes beyond privacy. Privacy matters, but autonomy is broader. It concerns the capacity to understand, contest and shape the digital environments in which choices are made. It requires intelligibility, real alternatives, protection against coercion and manipulation, the ability to contest automated decisions and exert ultimate control over them, and the preservation of cognitive freedom and critical judgment in environments shaped by prediction²⁰, personalization and behavioral influence.

18 Jennifer Nedelsky, *Law's relations. A Relational Theory of Self, Autonomy and Law*, Oxford: Oxford University Press, 2011.

19 Cecilia Rikap, *The Rulers. Corporate Power in the Age of AI and the cloud*, London: Verso, 2026.

20 Carissa Véliz, *Prophecy. Prediction, power and the fight for the future, from Ancient oracles to AI*, New York: Doubleday, 2026.

The second dimension is **organizational autonomy**. Firms, universities, public administrations, media organizations and civil society organizations increasingly depend on external digital infrastructures. They rely on cloud providers, software ecosystems, platform distribution, payment systems, artificial intelligence models and data architectures that they do not control. This dependence can create efficiency, but it also creates vulnerability. An organization that cannot operate without a dominant platform or external cloud provider has limited ability to define its own strategy, protect its data, innovate independently or resist external pressure.

For small- and medium-sized firms, this is especially an acute dilemma. Digitization can create new opportunities, but it can also bind them to ecosystems where rules are set elsewhere. For universities and research institutions, dependence on external infrastructures can affect knowledge production and technological capability. For public administrations, outsourcing critical digital systems can weaken public capacity and create long term dependence on private providers or systemic rivals.

The third dimension is **political autonomy**. Democratic self-government requires that political communities retain the capacity to make collective decisions according to their own values, interests and priorities. In the digital age, this capacity depends on control over critical infrastructures, technological capabilities and data governance. If a society relies entirely on uncontrolled external actors for cloud infrastructure, artificial intelligence models, semiconductors, payment systems, cybersecurity tools and platform governance, its formal sovereignty may remain intact while its effective autonomy is reduced.

This is the core of digital sovereignty. Digital sovereignty does not mean autarky²¹. It does not require ownership, that every country or region owns every technological layer. But it does require a minimum level of control across individual, organizational, and political autonomy. For example, a political community must be able to enforce its laws, protect its citizens, promote its values, secure its infrastructures, develop alternatives, reduce exposure to coercion and domination, and capture part of the value generated by its own data and talent. All the (internal or external) actors involved in the digital world operating in the territory of a community should not be able to escape the significant ultimate public control of the polity. In the case of Europe, this is as valid for individual countries, as for the EU, as a whole.



21 Alberti, V., Caperna, G., Colagrossi, G. and Panella, F. A., *A Europe fit for the digital age—Tracking Europeans' interest in EC priorities using online search data*, Publications Office of the European Union, 2022, <https://data.europa.eu/doi/10.2760/478863>



At the **macro level**, autonomy is shaped by great power rivalry. The digital world is increasingly structured around competing technological ecosystems, standards and supply chains. The United States and China dominate many critical layers of the digital order²². Europe and other regions face the challenge of preserving openness and alliances while avoiding structural dependence, thereby facing the risk of digital colonialism, where they become dependent on external infrastructures, platforms and standards without sufficient capacity to shape them. Yet Europe also needs to avoid becoming a digital colonial power itself through such a focus on digital sovereignty. True relational autonomy can only be achieved if Europe, in this case, actively cultivates its own economic and innovative muscle by adopting critical capabilities in cloud, AI, and hardware to ensure it is a creator, and not just a consumer, of the next digital frontier.



At the **micro level**, autonomy is experienced as the ability or inability to choose, contest, understand and act. Citizens may feel that digital systems know them, classify them and influence them without giving them real control. Workers may be managed by opaque algorithms. SMEs may be trapped in platform ecosystems. Civil society may struggle to reach publics without depending on private infrastructures. Users may be formally free but practically dependent.



The **meso level** provides the institutional bridge. Autonomy requires more than individual rights and more than national strategies. It requires public digital infrastructures, open standards, interoperability, data portability, federated systems, collaborative networks, public research capacity, robust civil society organization and oversight, universities, local innovation ecosystems and trusted institutions. These arrangements create alternatives. Alternatives are essential to autonomy. Without credible alternatives, consent and control become weak, competition becomes formal and sovereignty becomes rhetorical.

A new digital social contract must therefore redefine relational autonomy at micro, meso and macro levels for an age in which interdependence can be and is weaponized. The same interdependence that enabled new levels of global trade and technological progress creates the reality, where external states and private platforms exploit their power to shape other states' internal economic, political and cultural social life. It should not promise impossible independence. Instead, it should preserve the conditions for meaningful agency at the individual, organizational and political levels.

In other words, to spark a democratic counter-revolution, we must directly win back the support of disenfranchised citizens who, fueled by systemic insecurity and a loss of personal autonomy, currently channel their anger toward the far-right.

Reclaiming their trust requires proving that a new social contract can restore tangible self-determination and protect individuals from manipulation and opacity, enabling organizations to operate without total platform dependence, and ensuring that democratic communities retain the technological capacity required for self-government.



