Quarta edizione del Tech and Foreign Policy Summit:
EU Tech Power and Diplomacy: Searching for Political Consensus

Report finale del progetto realizzato dall'Ufficio di Roma dello European Council on Foreign Relations

Il progetto è stato realizzato attraverso le seguenti attività:

1) Una conferenza a Torino, dal titolo **EU Tech Power and Diplomacy: Searching for Political Consensus**, svoltasi il 2 e 3 aprile 2025, con 41 partecipanti a livello complessivo provenienti dall'Italia e dall'Europa (lista dei partecipanti e agenda a seguire):

- Una **dinner discussion**: "Tech" united, do we stand? How to unlock Europe's potential (2 aprile 2025)
- Tre **sessioni di lavoro *policy-oriented*** (3 aprile 2025):
  a) Building a "Tech-Enhanced" European Defense Union
  b) Enhancing the EU "tech interdependence" in face of technological fragmentation
  c) Navigating through global disorder: what potential for EU digital diplomacy?

2) **Nota finale** dell'incontro (a seguire)

L'evento è stato organizzato dall'Ufficio di Roma di ECFR con il sostegno di Fondazione Compagnia di San Paolo e del Ministero degli Affari esteri e della Cooperazione internazionale.

Tra i partecipanti: I consiglieri ECFR **Massimo Deandreis** e **Nicolò Russo Perez**; 6 esperti pan-europei di ECFR; 3 pan-European fellows ECFR-Fondazione Compagnia di San Paolo; **Brando Benifei**, Presidente, Delegazione per le relazioni con gli Stati Uniti, Parlamento Europeo; **Corneliu Bjola**, Professore di Digital Diplomacy, Università di Oxford; **Oliver Bringer**, Capo Unità per gli Affari Internazionali, DG CNECT, Commissione Europea; **Massimo Gaudina**, Special Advisor on Strategy, Institutional Relations, Innovation, European Training Foundation; **Francesca Ghiretti**, Research Leader, RAND Europe; **Andrea Gilli**, Docente, University of St. Andrews; **Marco Gilli**, Presidente, Fondazione Compagnia di San Paolo; **Daniel Gros**, Direttore, Institute for European Policymaking, Bocconi University; **Beniamino Irdi,** Nonresident Senior Fellow, Scowcroft Center for Strategy and Security, Transatlantic Security Initiative, Atlantic Council; **Sharinee Jagtiani**, Senior Officer, GMF Technology; **Aleksandra Kozioł**, Senior Analyst, International Security Programme, The Polish Institute of International Affairs; **Francesco Mascolo**, Head of Institutional Affairs, International Subsidiary Banks, Intesa Sanpaolo; **Angel Melguizo**, Partner, ARGIA Green, Tech & Economics; Visiting Fellow, ECFR; **Victoria Vdovychenko**, Joint Programme Leader – Future of Ukraine, Centre for Geopolitics, Università di Cambridge.

Si ringrazia il Ministero degli Affari Esteri e della Cooperazione Internazionale per il sostegno all'iniziativa

AGENDA

TECH SUMMIT – 4th edition

EU Tech Power and Diplomacy: Searching for Political Consensus

Turin, April 2nd-3rd, 2025

DAY 1 – April 2nd, 2025

19:30 – 21:30 Dinner discussion: "Tech" united, do we stand? How to unlock Europe's potential

In the unpredictability and fragmentation deriving from President Trump's presidency, an EU political consensus is urgently needed. The Tech domain should be key to Europe to deal with the current "unorder". How should the EU unlock its full potential?

Welcome remarks: **Marco Gilli**, Chairman, Fondazione Compagnia di San Paolo

Brando Benifei, Chair, Delegation for relations with the United States, European Parliament
Daniel Gros, Director, Institute for European Policymaking, Bocconi University
Beniamino Irdi, Nonresident Senior Fellow, Scowcroft Center for Strategy and Security, Transatlantic Security Initiative, Atlantic Council

Chair: **Teresa Coratella**, Deputy Head and Policy Fellow, ECFR Rome

DAY 2 – April 3rd, 2025

09:00 – 09:15 Welcome remarks: Nicolò Russo Perez, Head, International Affairs Programme, Fondazione Compagnia di San Paolo; ECFR Council Member and **Arturo Varvelli**, Head and Senior Policy Fellow, ECFR Rome

09:15 – 10:30 PANEL 1: Building a "Tech-Enhanced" European Defense Union

After years of debate and missed opportunities, the urgent need for the EU to assume greater responsibility for its own defense is now a mandatory and urgent reality. This could be achieved more quickly through enhanced Tech capabilities. What are the concrete next steps, scenarios and challenges?

