How does the consolidation of public infrastructure functions within Big Tech platforms restructure traditional mechanisms of democratic accountability and alter the balance of power between corporate executives and citizenry?

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Executive Summary

The consolidation of public infrastructure functions within Big Tech platforms fundamentally restructures traditional mechanisms of democratic accountability by replacing elected oversight with opaque corporate control, decisively shifting the balance of power toward corporate executives and away from the citizenry. Evidence suggests this creates a structural accountability gap where unelected corporate executives, primarily responsive to shareholders, dictate the rules for critical public goods like information access, speech, and commerce without democratic process or public valuation mechanisms [1, 2, 9, 10]. While some argue for the administrative efficiency of data-driven governance, the research indicates this operational effectiveness lacks democratic legitimacy, as citizens cannot directly influence or remove corporate decision-makers when their interests diverge from shareholder value [1, 5].

Key Findings

Erosion of Democratic Accountability and Shift in Power

The consolidation of public infrastructure functions within Big Tech platforms significantly diminishes traditional democratic accountability. These platforms perform essential public functions, yet their lack of electoral legitimacy creates a structural accountability gap where corporate executives, rather than the citizenry, dictate the rules of digital infrastructure [1, 2, 9, 10]. This shift is driven by several factors:

- **Unilateral Algorithmic Control:** Algorithms function as critical infrastructure that structures public debate and information access, yet they are unilaterally controlled by private firms rather than through democratic processes [4]. The design choices made by these platforms constitute exercises of economic and informational power that shape billions of users' realities without their input [2, 4, 9]. As one source states, "The fact that this infrastructure is composed of algorithms changes the point at which humans exercise control over how it works, and what values are built into its design" [4].

- **Divergent Incentives:** The conventional corporate purpose of maximizing shareholder value fundamentally conflicts with the democratic functions these platforms serve [1]. Executives are accountable to shareholders, not the public, leading to rule-making that prioritizes engagement metrics and rent extraction over egalitarian public sphere maintenance [1, 2].
- **Lack of Exit and Representation:** Network effects and high switching costs create a "hostage taking" scenario where users are trapped by non-transferrable social capital, leaving them with no credible exit options to exert influence [2, 3]. Citizens, who are the primary risk-bearing group for an anti-democratic public sphere, lack adequate representation in corporate decision-making [1].
- **Privatization-Dependency Loop:** Public agencies increasingly outsource complex functions to technologically superior private actors, generating dependencies that grant firms political influence [10]. This effectively redefines sovereign power and centralizes authority in boardrooms rather than through the ballot box [10]. As one source notes, "The U.S. no longer merely contracts services; it increasingly performs core executive functions through private digital infrastructures that shape what the state can know, decide, and execute" [10].

Privatization of Digital Rule-Making and Opacity

The privatization of digital rule-making creates a profound structural accountability gap where opaque, profit-driven rule-making displaces democratic legitimacy [1, 10]. This "Privatization-Dependency Loop" allows corporate executives to capture policymaking and prioritize rent-seeking over public interest [10]. The resulting opacity blurs the line between administrative efficiency and democratic legitimacy, as algorithmic systems are technically intricate and difficult for oversight agencies to audit or replicate [10]. Opaque algorithmic choices, such as optimizing for engagement metrics that correlate with outrage rather than deliberation, are exercised as unaccountable exercises of economic and informational power [2, 4]. This structural shift moves rule-making authority from the ballot box to private boardrooms, fundamentally altering the balance of power [1, 10].

Algorithmic Control Replaces Public Deliberation

Big Tech's unilateral control over algorithmic curation and content moderation effectively replaces traditional public deliberation, transforming corporate executives into unaccountable arbiters of political reality [2, 4, 9]. Algorithms function as critical infrastructure that unilaterally structures public debate and access to information [4]. By determining what billions of people see, read, and discuss, these platforms exercise immense economic and informational power [2, 4, 9]. For example, internal studies revealed that Facebook's recommendation algorithms, specifically the "Groups You Should Join" feature and "Discover" page algorithms, contributed to 64% of all extremist group joins [11]. Similarly, TikTok's algorithm has been shown to rapidly increase far-right video recommendations, promoting hate speech and conspiracies, and can politically radicalize a user in under three hours based on engaging with just 450 short videos [11]. This consolidation transfers substantive policy-levers from elected institutions to private boardrooms, risking the "liberty of a democracy" if private power becomes stronger than the democratic state itself [4].

Mixed Outcomes of Regulatory and Structural Interventions

Outcomes of interventions reveal a dual dynamic: broad legislation tends to entrench privatization-dependency loops, while public infrastructure initiatives successfully constrain Big Tech.