22 Anu Bradford, *Digital Empires. The Global Battle to Regulate Technology*, Oxford: Oxford University Press, 2023.

5. GOVERNANCE.

Democratic legitimacy in hybrid digital orders

The fourth challenge is governance. The previous three pillars lead to this cross-cutting or synthetic question. If digital power is concentrated, digital value is unequally distributed and autonomy is weakened by technological dependence, then how can societies govern digital transformation effectively, legitimately and fairly?

The answer cannot be only more regulation. Regulation is necessary but insufficient. Governance must also be understood more comprehensively. It must address the crisis of representation in our political systems, because governance concerns who makes decisions, how authority is justified, how conflicts are resolved, how knowledge is produced, how accountability is enforced and how citizens participate in shaping the systems that structure their lives.

The digital age has created hybrid governance. Public institutions still legislate, regulate and adjudicate. But private corporations like Meta, which have more capacities than many states, also govern. Platforms moderate speech, rank information, structure markets, define access, enforce standards and shape user behavior. Technical bodies, standard-setting organizations, public-private partnerships and digital infrastructures also exercise governance functions. Power and authority are therefore dispersed across public, private and hybrid systems²³. And there is a growing perception that public institutions have become obsolete and dysfunctional. While many productive and services sectors in our economies have rapidly digitized to maximize operational scale, the public sector has failed to innovate at a matching pace. Bridging this gap is about building the public digital infrastructure needed to govern hybrid and fast-changing digital spaces effectively.

All this creates a legitimacy problem. Democratic governance is based on effective representation, accountability, procedural legality, transparency, contestability and ultimate control. Digital governance often operates through code, contracts, algorithms,

23 Shoshana Zuboff, *The Age of Surveillance Capitalism: The Fight for a Human Future at the New Frontier of Power*, Public Affairs, 2019.

standards, interfaces and private terms of service in a speed unattainable for human reasoning. These instruments can be efficient, but they are not inherently democratic without complete human conscious understanding of the processes behind them. They can shape collective life without being visible, understandable or contestable, or in other words, democratic. Therefore, our democratic institutions must be structurally reformed to regain effective authority and assert democratic rule over algorithms, and private terms of service that currently dictate our political debates and public sphere.

These challenges unfold while technology companies around the world become increasingly active political actors, at times enabling illiberal movements and developing and giving access to surveillance and information technologies that weaken democratic checks and balances. Big Tech can therefore also reinforce political power in ways that erode democratic accountability and public trust.

Simultaneously, traditional democratic institutions face serious constraints. Technological change is fast, complex and transnational. Public administrations often lack technical expertise. Regulators are under-resourced. Courts move slowly and sometimes blindly. Legislatures struggle to anticipate emerging risks and are often trapped in their own old frameworks. International cooperation is fragmented. And there is no effective global governance system. This produces a gap between the speed of technological change and the capacity of democratic governance.

The problem is compounded by a wider crisis of trust. Many societies, and Europe in particular, face asymmetric polarization manifested through the rise of the far-right, including other illiberal movements, and its consolidation of power, fueled by institutional disaffection, information disorder and declining confidence in public authority. Digital platforms can amplify fragmentation, disinformation and epistemic instability.

Artificial intelligence can generate synthetic content at scale, making it harder to maintain shared facts. Without shared epistemic foundations, democratic deliberation becomes more difficult. Without trust, even well-designed policies may lack legitimacy.



At the **macro level**, governance is shaped by competing digital regimes. Democratic, authoritarian and market-driven models of digital governance coexist and compete. Some emphasize state control, some corporate freedom, some rights-based regulation, and others strategic industrial policy. Global governance remains weak, even though many risks are planetary: artificial intelligence, cybersecurity, data flows, supply chain vulnerabilities, financial infrastructures, disinformation and climate-related digital systems. A new social contract must recognize that democratic governance cannot be purely national or even regional, but neither can it simply be delegated to global technocratic bodies without legitimacy.



At the **micro level**, citizens often experience governance at a distance. Decisions about digital systems are made by politicians, regulators, lawyers, engineers, executives, experts or international bodies in spaces that appear inaccessible. Individuals are asked to trust systems they cannot understand, consent to processes they cannot negotiate and accept outcomes they cannot contest.

Participation can also become performative or exhausting if it is not connected to real decision-making. The challenge is to create forms of participation that are meaningful, structured and capable of influencing policy without overwhelming institutions or being captured by organized minorities.



Once again, the **meso level** is the democratic bridge or glue. Public administrations, parliaments, regulators, courts, media, universities, civil society organizations, professional associations, local governments, independent auditors and participatory institutions must mediate between technological complexity and democratic legitimacy. They must translate expert knowledge into public debate, convert social concerns into policy, and ensure that private and hybrid governance remain subject to public authority, as well as public authority under civil society scrutiny.