Kick off by:

Andrea Gilli, Lecturer, University of St. Andrews
Aleksandra Kozioł, Senior Analyst, International Security Programme, The Polish Institute of International Affairs
Victoria Vdovychenko, Joint Programme Leader – Future of Ukraine, Centre for Geopolitics, University of Cambridge

Chair: **Clotilde Bômont,** Senior Policy Analyst, EUISS

10:30 – 11:00 Coffee break

11:00 – 12:15 PANEL 2: Enhancing the EU "tech interdependence" in face of technological fragmentation

With thanks to *for kindly supporting this initiative*

The increasing vulnerability and disruption risks in supply chains, exacerbated by the current unstable scenario as well as by US-China rivalry, should push the EU to speed up on its strategic interdependence. What are EU strengths, missed opportunities and challenges ahead?

Kick off by:

Francesca Ghiretti, Research Leader, RAND Europe
Sharinee Jagtiani, Senior Officer, GMF Technology
Herman Quarles Van Ufford, Senior Policy Fellow, ECFR

Chair: Alberto Rizzi, Policy Fellow, ECFR Rome

12:15 – 13:30 PANEL 3: Navigating through global disorder: what potential for EU digital diplomacy?

Digital diplomacy is key today to the EU's global strategy. But it needs attention, vision and inclusivity to guarantee a stable multilateral order and to counter imbalances in the technology realm. For this, digital alliances with like-minded countries remain a key pillar of EU strategy. How to boost EU diplomacy potential?

Kick off by:

Corneliu Bjola, Professor of Digital Diplomacy, University of Oxford
Oliver Bringer, Head of Unit for International Affairs, DG CNECT, European Commission
Angel Melguizo, Partner, ARGIA Green, Tech & Economics; Visiting Fellow, ECFR

Chair: Flavia Lucenti, Postdoctoral Research Fellow, LUISS University

13:30 Light lunch and departure of participants

With thanks to *for kindly supporting this initiative*

LIST OF PARTICIPANTS

TECH SUMMIT – 4th edition

EU Tech Power and Diplomacy: Searching for Political Consensus

Turin, April 2nd-3rd, 2025

1. **Panos Alexopoulos**, Strategic Partnership Manager – Development, ECFR
2. **Katja Bego**, Senior Research Fellow, International Security Programme, Chatham House
3. **Brando Benifei**, Chair, Delegation for relations with the United States, European Parliament
4. **Claudio Bertolotti**, Associate, Italian Army Post Conflict Operations Study Centre; Executive Director, START InSight
5. **Corneliu Bjola**, Professor of Digital Diplomacy, University of Oxford
6. **Piero Boccardo**, Full Professor of Geomatics, Interuniversity Department of Regional and Urban Studies and Planning, Politecnico di Torino; Director, Ithaca
7. **Clotilde Bômont**, Senior Policy Analyst, EUISS
8. **Ettore Bompard**, Full Professor of Power Systems, Department of Energy, Politecnico di Torino; Scientific Director, EST Lab@energycenter
9. **Oliver Bringer**, Head of Unit for International Affairs, DG CNECT, European Commission
10. **Gabriele Carrer,** Journalist, Formiche and Huffington.it
11. **Michelangelo Conoscenti**, Political and Military Discourse Analyst, Full Professor and Chair of English Language and Linguistics, Department of Cultures, Politics and Society, University of Turin
12. **Teresa Coratella**, Deputy Head and Policy Fellow, ECFR Rome
13. **Massimo Deandreis**, General Manager, S.R.M. Economic Research Center related to Intesa Sanpaolo Group; ECFR Council Member
14. **Massimo Gaudina**, Special Adviser on Strategy, Institutional Relations, Innovation, The European Training Foundation
15. **Francesca Ghiretti,** Research Leader, RAND Europe
16. **Andrea Gilli**, Lecturer, University of St. Andrews
17. **Marco Gilli**, Chairman, Fondazione Compagnia di San Paolo
18. **Fabrizio Goria,** Journalist, La Stampa
19. **Daniel Gros**, Director, Institute for European Policymaking, Bocconi University
20. **Markus Holmgren**, Research Fellow, Finnish Institute of International Affairs
21. **Sharinee Jagtiani**, Senior Officer, GMF Technology
22. **Aleksandra Kozioł**, Senior Analyst, International Security Programme, The Polish Institute of International Affairs
23. **Beniamino Irdi,** Nonresident Senior Fellow, Scowcroft Center for Strategy and Security, Transatlantic Security Initiative, Atlantic Council
24. **Flavia Lucenti**, Postdoctoral Research Fellow, LUISS University
25. **Federica Mangiameli**, Defense and Security Senior Programme Manager, Globsec
26. **Francesco Mascolo**, Head of Institutional Affairs, International Subsidiary Banks, Intesa Sanpaolo
27. **Paolo Mazzuferi**, Director, Italian Army Post Conflict Operations Study Centre
28. **Angel Melguizo**, Partner, ARGIA Green, Tech & Economics; Visiting Fellow, ECFR

