

Project Syndicate



Ending European Tech Stagnation

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Europe has much to gain from a concrete, pragmatic, technology-centered transatlantic relationship, and a thriving, technologically advanced Europe is in America's own interest. With China pursuing its own global technology strategy, these two old allies urgently need to get on the same page.

WASHINGTON, DC – As the tech revolution intensifies, Europe is finding itself on the sidelines, particularly in AI. This is a problem not only for Europe, but for the broader Western alliance. As other regions surge ahead with tech-centric ambitions, the prospect of Europe

fading into digital irrelevance is becoming stronger. We urgently need a revitalized transatlantic relationship, one centered on a bold, positive technology agenda.

As highlighted by recent analyses, while US tech giants dominate the current AI landscape, Europe's own champions are few and far between. The continent that led the industrial revolution now struggles to foster globally competitive tech behemoths – not for a lack of talent or innovative spirit, but rather because a complex mix of fragmented markets, cautious investment climates, and a regulatory environment that inadvertently stifles innovation.

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As Europe and the US seek a new tech relationship, East Asian countries like Malaysia, powered by government investment and dynamic private sectors, are making enormous strides. The Middle East, too, is leveraging its resources to become a new hub for AI development and tech innovation.

This rise of new tech power centers is, in itself, a positive development, fostering global competition and innovation, but it underscores the need for Europe to reclaim its position. The greatest challenge, however, comes from China, which makes no secret of its ambitions to achieve global AI dominance by 2030.

China's "Digital Silk Road" initiative is already spreading the country's tech infrastructure and influence across Europe, Africa, and beyond. And this isn't just about market share; it's also about embedding technical standards, surveillance capabilities, and, ultimately, China's authoritarian model into countries' digital DNA. If the US and Europe fail to offer a compelling, democratic alternative, much of the world's digital infrastructure will be controlled by a strategic rival.

The solution is a clear-eyed strategy – a transatlantic technology pact for the twenty-first century, with a 2030 horizon. This strategy must revolve around a positive AI agenda, one that goes beyond simply trying to regulate or contain risks. We need to articulate a vision for how AI can be a force for good – advancing science, improving health care, addressing climate change, and creating new economic opportunities. This was the spirit that animated joint US-European infrastructure projects during the Cold War, building the foundations of a connected and prosperous Western world. We must recapture that ambition. Europe recognizes this: the Draghi report of EU competitiveness, the Paris AI Action Summit, and the recent NATO summit in The Hague all show an awareness of the need for radical change.

This new pact should focus on fostering joint research and development in foundational AI models and critical enabling technologies. This means pooling resources and talent to compete at scale. We need to consider the future workforce and potentially even strategies to import the necessary human capital.

Existing mechanisms like the Joint European Disruptive Initiative, the NATO Innovation Fund, and the Defense Innovation Accelerator for the North Atlantic can serve as platforms for joint research and development in strategic dual-use technologies. A coordinated effort focused on breakthrough technologies and fostered by innovation ecosystems – from procurement to test beds – will ensure that the US and Europe stay competitive in the global tech race. For that, the right funding must be delivered according to a methodology focused on bold risk-taking, maximum speed, and clear metrics.

We must also emphasize interoperability, especially in defense-related technologies. The turn by countries on both sides of the Atlantic toward reindustrialization provides a strategic opportunity to align efforts around interoperable digital and hardware systems, strengthen defense supply chains, and avoid duplication. Shared standards and joint development of critical capabilities such as cloud, AI models, cyber, and quantum will ensure transatlantic resilience in the face of future conflicts.

This will require investing in the joint digital infrastructure of the future, from next-generation networks to secure data centers. AI and emerging AGI systems will place immense demands on energy, computing power, and storage. The US and Europe must ensure we have the

physical and digital backbone to support our AI ambitions, coordinating around semiconductor and advanced compute supply chains.

This is where public-private partnerships can play a crucial role, bringing together governments, industry, and academia. The security of critical infrastructure, including in strategic locations like Taiwan, must be a shared priority, as digital and geopolitical stability are inextricably linked.

An important goal of transatlantic cooperation must be to offer an alternative to China's digital expansionism, particularly in developing countries. This means providing competitive financing, open-source technologies, and training that aligns with democratic principles and promotes open, interoperable systems. Only by acting together can the US and Europe provide countries with a compelling alternative to China's surveillance-driven model.

Lastly, we must rejuvenate our democracies to make them fit for the technological age. The decisions we make – or fail to make – in the coming years will determine whether the US and Europe can lead the next wave of tech advancement, or whether we will be reacting to a world shaped by others. Regardless of the administration in Washington, a thriving, technologically advanced Europe is in America's interest, while Europe has much to gain from transatlantic tech cooperation. A Europe that is merely a consumer, rather than a creator, of critical technologies will be a Europe with a diminished voice and influence.

Ylli Bajraktari

Ylli Bajraktari, a former chief of staff to the US National Security Adviser and a former executive director of the US National Security Commission on Artificial Intelligence, is CEO of the Special Competitive Studies Project.

André Loesekrug-Pietri

André Loesekrug-Pietri is Chairman and Scientific Director of the Joint European Disruptive Initiative, the European advanced research projects agency.