Several directions follow from this. Public institutions need stronger digital capacity. They must be able to inspect algorithms, audit artificial intelligence systems, supervise platforms, understand data infrastructures and evaluate technological risks. Regulatory technology and supervisory technology can help public authorities monitor complex systems more continuously. Participatory foresight can help societies anticipate technological futures rather than merely react to harms²⁴. Algorithmic auditing, transparency obligations and clearer liability frameworks can improve accountability. Public digital infrastructures can provide alternatives to private authentication, payments, data exchange or service delivery systems.

But the key principle is democratic primacy. Private and hybrid governance will remain part of the digital order, because technological innovation and operational expertise often lie outside the state. However, public governance must be capable of imposing certain direction and set the legitimate framework. The social contract cannot be grounded in the idea that platforms

and technical systems govern first and democracy reacts later. Or worse, that the technological sector must regulate itself. Under a renewed social contract, companies that command the greatest computational, data, and financial resources must assume proportionally greater social responsibilities by actively sharing data for public-interest research, opening their platforms to interoperability, and internalizing the societal and environmental costs of their infrastructures. Only by providing this owed access to the public can democratic institutions define the purposes, limits and accountability mechanisms of digital systems.

How can that be done? Any solution to the governance problem must consider the practical problems involved in generating collaborative political action and building consensus, particularly in polarized and fragmented societies. It must also avoid the temptation to point fingers against perceived enemies or exclude them from the solution. Rather, it must carefully consider effective strategies to create broad open coalitions capable of effectively committing to and starting to implement any measure that might result from the agreed new social contract, if it is to transcend mere speculation and achieve practical import. This inherently political dimension of a social contract project should combine bottom-up strategies with the more typical top-down ones, and adopt a participatory, deliberative and collaborative approach, able to secure the democratic legitimacy not only of the future polity, but of the transition itself. In the case of Europe, this must also include close collaboration between local, national and European levels of government.

A new digital social contract must therefore renew governance in two directions at once. It must make public institutions more capable, agile and technologically literate. And it must make digital governance more democratic, accountable and open to contestation, collaboration and public deliberation.

24 Beth S. Noveck, *Reboot. AI and the race to save democracy*, New Haven: Yale University Press, 2026.

6. CONCLUSION.

The political economy and transition toward a new social contract

A new social contract cannot be built overnight. It is a long-term project of institutional reconstruction, political negotiation and cultural renewal. Yet the time horizon is not unlimited. The longer societies delay, the more digital power becomes entrenched, the more value capture becomes concentrated, the more dependencies become irreversible, and the more citizens lose trust in institutions. A certain sense of urgency is needed.

The transition must therefore combine urgency with democratic deliberation and political action. It must avoid both technocratic acceleration and permanent debate without action. The central task is to move from diagnosis to active consciousness and institution-building.

This transition will be contested. A fairer digital social contract would redistribute power, value and voice. It would affect incumbents that benefit from concentrated digital markets, investors that profit from the current allocation of rents, jurisdictions that gain from existing tax arrangements, and political actors that benefit from fragmentation and distrust. Dominant firms may resist interoperability, stronger taxation, data-sharing obligations, public oversight or restrictions on acquisitions. States may defend digital sovereignty rhetorically while prioritizing national advantage, security imperatives or industrial capture. Some actors will reject stronger public intervention on ideological grounds.

There are also institutional obstacles. Public administrations, courts, regulators and international organizations were not designed for the speed, opacity and scale of digital systems. Many lack technical

capacity, human talent and financial resources. Coordination is difficult because digital markets, data flows and technological infrastructures cross borders, while legitimacy remains rooted in national or regional political communities. Social fragmentation further complicates the task. A social contract requires a shared narrative, but national divisions, polarization and information disorder weaken the possibility of consensus.

The transition must therefore operate across three horizons. In the short-term, societies need to correct the most urgent dysfunctions: excessive concentration, opaque algorithmic systems, unfair labor conditions, weak regulatory enforcement and critical dependencies. In the medium-term, they must build capabilities: public digital infrastructures, institutional expertise, data governance mechanisms, innovation ecosystems, educational systems and democratic oversight institutions. In the long-term, they must rebuild the normative foundations of digital society: trust, solidarity, autonomy, fairness and democratic legitimacy. And they must do all this with broad social consensus. This fourth work package contributes to this transition by asking not only which policies are desirable, but which coalitions, institutions and narratives can make them politically viable.

A new social contract will require alliances among public institutions, firms, workers, civil society, universities, researchers, cities, SMEs and citizens. It will require public debate, but also institutional design. It will require innovation, but also limits on individual, firm and state actions.

The digital revolution has changed the foundations of the social contract by reshaping power, value, autonomy and governance. The challenge now is to ensure that technological transformation does not continue to be a force of domination, extraction, dependence and democratic erosion.

A renewed social contract must prevent further concentration from becoming even more powerful private rule, ensure that digital and technological value reflects collective contributions, protect meaningful agency under conditions of technological dependence and weaponized interdependence and rebuild governance, so that technological change remains subject to democratic legitimacy and public purpose.

Over the next months, the CGC will continue to be that inclusive space for democratic debate and policy recommendations in this domain.



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AUTHORS:

José Luis Martí, Miguel Otero Iglesias and Jen Schradie

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