With thanks to *for kindly supporting this initiative*

29. **Karolina Muti**, Senior Fellow, Defence, Security and Space Programme, IAI

30. **Francesco Nicoli**, Non-Resident Fellow, Bruegel; Assistant Professor of Political Science, Politecnico di Torino
31. **Herman Quarles Van Ufford**, Senior Policy Fellow, ECFR
32. **Alberto Rizzi**, Policy Fellow, ECFR
33. **Alessandra Russo**, Ph.D Candidate, Università Cattolica del Sacro Cuore
34. **Nicolò Russo Perez**, Head, International Affairs Programme, Fondazione Compagnia di San Paolo; ECFR Council Member
35. **Stefano Sacchi**, Vice Rector for Society and Public Engagement, Community, and Rector's Programme Implementation; Full Professor of Political Science, Department of Management and Production Engineering, Politecnico di Torino
36. **Emily Tasinato**, Pan-European Fellow, ECFR
37. **Arturo Varvelli**, Head and Senior Policy Fellow, ECFR Rome
38. **Victoria Vdovychenko**, Joint Programme Leader – Future of Ukraine, Centre for Geopolitics, University of Cambridge
39. **Michele Vellano**, Full Professor of European Union Law, Department of Law, University of Turin
40. **Marco Zatterin**, Journalist, Nord Est Multimedia Spa
41. **Angela Ziccardi**, National Office Assistant, ECFR Rome

With thanks to *for kindly supporting this initiative*

FINAL REPORT

TECH SUMMIT – 4th Edition

EU Tech Power and Diplomacy: Searching for Political Consensus

Turin, April 2-3, 2025

The fourth edition of the Tech Summit, titled "*EU Tech Power and Diplomacy: Searching for Political Consensus,*" took place in Turin on April 2 and 3. The event is hosted annually by the European Council on Foreign Relations and supported by Fondazione Compagnia di San Paolo and the Italian Ministry of Foreign Affairs and International Cooperation. This year, **attention turned to the challenges that lie ahead and the key actions the EU needs to undertake to unlock its full technological potential in crucial domains and boost its global competitiveness**. A selected group of experts from diverse backgrounds – including academia, prominent European think tanks, and representatives from EU institutions – gathered to **discuss the need for the EU to assume greater responsibility for its own defense, enhance strategic interdependence, bolster resilience, and explore ways to reinforce European digital diplomacy.** This truly aims to act as a wake-up call for Europeans in light of the unpredictability and fragmentation heightened by US President Donald Trump's administration.

