



The EU, artificial intelligence and the politics of more

European View
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journals.sagepub.com/home/euv**Jan Růžička¹**

Abstract

The more domains Europe declares to be strategic, the less strategic each becomes. Three EU announcements within a year; a new chips package, a strategy pushing artificial intelligence (AI) into industry and a delay to the AI Act all illustrate a Union mistaking motion for direction. Draghi's estimate of an €800 billion annual investment gap and Letta's telecoms figures expose ambitions that outrun delivery, while the shortfall of the first Chips Act compared to Asian and American investment confirms the pattern. The next phase of European autonomy requires prioritisation rather than proliferation. This means a short list of true non-negotiables such as digital infrastructure and defence; a contested middle ground where European firms can still lead, including industrial AI, semiconductors and pharmaceuticals; and a third category of managed interdependence, where dependence is negotiated rather than denied. Europe's AI debate has also neglected societal consequences beyond regulation, a gap Pope Leo XIV's recent encyclical exposes and one that should be fixed. The state should build the scaffolding; firms should execute. Europe's credibility will ultimately rest on the courage to subtract, not add.

Keywords

Strategic autonomy, European competitiveness, Technology regulation, Artificial intelligence, Semiconductors, Industrial policy, China, AI Act, Digital sovereignty

Introduction

In the first week of June this year, the European Commission (2026) unveiled a new chips package. This came 14 months after a strategy to push artificial intelligence (AI) into European factories (European Commission 2025), and a few weeks after a quiet

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agreement to postpone the hardest parts of the AI Act until 2028. Three announcements in less than 12 months, on 3 overlapping fronts, each defensible on its own. Taken together, they describe a Union that has come to treat strategic autonomy the way a nervous investor treats his portfolio: adding one more position, then another, hoping that breadth will make up for the absence of a thesis.

This is the paradox of the autonomy decade. The more domains Europe declares to be strategic, the less strategic each becomes. Capital is finite. Political attention is finite. Regulatory bandwidth is more finite still. The Brussels instinct, like that of every large bureaucracy under pressure, is to add, and to mistake motion for direction. The next phase of European autonomy will be defined not by what we add but by what we have the courage to subtract.

What the numbers actually say

Let us begin with the figure that should hang above every desk in the Berlaymont. Mario Draghi (2024, 63) calculated that closing Europe's investment gap would take roughly €800 billion a year, every year. No credible plan exists to raise that even once, let alone year after year, across the lengthening list of fronts that are now declared strategic. The most ambitious vehicle so far was launched with a €200 billion banner that shrinks under inspection: only a quarter of it is genuine European money, an additional tenth is earmarked for a handful of gigafactories and the rest is private capital, hoped for rather than committed to (European Commission 2025, 14). This package covers one technology family for between five and seven years. Draghi was speaking about overall investment in everything, every year.

Enrico Letta produced the second figure everyone in Brussels can quote and few have absorbed. The average European telecommunications operator serves five million customers; its US counterpart serves 107 million; its Chinese counterpart 467 million (Letta 2024, 52). The single market remains unfinished in the sectors that decide whether any autonomy agenda can actually scale. A European champion of AI still has to navigate 27 data-protection cultures and 27 procurement regimes, and the capital markets union, promised since 2015, is still yet to arrive. No subsidy will cure a disadvantage built into the architecture itself.

The first wave of European chip legislation (European Court of Auditors 2025, 31) now provides the cautionary tale. On closer reading, its €86 billion headline shrinks to about €4 billion that the Commission can directly disburse, with the rest dependent on the 27 member states pursuing their own industrial preferences and on a coordination effort that the European Court of Auditors judged inadequate this spring. In the three years since this legislation was passed, the great manufacturers of Asia and the US have invested more than €400 billion (European Court of Auditors 2025, 31).

The second wave, presented in June, admits this in the polite vocabulary of demand aggregation and shared design. The pivot is welcome, and it has to be realistic. Europe

will not become self-sufficient at the leading edge of logic fabrication. It can, however, become indispensable in the parts of the chain where European firms are already present. ASML in Veldhoven sells every extreme-ultraviolet lithography machine on earth, posted nearly €33 billion in revenue last year and has a backlog larger than the annual budget of several member states. No lab in Arizona, Hsinchu or Dresden runs without it. That is what indispensability looks like, and it was built by holding one vital link in the chain for 20 years rather than chasing the leading node. The same logic applies to advanced materials, to the specialised packaging on which everything else rests, and to the photonics and power electronics in which German and Dutch firms still set the pace. This distinction is not rhetorical, and the political class has yet to understand it.

