BLOG POST

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A World in Crisis: How to Strengthen Europe's Capacity to Act

This publication draws on the discussions held during a retreat bringing together European researchers, economists, policy experts and senior figures from the financial and business sectors to reflect on Europe's capacity to navigate a rapidly changing international environment. The exchanges focused on three interconnected challenges: Europe's economy and trade, security and defence, and the resilience of liberal democracy and European institutions.

Across the sessions, a common diagnosis emerged. Europe is not facing a sequence of isolated shocks, but a structural transformation of the international order. The primacy of rules, markets and open interdependence is increasingly being challenged by the primacy of power, security, coercion and strategic competition. In this new environment, Europe's ability to act depends on its capacity to convert its economic scale, institutional model, democratic values, social cohesion and technological assets into concrete instruments of influence, protection and strategic autonomy.

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I • 1st Session: Strengthening Europe's Economy and Trade in an Uncertain Global Order: What Needs to Change?

From Limited Responsibility to Sovereign Capacity

- The European Union has historically operated under a “limited responsibility” model.
- Current geopolitical and economic pressures require the EU to assume greater powers and responsibilities.
- Moving toward a more sovereign configuration implies core state-like attributes:
  - A flag (political identity)
  - Effective common defence capabilities
  - A purse (fiscal capacity)

Strategic Autonomy and Economic Model

- The EU is at a crossroads: what kind of economy does it want to become?
- While there are suggestions to emulate models like the United States, the consensus is that Europe must define its own economic path, adapted to its institutions and values.
- The broader context is marked by emerging cracks in dollar hegemony, opening space — but also risk — for Europe.

Building Economic Power: The Role of a Safe Asset

- Strengthening the EU’s global economic role requires:
  - Greater use of the euro in international invoicing
  - The creation of a European safe asset, in particular to fund European public goods
- A key proposal: a collectively underwritten EU bond to:
  - Fund European public goods
  - Attract savings and investment
  - Anchor financial integration
  - Enhance sovereignty

Global Context: Loss of Rule-Setting Power

- Unlike 30 years ago, global economic rules are increasingly shaped externally and imposed on Europe.
- This reinforces the urgency for the EU to act collectively and strategically.

Savings & Investment Dynamics

- Less than 20% of investment products are EU-focused; the majority are exposed to U.S. markets.
- Risk identified: Even with a Savings and Investments Union, European capital may continue to flow to the U.S.
- The EU needs to increase investment in European public goods funded by an EU Safe Asset
- It also needs to make private investment more attractive by creating a more dynamic economy. This will require completing the Single Market and enacting structural reforms, as proposed by the Letta and Draghi Reports
- Conclusion: Without a credible safe asset and such boost to investment integration could unintentionally reinforce external dependence.

Political Economy of Reform

- Key challenge: How to generate popular support for large-scale structural reforms.
- Risk identified: Even with a Savings and Investments Union, European capital may continue to flow to the U.S.

Risk Culture and Investment Behaviour

- Europe's risk culture is seen as conservative and fragmented.
- Recommendation: Mobilize capital by linking funding to specific, tangible policy goals, rather than abstract frameworks.

Defence: The Most urgent priority

- Defence is the most urgent priority: it is more politically acceptable across member states and it could serve as an entry point for deeper integration.
- Proposal: Use a European safe asset to finance defence-related investment.

Competing Narratives: Welfare vs Warfare vs Security

- Tension in strategic priorities: welfare (social investment), warfare (defence spending), and security/technology (hybrid approach).
- Concern raised: A defence-heavy model alone is not a sustainable long-term narrative. Europe should avoid becoming a purely security-driven economy.

Additional Proposals

- Consideration of new instruments such as “Tech bonds” and “Security/defence bonds”.
- Emphasis on clear, intuitive language to make reforms politically viable.

Overall Takeaway

The discussion converges on a central point: The EU must transition from a rules-based, limited-responsibility system to a capacity-driven political and economic actor, anchored by: a clear strategic vision, a politically communicable narrative that aligns economic integration with tangible public good, and a credible fiscal instrument.

a. The EU’s internal market; EU Capital Markets and the Euro as a reserve currency

The first part of the session placed the Single Market and the European competitiveness agenda within the broader transformation of the global order. The introductory remarks stressed that the crises of recent years should not be read as temporary disruptions. They are signs of a deeper shift away from a world organised primarily around markets and rules, towards one increasingly shaped by geopolitics, strategic force and competition among large blocs.

In this context, scale was presented as a central precondition for influence. Europe needs scale in order to have a voice, defend its interests and help shape global rules. Since the European Union is not a traditional geopolitical power, its main source of power remains economic. The Single Market is therefore not only a regulatory or economic project, but Europe’s most important instrument to generate scale and strategic relevance.

The discussion connected this agenda to the broader debate launched by the Draghi and Letta reports. Particular attention was devoted to the need to move from vision to implementation. The challenge is no longer only to identify Europe’s weaknesses or put forward proposals, but to define a political method capable of turning the Single Market agenda into a concrete operational programme.

Three elements were highlighted as essential:

- A package logic. The agenda should not be pursued through isolated files, but through a coherent package of reforms and measures. A package approach can help build political compromise, because it allows different interests, priorities and national sensitivities to be combined within a broader bargain.
- High-level political commitment. The agenda must not be left to the technical machinery of the Council or to fragmented sectoral negotiations. It requires strong interinstitutional commitment from the Commission, the Council and the European Parliament, with political ownership at the highest level.
- A clear roadmap. Implementation should be based on intermediate milestones, quick wins, a fixed deadline and mechanisms of political monitoring. The Single Market agenda should become measurable and accountable.