The event kicked off with the dinner discussion *"Tech" united, do we stand? How to unlock Europe's potential*. A first urgent issue that emerged was **the necessity for the EU to establish a strong and cohesive response in order to manage the complexities of transatlantic relations**. When examining solutions, considering the extent of economic exchange and direct investment between Europe and America is essential. Thus, to **encourage a "healthy" relationship with the US,** Europeans must demonstrate their readiness and capacity to unite in action, countering the narrative growing on the other side of the Atlantic that the bloc has been designed "to cheat" the US. Of note, the diverse streams and divisions within the Trump administration work to the EU's advantage, particularly with those segments keen on reaching reasonable agreements regarding energy, military cooperation, and ideally, trade. As a result, we are facing a kind of test; **we cannot shy away from responding, but we must show that we are able to negotiate within defined red lines**. One of these key boundaries is the refusal to negotiate fundamental changes to the EU's legislation simply because the American partner is dissatisfied. Europeans hold sovereign authority over their laws, and discussions must only focus on simplifying processes and reducing bureaucracy to enhance and streamline regulatory frameworks.

With particular regard to the global tech race and the EU's (political) ambition to navigate between China and the US, a key point addressed is **what the EU can realistically achieve**. According to one of the speakers, this ambition largely hinges on the **EU's readiness to function more like a state** rather than merely as an expression of a political integration project. Mario Draghi has highlighted this, even if it appears an unattainable goal. For instance, the EU must acknowledge the internal divisions within the regional bloc and the varying interests of its members, as clearly showcased by the differing outlooks of EU countries on the defense issue. But European industries hold significant potential, particularly in the defense domain, since they excel in manufacturing cutting-edge machinery. For this reason, a practical suggestion made during the dinner discussion was promoting a new "**coalition of the willing**," akin to what was set up during the 2010 European financial crisis, aimed to create a fund to support Ukraine while also fostering tech development in Europe. Countries outside the EU, such as Norway, the UK, and possibly Switzerland, could also contribute. This could be considered **the initial step before examining its integration into the EU-level framework**.

However, **for the time being, European industries find themselves in a sort of 'tech trap.'** Most private sector investment in research and development focuses on mid-tech sectors, such as automotive and machinery, rather than high-tech. This trend has persisted for the past two decades, widening the competitive gap with the US and China. However, **other operational drawbacks exist that clearly disadvantage European countries**, which have been identified and summarized as follows: **(i)** a focus, almost exclusively, on resilience, regulation, and

With thanks to *for kindly supporting this initiative*

containment, leading to resistance against offensive options; **(ii)** nationwide coordination is lacking because multiple agencies share unclear and overlapping responsibilities. Additionally, legal limitations and outdated bureaucratic frameworks often impede swift responses to new threats; **(iii)** the divide between the public and the private sector.

Interestingly, **all three operational challenges, or asymmetries, are tied to fundamental aspects of liberal democracies**. Therefore, the reluctance to attack is connected to the governments' unwillingness to face political backlash. This hesitance also stems from the public's desire for peace. Italy is a case in point in this regard, with Italian authorities cautiously stating that no Italian troops will be sent to safeguard Europe's eastern borders. The lack of coordination stems from the fragmented power inherent in democratic systems, which leads to inefficiencies and slower responses compared to autocracies with quicker, more vertical decision-making. Additionally, the divide between the public and private sectors in democracies also results from a less hierarchical structure than that found in authoritarian regimes. Although this clashes with free market principles, it can provide a level of strategic coherence. **Always related to the growing public-private divide, Europe must address the power of private tech entities like Elon Musk, who increasingly operate in spaces once controlled solely by governments**. These developments raise foundational questions about whether liberal democracies are equipped to survive in a rapidly evolving technological era.

Against this backdrop, **the US appears to be making a slight move toward illiberalism, turning its back on the main traits we usually identify as the hallmarks of liberal democracies**: free market, a strong commitment to domestic checks and balances, and a foreign policy (as well as an alliance policy) driven by a definition of national interests that integrates specific values. **This trend is particularly pronounced in the cyber realm**, where there are political considerations: although cyber offense is gaining traction on Washington's agenda, with protecting global systems and countering threats from China now deemed essential priorities, Russia appears to have been strategically deprioritized. Ultimately**, the core issue is that the traditional strategic identity of liberal democracies, which is so deeply ingrained in our political beliefs, is becoming increasingly untenable** in many respects when compared to adversaries who do not share our constraints.