- **Entrenchment through Legislation:** Broad regulatory measures, such as the GENIUS Act's stablecoin provisions, signed on July 18, 2025, illustrate the entrenchment of privatization-dependency loops [10]. This act creates a private banking network while eliminating a public alternative, removes the Consumer Financial Protection Bureau's jurisdiction over stablecoin regulation, and includes specific exemptions for platforms like X (formerly Twitter) [10]. This reinforces the "privatization-dependency loop" by granting firms political leverage to secure greater influence over subsequent rounds of outsourcing [10].
- **Struggles in Antitrust:** Post-2023 antitrust litigation trends, such as the FTC's 2020 lawsuit against Facebook for illegal monopolization related to the acquisitions of Instagram and WhatsApp, reveal a struggle between structural constraint and corporate resilience [2]. Some scholars argue that contemporary antitrust doctrine is insufficient because it overlooks harms to public discourse and democratic accountability [3]. Conversely, others suggest that focusing on market share or breaking up companies could stifle innovation [7].
- **Success of Public Alternatives:** Municipal broadband pilots and public digital

infrastructure initiatives demonstrate that state oversight *can* successfully constrain Big Tech when it moves beyond mere regulation to build public alternatives [6]. Successful international initiatives like India Stack, Brazil's Pix, and Estonia's X-Road show that states can escape Big Tech domination by establishing democratically governed digital infrastructure [6, 8]. For instance, Brazil's Pix is a government-owned network run by the Central Bank of Brazil that mandates bank connections and sets zero fees for person-to-person transactions [12]. The UK's proposal to deliver a nationwide full-fiber network by 2030 through public ownership further illustrates how treating digital connectivity as a public good can restructure the balance of power [6].

Redefining Fiduciary Duties: Necessary but Insufficient

Legally redefining corporate fiduciary duties for critical digital infrastructure from shareholder maximization to democratic public-interest preservation is necessary [1]. The conventional corporate purpose of maximizing shareholder value conflicts with the democratic functions these platforms perform, and citizens are the primary risk-bearing group for an anti-democratic public sphere [1]. However, mandating this shift alone may not fully rebalance executive authority toward the citizenry [1]. Research suggests that without transforming the internal structure of Big Tech companies to directly represent the entire democratic citizenry, mere regulation or a change in fiduciary duty will fail to contain their political power effectively [1]. Regulatory schemes are also vulnerable to "regulatory capture" by corporate lobbying [1].

The Self-Reinforcing Privatization-Dependency Loop

The self-reinforcing privatization-dependency loop fundamentally restructures democratic accountability by replacing elected oversight with opaque corporate control [1, 10]. As public agencies outsource complex digital functions to Big Tech, they generate structural dependencies that grant these firms political influence, enabling them to shape subsequent rounds of policy and procurement [10]. This accumulation of power structurally marginalizes traditional electoral mechanisms by redefining sovereign power, as core executive functions are increasingly performed through private digital infrastructures rather than democratic processes [10]. This shifts the balance of power decisively toward corporate executives at the expense of citizen autonomy [1, 2, 9, 10].

Specific examples of this loop include the U.S. General Services Administration's (GSA) OneGov agreements with Amazon Web Services (AWS), offering up to $1 billion in savings through 2028 [13]. The GSA also partnered with Oracle, providing a 75%

discount on licenses [14], and similar agreements exist with Google [13]. The Joint Warfighting Cloud Capability (JWCC) contract, valued at $9 billion, was awarded to AWS, Azure, Google Cloud, and Oracle [13]. India's Aadhaar system, covering 1.4 billion people, utilizes a closed-source data-sharing layer that limits public scrutiny [12].

Implications

The consolidation of public infrastructure functions within Big Tech platforms has profound implications for democratic governance. It suggests a systemic "hollowing out of the state," where core executive functions are increasingly performed by private entities, leading to a concentration of power in corporate boardrooms rather than through democratic processes [10]. This shift means that decisions affecting public discourse, information access, and economic opportunity are made by unelected executives whose primary accountability is to shareholders, not citizens [1, 2]. The resulting opacity and lack of citizen representation in these critical digital infrastructures pose a significant challenge to the principles of democratic accountability and citizen autonomy. While administrative efficiency may improve in some areas, this comes at the cost of democratic legitimacy and the capacity for citizens to exert meaningful influence over their digital public sphere.

Limitations and Caveats

The research primarily focuses on the structural and theoretical implications of Big Tech's consolidation, with less specific quantitative data on the direct costs and user adoption rates of recent municipal broadband pilots or the specific fiduciary duty provisions in recent state-level legislation. While the evidence strongly indicates a shift in power and accountability, direct comparative data on the total annual costs of outsourced public sector contracts versus legacy public systems in the last 24 months is not extensively detailed. The conclusions regarding the efficacy of regulatory interventions versus public infrastructure alternatives are drawn from a mix of legislative outcomes and policy proposals, rather than a comprehensive empirical analysis of all recent interventions.

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