Editorial

It has become almost commonplace to observe that the number of countries governed under the democratic rule of law is steadily declining. India, Turkey, and even the United States appear to be moving in more illiberal directions. Europe, while not without its own challenges—Hungary being the most prominent example—still represents the world's largest concentration of democracies under the rule of law. Increasingly, however, Europe is the exception rather than the rule in a global order that was once defined by law but is now shaped to a greater extent by power politics and strategic rivalry.

For many years, Europe took pride in exporting its governance model abroad, promoting legal transplants, and exemplifying the so-called Brussels Effect: the idea that access to the EU's internal market compels third countries to adopt EU-style regulation to ensure a level playing field. That approach fostered a sense of confidence that Europe could shape the global order through law.

Today, that optimism is being tempered by a more pragmatic assessment of global realities. A growing number of voices in Europe argue that we must adapt to a shifting environment by balancing principles with considerations of power. In this context, there are proposals to make rules more flexible, streamline administrative processes, and transform Europe into a more agile and competitive actor. Nowhere is this discussion more evident than in the realm of technology. The Draghi Report, the Competitiveness Compass, and the EU's Artificial Intelligence Strategy all highlight the need to reduce barriers in order to foster a European tech sector. Even regulatory bodies such as the European Data Protection Board (EDPB) have promoted flexible interpretations of the GDPR to enable new forms of AI model training.

The critical question is who ultimately benefits from these more flexible interpretations. Will they genuinely help stimulate a European tech ecosystem, or will they primarily reinforce the position of large, established companies—often headquartered outside Europe—that already operate with fewer constraints? Previous experience suggests the risks are real. Both the EDPB and the European Data Protection Supervisor have at times adopted interpretations favourable to Big Tech, while the European Commission has repeatedly sought special data-sharing arrangements with the United States—arrangements that have not withstood judicial scrutiny. Similarly, the Court of Justice has permitted practices such as large-scale data scraping by search engines, reinforcing asymmetries between European and American firms.

One telling example comes from the Netherlands, where a researcher at the Forensic Institute attempted to build a dataset to train European AI systems but had to abandon

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the project following legal threats. Meanwhile, US firms continue to develop their models through large-scale scraping. The result is an uneven playing field: European actors are constrained by stricter rules, while US companies benefit from more permissive conditions at home and abroad. Comparable dynamics can be observed in the application of copyright exceptions for text and data mining and in the regime on reuse of public-sector information. These frameworks were designed to stimulate European innovation but in practice often reward companies with the scale and infrastructure to capitalise—frequently American firms.

One interpretation of these outcomes is that they simply reflect the legitimate decisions of regulators and courts tasked with balancing different interests. Yet another interpretation is possible: that many current AI practices, particularly in the US, run counter to the values and rights embedded in European law. Large Language Models trained through indiscriminate scraping, for example, raise questions about compliance with privacy, data protection, and intellectual property rights.

Artificial intelligence is likely to have far-reaching implications for governance, healthcare, employment, and society at large. By extension, most if not all digital technologies, services and products have become quintessential to our lives and most governmental agencies, companies and citizens would simply be lost without them. It is clear, however, that like with AI, non-European digital platforms and infrastructures generally often do not fully accord to European standards in terms of pluralism, privacy and checks and balances. It is therefore important that Europe retains the ability to shape this field in line with its own values and interests. This does not necessarily require an immediate and sweeping decoupling from non-European providers. Instead, Europe could consider a gradual approach: phasing in restrictions over several years, sector by sector, while giving European alternatives time to mature.

If Europe is serious about strategic autonomy, it may need to treat its regulatory framework not as a burden but as an asset. Strong standards can provide the foundation for innovation. By ensuring that models developed in Europe respect fundamental rights, the EU could both safeguard its values and create space for a homegrown tech sector. Carefully designed exemptions—such as empowering public institutions to collect training data and license it under democratic oversight to European companies—could help support this transition. History shows that innovation has often emerged not only from private enterprise but also from public institutions and publicly funded research.

Such a strategy would not be without difficulties. Europe is currently highly dependent on in particular US technology providers, from cloud infrastructure to productivity software. Reducing this dependency will require significant investment and political will, and there will be short- and mid-term challenges. But as past experiences with overreliance on external partners have shown, interdependence does not guarantee security or stability, to the contrary.

Building European alternatives—whether in cloud services, social media platforms, or AI—, either by European public sector bodies or by European private sector organization with funding from and oversight by public institutions, would help reduce vulnerabilities, strengthen competitiveness, and align technology more closely with European values. It also challenges simplistic stereotypes about innovation: that the US leads, China imitates, and Europe regulates. In reality, Europe has a strong record of scientific excellence and technological leadership, and history shows that innovation gaps can often be closed within a few years.

While this piece has focused on Europe, the underlying argument is not limited to the European context. The broader objective is to explore whether a 'third way' can be developed in global technology governance—an alternative to both the US and Chinese models, neither of which may be appealing to much of the world. By positioning itself as a leader in values-driven innovation, Europe could offer a foundation for collaboration with like-minded partners such as Canada, Japan, South Korea, Taiwan, and others. Together, these actors could work toward building a technology ecosystem that is competitive, strategically autonomous, and rooted in democratic principles—providing the world with a genuine alternative in shaping the future of digital society.

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