A final remark addressed **the common misconception that Europe lags behind the US in start-up creation**; in fact, Europe surpasses the US in this domain annually. **However, the region falters during the scale-up phase**, with only 8% of global scale-ups and unicorns based in Europe compared to 60% in the US. The reasons include **fragmented regulations, limited financing options, and heavy public procurement requirements** that small companies struggle to meet. **Cultural stigma surrounding failure further hampers entrepreneurial risk-taking.** In this regard, the "Anti-Zombie Act" proposal intends to normalize failure and help resilience. Recognizing this, the EU is now placing innovation at the heart of its upcoming agenda. Key initiatives include a comprehensive start-up and scale-up strategy, a European Innovation Act, and harmonized rules to establish a unified set of guidelines for innovative companies that want to move to Europe. A new competitiveness fund and the proposed tech-EU investment programme aim to support scaling up. Additional reforms are focusing on state aid flexibility and upskilling Europe's workforce (to retain talent and attract a skilled workforce to Europe).

This conversation laid the groundwork for the next day's three panels. The first session highlighted the imperative for the EU to take more responsibility for its own defense, particularly by strengthening its technological capabilities. The second panel examined the rising risks of vulnerability and disruption in the supply chain, focusing on ways for Europe to accelerate its strategic interdependence. Lastly, the third session explored the extent to which the EU remains committed to enforcing its digital diplomacy.

With thanks to *for kindly supporting this initiative*

Panel1. Building a "Tech-Enhanced" European Defense Union

Europe stands at a defining crossroads in its defence trajectory. In the decades after World War II, the widespread belief that traditional warfare was no longer relevant resulted in ongoing underfunding of military forces' capabilities. Political leaders assumed that global trade and diplomacy could offset the risks of conflict. However, the full-scale Russian invasion of Ukraine in 2022 and, especially, the evolving uncertainty in transatlantic relations—with shifts in US foreign policy—have exposed the weaknesses of this assumption. These developments have triggered a much-needed awakening, prompting Europe also to realize that political will and public motivation are essential to advancing defense capabilities. Despite some progress, such as successful joint projects like Galileo and Copernicus in space technology, Europe remains too slow and fragmented in its response. The IRIS² satellite constellation, still years away from launch, underscores the disconnect between strategic needs and execution speed. Meanwhile, Permanent Structured Cooperation (PESCO), once envisioned as a flagship of defence collaboration, has splintered into dozens of disconnected initiatives. Simultaneously, funding continues to fall short, as evidenced by the inadequacy of the EUR 8B allocated to defense within the scope of the 2021-2027 EU budget.

Europe must now confront the reality that large-scale warfare and hybrid threats are not just plausible—they are present and evolving. More in detail, the regional block's strategic vulnerability is exacerbated by the increasing relevance of hybrid threats—cyberattacks, disinformation campaigns, and infrastructure sabotage—that are difficult to detect yet deeply destabilizing. Incidents like election interference and the Warsaw mall fire illustrate how these threats can have real-world consequences. Yet such threats are harder to "showcase," making public buy-in more difficult, and political leaders, particularly in countries farther from Russia's borders, often struggle to comprehend their significant danger. As a result, public awareness is low, and defence spending remains politically unpopular. To strategically address this, the EU must not only invest in cyber resilience, infrastructure protection, AI, and quantum technology but also improve strategic communication to foster public support and understanding.

On the other hand, one of Europe's biggest gaps lies in innovation. Unlike the US, Europe lacks a DARPA-style organization to drive defence R&D. The environment for defence-related start-ups remains hostile, with complex grant systems, slow funding cycles, and subsidies that favor established firms over disruptors. There is a pressing need for streamlined funding mechanisms and national or European-level innovation offices that can rapidly mobilize top talent and accelerate breakthrough solutions. Other comparable offices advancing defense innovation in the US operate on modest budgets that the EU could emulate. Moreover, greater investment in public-private partnerships could leverage private sector speed and agility, especially in emerging domains like drones, robotics, and space technologies. In this regard, the DIANA initiative was launched at the 2021 NATO Summit in Brussels to enhance transatlantic collaboration on crucial technologies, improve interoperability among Allied forces, and leverage civilian innovation by partnering with academia and the private sector.

