

Why Microsoft Risks Losing the Battle for Digital Sovereignty

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Germany Chooses Linux: Why Microsoft Risks Losing the Battle for Digital Sovereignty

An analysis of the historic shift by German authorities toward open-source software, supported by independent sources



By Frank Dumon

It is a fascinating and important story – digital sovereignty is increasingly becoming a geopolitical issue, and the German approach offers a blueprint that other governments will study seriously. In the northern German state of Schleswig-Holstein, nestled between the North Sea and the Baltic Sea, something has happened that the global tech industry did not see coming. Without spectacle or international press conferences, the state government has decided to systematically replace Microsoft Windows and associated software with Linux and open-source alternatives. What at first glance appears to be a technical migration is, in reality, a geopolitical statement of historic proportions.

The Numbers Behind the Migration



The facts are concrete. Schleswig-Holstein has successfully migrated more than 40,000 user accounts and over 100 million emails and calendar items from Microsoft Exchange and Outlook to the open-source platforms Open-Xchange and Mozilla Thunderbird. By the end of 2025, 80% of the state's 30,000 workstations are to run on Linux and open-source software. Digitalization Minister Dirk Schrödter succinctly summarized the new attitude toward Microsoft Teams: "We're done with Teams" – not "we are evaluating alternatives," but simply: "we are ready".

The technological replacements are mature and ready for business-critical deployment:

1. [LibreOffice](#) replaces Microsoft Word and Excel
2. [Open-Xchange](#) takes over the role of Outlook for email and calendar
3. [Nextcloud](#), a platform developed in Germany, replaces SharePoint for file management and collaboration
4. [Linux](#) becomes the desktop operating system for the entire government infrastructure

Why Now? The Sovereignty Argument



The crucial difference from previous attempts – such as the failed LiMux project in Munich – is the underlying motivation. Munich switched at the time to save costs; an argument that proved vulnerable when migration costs rose and users resisted. Schleswig-Holstein, by contrast, is migrating out of strategic necessity: digital sovereignty.

The catalyst came in June 2025, during a hearing in the French Senate. Anton Carniaux, legal director of Microsoft France, testified under oath that the company *could not guarantee* that data in European datacenters would remain protected against access by the U.S. government, due to the U.S. Cloud Act. For European governments managing tax data, judicial files, and security information, this was a wake-up call.

As German MEP Alexander Geese put it at the Nextcloud Summit in Munich: Europe risks "being blackmailed by both American and Chinese tech giants". When a legislator who helped write the Digital Services Act uses this kind of language, you know that the relationship between European governments and American tech companies has fundamentally shifted.

A European Domino Effect

LibreOfficeWhat began in Schleswig-Holstein proved not to be an isolated incident. Denmark announced in the summer of 2025 that its Ministry of Digitalization would switch from Microsoft to Linux and LibreOffice, with the goal of complete migration by the end of 2025. Danish Minister Caroline Stage Olsen put it succinctly: "A democracy cannot allow itself to become so dependent on a few foreign suppliers that it loses the freedom to act independently".

Austria took the next step by organizing a summit on European digital sovereignty in Berlin in November 2025, where all 27 EU member states signed a charter prioritizing open-source solutions as a mechanism for digital autonomy. This is no longer a policy preference; this is a geopolitical reorientation.

Microsoft's Response: Silence and Price Increases

What is striking about Microsoft's response is the absence of direct communication on the sovereignty question. No senior executive has publicly addressed the data protection guarantees that European governments demand. Instead, the company raised prices for Dynamics 365 by 10% and adjusted Azure costs. For governments already doubting their dependency, these commercial decisions did not feel like normal business operations, but rather as confirmation of their concerns.

At the same time, Microsoft reported revenue of \$77.7 billion for the quarter ending September 2025, an 18% year-on-year increase. These figures show a company that appears to be at the height of its power – but they do not yet reflect the structural shift among its most strategic customers: sovereign states.

Why This Project Can Succeed

Experts point to one crucial factor that makes the difference this time: change management. François Pellegrini, an IT professor specializing in government migrations, emphasizes that user resistance – not the technology – undermined the LiMux project in Munich. Schleswig-Holstein learned from those mistakes:

1. The migration was carried out in phases, starting with email
2. User training preceded each migration phase
3. Political support remained consistent throughout the entire process

Benjamin Jean of consultancy IN3 described the relationship between European governments and Microsoft's licensing model as **"by the throat"** – a relationship of captivity, not partnership. What we are seeing now is the systematic liberation from it.

The Path Forward

The coming two to three years are decisive. If Schleswig-Holstein can demonstrate by the end of 2026 that 30,000 government computers are running stably on Linux, that 60,000 civil servants are working productively with open-source tools, and that the migration has been completed within budget and on schedule, then a blueprint will emerge that any government in the world can follow.



That is what Microsoft truly must fear: not the loss of individual contracts, but the emergence of a documented, reproducible exit plan that removes the perception of risk. Once the question in government IT departments shifts from "Can we do this?" to "When do we start?", the playing field changes fundamentally.

The German state has proven that phase-out is possible. Europe is proving that regained freedom is reality. The rest of the world watches the path taken in silence. The only open question is whether Microsoft understands what it truly faces, and whether it has an answer that goes beyond continuing to "create dependency".

Governments do not leave because they have found a better product. They leave because they have found something they trust more. And in the relationship between a government and the technology with which it governs its country, trust is a necessity. It is the foundation. And once that foundation cracks, no price reduction or product update can repair it.

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This analysis is based on publicly available sources as of May 2026. De Jakobijn strives for accuracy, but advises readers to remain critical and consult primary sources for policy decisions.