

Commentary

The Service **Gap**: Europe's International Digital Strategy 2025



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This month, the European Union unveiled its [International Digital Strategy](#). Its aim is to enhance European competitiveness through economic and business cooperation, promote security whilst seeking to shape itself as a 'reliable partner' on global digital governance and standards with a network of partners. There's a growing realisation that Europe needs a digital strategy that simultaneously provokes growth, improves competitiveness and aligns with its values. The strategy marks the most formal statement around this effort, responding to a slew of reports about Europe's need to rethink competitiveness and sovereignty in the digital era.

This is a good and important conversation the European Commission is initiating. Europe needs to talk about what it wants to do digitally, as efforts to regulate have limits and it needs to think about what it can stimulate. All the more so given the recent geopolitical pressures the bloc faces. And there are a number of good ideas. From the [investments in subsea communication cables with partner countries](#) to the commitments on [digital public infrastructure](#), there are practical steps the region is taking to become interoperable beyond its borders. These intentions should be applauded. Cyber-security initiatives, a commitment to online platforms and investment into spectrum and quantum computing are all noteworthy.

As well as the talking shops, bilateral agreements and working groups which are the baseline pulse of international cooperation, there is a growing realisation that the union's position is not without strengths, based on alliances and shared, collaborative standards. This is a welcome change from the previous regulation and policy responses to external change.

The Blind Spot - The How?

Yet it is the how, not the what, that remains a concern. On one hand, it espouses developing standards, recognises global players like India (Aadhaar) and Brazil (Pix) as a basis for global interoperability and does much to invest in the mechanics and infrastructure of cooperation.

Within the communique, we see a commitment to broadening the partnerships needed for interoperability but it's the ambition to connect these partnerships to operate as a network that catches the eye. The mechanisms for connection are technical exchanges, joint research projects and more talking shops. That's insufficient.

It is our contention that for networks to drive scale at the regional and global level, they require wildly attractive service propositions that drive demand and adoption.

To begin to understand the challenge, consider this quote about an integrated tech business offer that the European Union will help foster: Such a **comprehensive offer** will support the deployment of secure and trusted connectivity, digital public infrastructure, artificial intelligence and software solutions and beyond. The objective will be to tailor and combine technology components in a **modular approach**, balancing the interests of partner countries and the European Union to create a package of mutual benefits. This will be complemented with capacity-building and measures to bridge the global talent gap, coordinating training efforts on digital skills with international partners. The European Union will actively **promote digital solutions** enabling more energy and resource-efficient manufacturing, services and other applications.”

This new layer of modular components - the Tech Business Offer - is to be designed largely by the [Global Gateway Business Advisory Group](#), some of Europe’s finest and largest enterprise and telco players. This plays to these players’ strengths - adoption of an enterprise-first, “stack” approach. This approach is also, ironically, the source of Europe’s weakness in the digital space (and one that repeats the shortcomings of many recent reports on Europe and technology).

The Seductive Simplicity of Stacks and the Dangers of Supply Side Economics

Specifically, this is a classic enterprise play. The how of this and other recent reports fundamentally misunderstands how stacks emerge by focusing on a supply-side, “build it and they will come” approach that, unlike other global players, is disconnected from a specific and urgent use case that drives adoption. And despite being de rigueur in Europe of late, it is neither new in its thinking and has continually failed in the face of internet-era agility and big tech’s market dominance. Ask [Gaia-X](#).

In order to build value for Europeans, this conversation needs to be guided by a system-led approach to create utility to deliver public value.

Let’s start with the idea of [the stack](#) itself. A technology stack in its simplest form is a layered system: power and networking at the bottom, programs and user-focused applications at the top. When drawn, each layer is clearly delineated and distinct. On paper, it’s neat, linear and comforting, with more mature technologies at the bottom and newer technologies built on top. But it’s also misleading.

Firstly, **real-world digital ecosystems don’t emerge in clean stacks**. They evolve through messy, iterative and user-driven processes. This can mean thousands of developers and services, constantly refining their implementation and approaches. **Platforms don’t beget services. Services beget platforms**. It reflects a core truth of digital development: useful infrastructure is almost always the byproduct of real-world service delivery. You don’t build a platform and hope someone finds a use for it. You solve a problem, then build infrastructure to scale it. Europe should be solving the digital problems that face it and, using that, learning to drive economic value.

Secondly, we should be **careful of supply-side fantasies**: the idea that if you fund enough infrastructure, demand will follow. Certainly, in the digital sphere, history tells us otherwise. In the 1990s and early 2000s, European governments and telcos [invested heavily](#) in networks. Billions were spent laying cables. Yet much of that infrastructure sat idle because there wasn’t enough investment in services, applications or user engagement. Infrastructure, it turns out, is a necessary but insufficient condition. The digital state isn’t built from the stack up. It’s built from [user needs](#).

Just look at some of the tech giants owning the market today: they did not emerge into the world as fully formed platforms. Amazon started as an online book store to provide a convenient shopping experience, turned to Amazon Marketplace and later Amazon Web Services. Shopify started as a place to sell snowboards, leading to the development of a user-friendly e-commerce platform for small businesses. The way we see these platforms today didn’t magically appear as a platform but originated out of services. Facebook started as a simple and offensive service as a “hot or not” website. Over time, it started to connect students using it. Then evolved into a social network and eventually a platform upon which other services could be built or leveraged. And as we will get to, this evolution is not unique to the private sector.