Looking ahead, European member states must move beyond the dilemma of "quality versus quantity." Europe cannot afford to choose between scaling existing technologies and fostering new ones—it must do both. The regional block should strategically strengthen its industrial capabilities while also prioritizing long-term research and development. A balanced approach is essential for fostering innovation and ensuring readiness. At the same time, the defence-industrial base must be modernized not by building from scratch, but by rationalizing current assets, integrating new technologies, and scaling production efficiently. Against this backdrop, Ukraine presents a unique opportunity for collaboration, particularly in localized production and strategic innovation across cyber, maritime, and space domains. Instead of simply receiving technology, Ukraine seeks deep integration with European systems, emphasizing speed, efficiency, and joint development. Its rapid scaling of drone capabilities proves that with motivation, access to technology, and proper integration, European defence can advance swiftly.

With thanks to *for kindly supporting this initiative*

Ultimately, **to effectively address the evolving security landscape, Europe must pursue strategic solutions through both the EU and NATO, with a dual focus on resilience and offensive capabilities**. It is no longer sufficient to discuss resilience alone—Europeans must also invest in cyber, space, and conventional domains to build true defence autonomy (the idea of "NATO without the US" is no longer unthinkable) and assert themselves as a credible cyber power. Russia's sophisticated tactics—ranging from cyberattacks and theft of sensitive data to disinformation campaigns and electoral interference—underscore the urgency. These threats are existential and demand a proactive, not reactive, European response. **The merging of space capabilities, technological progress, and hybrid threats is transforming strategic priorities**. Europe must embrace a comprehensive approach to security, deterrence, and resilience in these interconnected areas, integrating space assets and technologies into its broader defence and hybrid threat mitigation strategies.

Panel 2. Enhancing the EU "tech interdependence" in face of technological fragmentation

The transatlantic tech relationship is entering a volatile new phase, marked by a **deep erosion of trust between Europe and the US**. **While the alliance has not collapsed, it is evident that we are facing a "new normal," shaped by three notable trends**. First is the **trust deficit**, which is particularly pronounced in discussions around tech regulation. Europe has grown increasingly wary of American tech giants, especially under the Trump administration, which has empowered tech oligarchs to exert influence abroad. Past events such as the Snowden leaks had prompted renewed efforts to rebuild trust, resulting in frameworks like the US-EU Data Privacy Shield and the EU-US TTC (Trade and Technology Council). However, today's environment lacks the same political will. The involvement of figures like Elon Musk has raised concerns, as his foray into European politics has compelled Europe to reflect on the information environment moving forward. Yet, while this may push the EU to double down on the regulatory power, there is a lack of viable European alternatives to US platforms.

The second trend is **the perceived diminishing influence of the "China factor" in the transatlantic tech alliance.** The primary worry is that the erosion of transatlantic trust could also undermine transatlantic unity regarding China, which poses a more significant threat compared to Russia, seen as just an immediate concern[1]. **While China has long been viewed as a shared strategic competitor, Europe may be softening its stance**. Against this backdrop, while a more independent, less confrontational EU approach toward China may emerge, Europe is urged not to lose sight of the long-term challenge posed by China. The third trend is **the increasingly dominant narrative that pits regulation against innovation**. US key figures like JD Vance perpetuate this simplistic dichotomy, suggesting that Europe's regulatory environment stifles progress. **However, innovation requires more than deregulation—it thrives on education, access to capital, risk-taking, and strategic vision. Europe can integrate these traits into its own strengths without sacrificing its values**.

Looking ahead, **three possible scenarios** have been outlined: **full alignment (bandwagoning) with the US** on technology, a reduction in regulations, while maintaining a hawkish stance towards China. This seems unlikely given the current distrust. A **balancing strategy**, where the EU might double down on the tech regulation and consider balancing against US power by playing the 'China card.' This could entail re-engagement strategies with Beijing, easing the competitive tone and reducing discussions around de-risking in non-critical technologies. However, this seems unlikely given the prevalent recognition of the threat posed by China. Most likely, it is a **hedging approach**, where the EU collaborates with the US selectively (hopefully on China and tech) while building digital sovereignty and **exploring partnerships beyond the transatlantic scope, particularly with India**, a rising player that shares some commonalities with Europe and is emerging as a valuable strategic partner. As both the EU and India navigate shifting US policies and the China threat, there is growing momentum for deeper

[1] However, some of the other speakers have questioned the notion that the US, even under the Biden administration, and the EU were ever truly aligned on China.