Behind these gaps lies a regulatory lesson. The compliance perimeter Europe has built over the past five years is necessary in much of its scope and admirable in terms of the rule of law. However, it has also grown thick enough that smaller European firms struggle to climb across it. Brussels has now conceded this point in the cautious language of simplification: the May agreement pushes the obligations of the AI Act that are hardest to meet out to August 2028 and trims the paperwork for smaller users, while leaving the substance itself intact.

Lead, compete, depend

If the politics of ‘more’ has reached its limits, what must replace it is a politics of priority; asking, of any ambition, what it is for, who carries it out and at whose expense. The honest version of strategic autonomy rests on three categories, asking different things of public power in each.

For example, starting with the things Europe cannot afford to outsource: the list is short, and ought to stay short. It begins with the physical plumbing of the digital economy: the cables under our seas, the exchange points through which our data traffic moves and the institutions that supervise them. Announcements about plans to triple Europe’s data-centre capacity are merely hype, unless the wires beneath it, and the cybersecurity wrapped around them, are unambiguously European. And since the Russian invasion of Ukraine in February 2022 settled the argument, defence has joined the same short list, meaning our industrial base, integrated with NATO and capable of deterring aggression at our borders.

Beyond that short list lies the territory where most of the autonomy debate ought to be fought, and where it has so far been fought badly. These are the fields in which European firms still carry industrial weight, and where they can hold or extend a global position if capital and political attention are concentrated rather than sprayed widely. Industrial and applied AI sit at the heart of the matter. The next decade of European productivity will be quietly won or quietly lost on factory floors and in laboratories, not in slide decks about sovereign foundation models.

Europe will not build the largest foundation model. That race will be decided by capital expenditure and access to the most advanced accelerators. Europe has neither. What

the bloc can still win is the race that fits the economy that we actually have in Europe: the patient embedding of AI into machine tools and chemical reactors, into power plants and hospitals, into the physical infrastructure on which European prosperity rests. The firms that will carry it out already exist. Siemens runs more than 1,000 operational AI deployments inside European factories. Schneider Electric is rewriting how the continent's grids are balanced. BioNTech turned a Mainz laboratory into a global biotech firm in 12 months. Mistral, barely three years old, is one of the few foundation-model laboratories outside America and China that still matters.

The same logic extends, with less drama, into the parts of the semiconductor supply chain where Europe is already strong, and into pharmaceuticals and biotechnology, where our science is world class, but our capital markets are not. Underneath all of it lies the slow, deferred work of completing the capital markets union that has been promised and is now the most consequential industrial policy file the Union owns.

The third category is the one that Europe's political tradition has historically been best at and we are currently worst at. Call it 'managed interdependence'. It is the recognition that there are some things Europe should not even try to build on its own, where the realistic option is to negotiate the terms of dependence rather than to pretend it does not exist. Let us take hyperscale cloud and the frontier foundation models as good examples. The realistic solution is to ensure sovereign access to and contractual safeguards on top of an American stack that we cannot economically duplicate, with selectively scaled European computing in the background for those cases that require it. The question is the price and terms of our dependence, not the pretence that it can be undone. An EU that admits where it has dependencies can negotiate from a position of clarity rather than denial. That, more than any subsidy programme, is what strategic autonomy looks like.

What the debate is missing

There is a substantive omission in the output of the past 18 months, more serious than any operational gap. The European conversation about AI is conducted almost entirely using the vocabulary of risk. That vocabulary is necessary, and Europe is right to have built much of it. But it narrows the conversation to what can be enumerated, regulated and inspected. It is a vocabulary about inputs. It is a vocabulary that almost completely ignores what AI will do to European societies: to work and authority, to expert judgement and to the institutions through which European democracies have slowly organised consent.