Finally, the **seductive stack thinking of sovereign elements** organised into powerful offers is being diminished by the large cloud players. Their ability to merge content, applications, tooling and compute power has vastly distorted the market but declaring sovereign stacks is hardly the answer, not least because the offer is unlikely to

be competitive. A Europe dominated by a local champion who is free to extract rents is possibly a path to greater autonomy, but it is less likely to lead to increased competitiveness or greater global influence.

Sovereignty vs. Interoperability

Which brings us to a deeper concern: the framing of digital sovereignty itself.

We understand the instinct. In a world where digital infrastructure is often foreign-owned and opaque, wanting more control is natural. But sovereignty, if defined as owning every layer of a technological stack, can quickly become counterproductive. It leads to balkanized systems, limited interoperability and a retrenchment from global cooperation. The incentives for creative development disappear. Competition and innovation subside.

Instead, we should be aiming for digital resilience and interoperability. TCP/IP, again, is a useful reference. No single country owns it, yet every country benefits. It provides a form of autonomy through openness, not through control. That's the kind of model Europe should aspire to. **Sovereignty comes from having agency over policy decisions**, not through ownership of every level of technology architecture.

Europe's digital strategy risks leaning hard in the other direction. At its extreme, there is a suggestion that European values must be embedded in every layer, from hardware to AI algorithms. But here's the thing: values don't live in chips. They live in institutions, cultures and processes. Imposing value alignment at the infrastructure level is less about ethics and more about control. This isn't to say values don't matter. They do. But asserting them through top-down technical design is a recipe for rigidity. And rigidity, in digital systems, is fragility.

Europe has elements of successful digital public infrastructure which should be celebrated and which are best demonstrated by the services that sit on them and the difference these services make to millions of users. Take Pago PA - Italy's state-owned payments backbone that allows users to make payments to any public body. Not only has it facilitated over a billion transactions since 2016 but it is expanding to build other digital public infrastructure components that are the types of services a future stack could anchor around.

In Ukraine, the DIIA app is a stunningly successful example of a service-driven sovereignty play. It provides digital document storage and access to over 70 government services. Launched in beta in 2019, it now serves over 20 million users, has a largely open codebase and a shared, out-of-country infrastructure to provide resilience through the ongoing conflict with Russia.

Outside the region, huge populations have benefited from services sitting on more open technology architectures. India provisions identity and credentials at scale through Aadhaar and Digitlocker and Brazil, whose public payments system PIX has cash 60% to 20% of transactions.

These could serve as new protocols that could be adapted by Europe. Yet there has been a trend among some across Europe to ignore or chide others' global innovation. There is a real risk that Europe is implicitly or explicitly positioning itself as the source of standards rather than a participant in a shared global dialogue. That's not just shortsighted; it's dangerous.

Such a Eurocentric stance masks a deeper assumption: that others should eventually adopt Europe's - still undeveloped and unadopted - model. That, somehow, control over the stack equates to normative leadership. But that's not how networks evolve. The most enduring digital standards emerge from negotiation, experimentation, dialogue and adoption—not fiat.

A Way Forward for Europe: Building the Future, One Service at a Time

So what's the way forward?

Start with real services. Pick problems that matter: renewing a passport, registering a business, accessing healthcare. Build simple, open solutions on top of existing platforms and protocols, like Catalonia has done with [Open EHR](#). Let others adopt, adapt and [fork](#). From these humble beginnings, ecosystems emerge.

Build on Europe's strengths. The European project was built to open markets. Double down on this. Before daring to look at global markets and interoperability, there are obvious contenders for new open protocols and service delivery within the European estate. There is widespread support, including from [Ursula Von Der Leyen](#), for the [28th regime idea, proposed by EU-inc](#), which would see a standardised legal entity for startups across Europe to reduce the burden of investment, taxation, hiring and rewards across so many legal systems. The logic is simple: any U.S.-based outfit can quickly access a market of 340 million domestic users, while the 490 million in Europe remain inaccessible without a common standard and protocols across what is supposed to be a single

market. We need a platform like [Stripe Atlas](#) for Europe, whose Irish founders have already set up 60,000 start-ups in Delaware.

It's a platform providing a need for thousands of services with common user needs, not a pre-built set of components.

Focus on reducing the barriers of a single market. Here, Europe has a clear mandate and no shortage of expertise.

Work iteratively. What Europe needs is not a digital manifesto but an open dialogue. In the early days of the Internet, we had Requests for Comments ([RFCs](#)). Anyone could weigh in. Ideas were tested, iterated and abandoned. That spirit of co-creation is sorely missing here.

Instead of defining a European stack and inviting people to buy in, the European Union should be inviting the world, including its own citizens, into a conversation. Start setting out core principles that are implementable. [Turn up when industry leaders](#) want to help develop value-based services.

Focus on open standards and protocols. Europe should be focused on using its purchasing power to push standards across existing players. This would increase interoperability and lower barriers to entry for new players. Make moving data and tooling between cloud providers as easy as it is to switch mobile operators. Promote sovereign ownership of infrastructure where needed, giving nations and regions the upper hand, as [France is doing with S3NS](#)

So much of the heavy lifting has been done on protocols - with [Stork](#) for electronic ID and [EUCARIS](#) for vehicle and driver interoperability. Yet the service layer, the killer app that drives user take-up and creates a flywheel effect for the marketplace, is stunningly absent. Europe has the talent, the ambition and the public trust to do this. But it needs to start from the ground up, not the top down.

The future of digital services should be centred on networks and ecosystems. It's services that work. The European digital strategy has a values-led and laudable ambition. What's missing is the demand: real problems users face and the services that could solve them. That's where real digital transformation begins.

A digital Europe isn't built from the stack up. It's built from user needs.

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