With thanks to *for kindly supporting this initiative*

EU-India cooperation on tech and trade. In this regard, the EU is beginning to recognize India's potential, evidenced by establishing an India desk and an India tech policy within the EU. This is expanding, further bolstered by the EU-India Trade and Technology Council (TTC), to enhance bilateral partnership.

Interestingly, changes in global supply chains and industrial strategy reveal **China's rise as a crucial trade hub and a core part of the global supply chains, while the US is witnessing a decrease in its position as a global trade leader.** Meanwhile, trade within Europe has grown consistently since the pandemic (compared to other regions, such as Southeast Asia). In this context, **China's growing role is not just about market access but about innovation potential**—many companies remain in China to stay at the forefront of the next tech wave.

Despite China being increasingly emulated for its industrial strategy, particularly by developing economies, **it is necessary to be cautious against adopting it as a blueprint**. China's industrial strategy goals—such as market share and automation—do not reflect Western ones like job creation. Moreover, China's strategy has benefited from uniquely low borrowing costs. Finally, Beijing is shifting its industrial strategy, particularly regarding innovation and technology, entering a new phase that positions AI as a crucial enabler across various sectors rather than simply a separate domain. Another notable example is China's push and its strategic investment in human capital. For instance, Chinese PhDs are incentivized with dramatically higher salaries to develop breakthrough technologies like extreme ultraviolet lithography. **Although China faces challenges in matching Western tech quality, its methodical approach to fostering innovation is clear**. Therefore, there are valuable lessons for the EU to consider for its technological advancement. First, **predictability**—long-term policy signals make sectors more investable. Second, **competition**—subsidies should fuel ecosystems, not just single out champions. And third, **talent and foundational research**—China's long-view investment in human capital could serve as a wake-up call for Europe to similarly attract disillusioned researchers leaving the U.S. due to funding cuts.

Europe has to consolidate its strength in the face of tech rivalry from both China and the US. While Washington may still lead in total investment (despite the government investment percentage dropping significantly), its state backing for tech has declined, whereas Europe must counterbalance this with strategic direction and internal reform. **Europe must first "get its house in order."**

Regarding tech specifics, semiconductors are a key priority. As the US pursues reshoring strategies and China races toward self-sufficiency, Europe must solidify its foothold in this field. Despite having key assets like ASML, leadership, clarity, and investment are still lacking. A coordinated, focused business strategy, backed by political will, is essential to sustaining global relevance. **A strategic plan is needed to target value chain areas where Europe can lead, supported by coordinated public-private efforts**. Quantum computing is another frontier: Europe holds niche strengths in laser and cryogenic technologies through startups and scale-ups. However, it suffers from a lack of strategic coherence—without a clear EU-wide quantum strategy, valuable startups may be left unsupported—which prevents informed decision-making. To secure global influence, **the EU must primarily control critical quantum enabling technologies and components** (such as cryogenic technologies and lasers) in a way to become indispensable for other quantum ecosystems. Second, the EU **should wisely build alliances**; third, it should **reduce reliance** on strategic rivals for essential inputs and **safeguard its technologies, avoiding transferring sensitive technology** to competitors. In this context, it will be key to enhance the European Commission's role "on playing the part of stakeholders," managing strategic tech decisions and export controls. Finally, **Europe's relative stability, educated workforce, and commitment to the rule of law could be a powerful draw for global researchers and investors disillusioned by political instability in the US**. If the EU can play to these strengths and act strategically, it has the potential to assert itself not just as a balancer, but as a leader in the tech race.

With thanks to *for kindly supporting this initiative*

Panel 3. Navigating through global disorder: what potential for EU digital diplomacy?