The most arresting European-language contribution to this second debate has come, perhaps surprisingly, from the Bishop of Rome. Pope Leo XIV's first encyclical, *Magnifica Humanitas*, published on 25 May, was presented in Rome in the company of one of the co-founders of Anthropic (Leo XIV 2026). It characterises AI as a new industrial revolution. Left to the gravitational pull of capital and military demand, the technology will deepen inequality, weaken human relationships and concentrate power in fewer

hands. Its author is an American-born pope with a Peruvian passport writing from Rome—an inhabitant of three worlds at once. One need not share its theological premises to recognise it as the strongest sustained European-language attempt to treat AI as a civilisational event rather than a procurement category.

What European societies are about to encounter is not a list of risks to be enumerated. It is a set of changes almost nobody in our political class is reckoning with: in the labour market, in how professions are formed, in where expert authority resides and, in the end, in the institutions through which consent is organised. We need to admit that these changes are coming and will not be contained by any existing regulation. No European institution has yet asked what will be *different* about a European society in which industrial AI is deployed at the scale we are planning. The encyclical does, however. And we should, too.

This relocates the autonomy debate from a contest of capital expenditure with the US and China to a contest of purpose. What is European AI for? Whose flourishing does it serve? No current strand of European action is answering those questions. A strategy that wins on capital expenditure and loses on consent is not a strategy at all.

Public scaffolding, private execution

The autonomy debate has been strangely silent on the most basic operational question—who does what. The creeping assumption, encouraged by transatlantic envy, is that the US model is the one to imitate, with supply-side subsidies and industrial-policy losses on a scale that European treasuries simply cannot afford. The correct division of labour for a Union of our shape is closer to what Christian Democrat political economists have always argued.

The public sector's job is to build the scaffolding on which private investment can stand. That means the grids, networks and data infrastructure on which everything else depends; the construction of regulatory consistency across borders and parliaments; and, above all, the single market in services and capital that still defines how European firms operate. At the moment, Brussels is tempted to chase American subsidies; the more useful instinct is to lean on the demand side and harmonise conditions upstream—the new data-centre acceleration zones are quietly useful precisely because they do not pretend to pick winners. The private sector carries the execution risk. European firms are not asking for protection. They are asking for a market large enough to amortise their investments, merger rules calibrated for global competition, and a regulatory tempo that does not change between the decision to invest and the day the factory comes online. Industrial AI is a private-sector capability.

Christian Democrat political economy has never been at ease with statism, nor with libertarian indifference to industrial capacity. It is at its strongest when it insists, calmly, that the state sets the rules and firms then play by them.

The courage to subtract

The Union's credibility in the next decade will be judged not by the breadth of its ambitions but by the depth of its delivery on a smaller number of them. A Europe that leads where it must, competes selectively where it can and manages dependence deliberately where it has the will, will be more autonomous 10 years from now than a Europe that proclaims sovereignty across every value chain and underdelivers on most.

The June package can be decoded in multiple ways. The easy reading is that it is another bundle of acronyms layered on top of those that came before it. The more demanding reading is that the retreat from headline capacity in semiconductors and the postponement of the imposition of the strictest obligations on AI are tacit admissions that the previous generation of strategic legislation was over-promised and is being recalibrated under pressure. The third reading is that the Union now has the materials to make a focused industrial AI offer to the world.

The piece missing from the European debate is not another instrument. It is the question the papal encyclical puts plainly, and no European institution has yet made a similar case with equal force. It is not what AI will cost, but what it will change. Therefore, discipline is the precondition for sovereignty. The courage the moment requires is the courage to subtract. To choose fewer fights. To win the ones that matter.

This is not despair masquerading as realism. It is the opposite. In 2021, 45% of European gas and almost a third of crude oil imports were from Russia. Every serious analyst said the Union would buckle if those flows were cut. Four years later, imports of Russian gas are down to 14% and Russian oil to 2%, and no European capital has frozen in the dark. In the same four years, Europe has sustained Ukraine through the longest war on the continent since 1945 and is now a much larger donor of military aid than the US.

What those four years prove is that Europe works under pressure when it knows what it is doing. It does not work when it is asked to do everything at once. The lesson of the energy decoupling and of Ukrainian endurance is not that the Union is stronger than its critics admit. It is that the Union becomes strong when it has a few big goals rather than infinite small ones. That is the discipline this decade asks of us. The courage to subtract is not the courage of retreat. It is the courage of a continent that has already shown, twice in four years, what it can do when it chooses.

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Author biography



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