For the EU, digital diplomacy initially leaned on its tradition of "soft power/ normative power," characterized by promoting human rights, democratic norms, and multilateralism. **Historically, the EU focused on soft power**, in part because it relied on NATO and the US for hard power backing. **However, the geopolitical environment has shifted dramatically, compelling the EU to reassess and expand its strategy in terms of digital diplomacy**. Additionally, the wave of optimism sparked by the Arab Spring (coupled with the perceived decline of authoritarian regimes due to digital empowerment) diminished when events marked by the rise of ISIS propaganda online, Brexit, and foreign interference in democratic elections, among others, began to illustrate that digital platforms could also be weaponized. The EU has also started to realize that many platforms were privately owned and headquartered outside its jurisdiction, often in Silicon Valley, leaving it vulnerable.

This led to the development of regulatory frameworks like the General Data Protection Regulation (GDPR) and the Digital Services Act. These legal mechanisms represent more than technical compliance; they are strategic tools to safeguard democratic institutions and societal norms (the so-called "defensive strategic power"). However, critics, especially from the US, have accused the EU of overreach, portraying its efforts as protectionist or even censorial. In this regard, following his speech in Munich, US Vice President JD Vance destroyed all three pillars (*see below*) of EU digital diplomacy, namely attacking the EU regulatory, normative, and strategic capacity. Yet, this also underscores **a major weakness in the EU's approach: the lack of a coherent narrative linking regulation with democratic values**.

The EU's current digital diplomacy rests on three foundational pillars: (i) normative power; (ii) regulatory power; (iii) strategic autonomy, which means investing in technology, such as semiconductors and AI, to reduce dependency on foreign powers and build digital sovereignty. **A crucial fourth pillar that is currently missing is the ability to address hybrid threats, which encompass misinformation and cyberattacks**. The EU must establish a unified intelligence-sharing framework to identify and respond to these threats in real time. NATO may no longer take on this role effectively, as our strategic partner seems less invested in combating hybrid threats, particularly those posed by Russia. **Concepts like an EU-wide information threat intelligence hub and coordinated task forces warrant consideration**.

In the context of the evolving practice of digital diplomacy, our panellists emphasized that digital sovereignty must start at home, supported by robust domestic capabilities in technology, cybersecurity, and innovation. The EU's multifaceted efforts have included the first and second CHIPS Acts aimed at boosting semiconductor production, the development of a comprehensive quantum strategy, and the expansion of a pan-European AI strategy. These efforts reflect the **EU's determination to build internal technological resilience. However, the objective is not technological independence, but "tech interdependence"**—a concept rooted in international collaboration, shared standards, and joint innovation. Another key aspect is the importance of **packaging EU offerings**—such as digital infrastructure, governance models, security capabilities, and capacity-building—into a unified, comprehensive proposal delivered under the "Team Europe" banner. **This signifies a step beyond the so-called "Brussels effect,"** as the goal is to assure partners of the European ability to help enhance practical capabilities in key areas like AI, agricultural modernization, health system enhancements, and climate change preparedness, among others. Against this backdrop, the EU has an extensive network of international partnerships with like-minded countries like India, Japan, South Korea, Singapore, and Canada. The regional block is also discussing cybersecurity verification and exploring opportunities for mutual recognition to facilitate trade. Brussels has advanced dialogues with Brazil, ongoing discussions with Australia, and continuous engagement with the Starmer government in the UK. **European member states have expressed a clear desire to keep engaging with the US** (even though political relations have become complicated due to the Liberation Day and tariffs).

With thanks to *for kindly supporting this initiative*

To conclude, another necessity emphasized during the panel is **involving EU companies in diplomatic missions**, highlighting that other global players like the US and China are significantly more effective at integrating their private sectors into international outreach. Indeed, these **companies are no longer merely economic entities; they have become geopolitical actors that help shape policies and recommendations. Tech governance today is intricately linked with geopolitics, and those investing in AI and digital infrastructure wield unprecedented influence**. What is needed are detailed, firm-specific strategies in policymaking and a rethinking of international cooperation frameworks that acknowledge the private sector's growing power in global governance. Therefore, the **EU must transition to a proactive digital power**. This requires aligning its narrative, regulatory strategy, and technological investments into a cohesive policy framework. The amalgamation of normative influence, regulatory rigor, strategic capacity, and hybrid threat countermeasures will define the next phase of digital diplomacy.

With thanks to *for kindly supporting this initiative*