Within this framework, the discussion referred to the idea of “One Europe, One Market”, structured around three vertical areas of integration and three horizontal enablers. The vertical areas are finance, energy and connectivity, all sectors where the original Single Market remains incomplete and where fragmentation now directly undermines European competitiveness. The horizontal enablers are the 28th regime, conceived as a tool for simplification and regulatory harmonisation; the fifth freedom, understood as the free movement of knowledge, data and skills; and cohesion, which recalls the need to link economic integration with social and territorial convergence.

The debate then focused on the political and social conditions for success. Several participants stressed that the Single Market remains too technical and abstract for many citizens, businesses and even political decision-makers. Its benefits need to be explained in clearer and more tangible terms, connected to affordability, jobs, investment, innovation, services, territorial opportunities and Europe's capacity to protect its citizens.

A second issue concerned democratic legitimacy. Some of the measures discussed would have transformative consequences for the Union, yet the public debate around them often remains narrow and technocratic. The discussion underlined the importance of involving social partners, territories and citizens in the design and implementation of reforms. A purely top-down agenda could create resistance or fail to build the political energy needed for delivery.

A third theme was state capacity. Europe does not only face a problem of rule-making, but also one of implementation and enforcement. Even well-designed reforms will have limited impact if Member States lack the administrative capacity to implement them effectively. The Single Market agenda therefore requires not only new rules, but stronger national administrations, better enforcement and a more disciplined execution culture.

Finally, the discussion pointed to Europe's limited appetite for risk. In a world that rewards speed, experimentation and technological ambition, Europe still tends to prefer caution, procedural complexity and incrementalism. This was described not only as an economic problem, but also as a political and cultural one.

Overall, this part of the session concluded that relaunching the Single Market is not merely an economic or regulatory exercise. It is a political response to the transformation of the international order. The Single Market remains Europe's main tool to regain scale, strategic weight and capacity for action, provided that it is translated into a clear package, backed by political leadership and made meaningful to citizens.

b. EU's external Trade; Economic dependencies and Economic Security; Climate change

The second part of the first session turned to the external dimension of Europe's economic model. The introductory remarks were organised around three main themes: the green transition, trade and economic security.

On climate and energy, the discussion emphasised that the green transition has become increasingly irreversible. The energy crisis following 2022 and subsequent geopolitical shocks have accelerated the move away from fossil fuels, particularly in Europe and China, and are now pushing other major economies to reconsider their energy dependencies.

The transition was described not only as an environmental imperative, but as a geostrategic necessity. No major actor wants to remain vulnerable to fossil fuel blackmail or exposed to critical chokepoints in global energy flows.

The discussion also underlined that globalisation is not disappearing. Trade and investment flows remain deeply embedded in the global economy, with very large stocks of foreign direct investment and multinational capital that cannot simply be dismantled. The issue is therefore not the end of globalisation, but its reconfiguration. Supply chains, investment decisions and trade routes are being reshuffled around security, resilience, access to critical inputs and political reliability.

A central question concerned Europe's growth model. The introductory remarks challenged the assumption that Europe can continue to rely on net exports as its main engine of growth. Even if new trade agreements with partners such as Mercosur, India or Australia are important, they cannot realistically compensate for a significant loss of access to the US market. This implies that Europe must strengthen internal investment, domestic demand and the capacity to finance its own priorities.

The debate returned several times to this point. Participants asked whether Europe can sustain a more endogenous growth model, less dependent on export competitiveness and more based on investment, consumption, the Savings and Investments Union, and possibly a European safe asset. The discussion also noted that Europe's institutions and fiscal policy frameworks were built for a model focused on cost competitiveness, wage restraint and export performance. Moving towards an investment-led model would require institutional change, including a different approach to fiscal policy, capital markets and public investment.

Trade diversification was seen as necessary but insufficient. New agreements can provide credible alternatives, reduce dependencies and increase Europe's leverage, especially vis-à-vis China and in access to critical raw materials. However, diversification cannot replace the need for a stronger internal investment agenda. The discussion also raised the question of how new trade agreements fit within the WTO framework and whether Europe should defend a rules-based trade order while adapting to a more fragmented and protectionist world.

China emerged as a recurring strategic question. The debate did not focus only on individual sectors, but on Europe's overall posture towards China. Participants noted the need to reduce excessive dependencies while avoiding a simplistic decoupling logic. Europe needs credible alternatives, stronger instruments of economic security, and the ability to use the size of its Single Market as leverage in negotiations with external partners.

Africa was also raised as a major missing dimension. Given its demographic growth, natural resources and strategic relevance, the continent should not be treated as peripheral to Europe's economic security agenda. The discussion pointed to the need for deeper engagement, including trade, investment and partnerships around critical minerals, infrastructure and industrial development, especially as other global powers are already highly active there.

A further theme concerned services and technology. The debate warned against focusing too narrowly on goods and manufacturing. Europe's future competitiveness will also depend on its ability to develop and export services, digital capabilities, artificial intelligence, energy-intensive technologies and new forms of industrial cooperation. The technological revolution was therefore seen both as an opportunity and a threat: an opportunity to redesign value chains and industrial partnerships, but a threat if Europe remains dependent on US and Chinese technology platforms.

The discussion also linked economic security to common European instruments. The experience of joint vaccine procurement was cited as an example of how the Commission can use common purchasing and market power to strengthen Europe's position. Participants suggested that similar approaches could be applied to critical materials and strategic inputs, supported by stronger EU-level instruments.

Overall, this part of the session showed that Europe's external economic agenda cannot be reduced to trade policy. It must combine climate transition, investment, economic security, supply-chain resilience, strategic partnerships, institutional reform and a reconsideration of the export-led model. The central challenge is to preserve openness where possible, build resilience where necessary, and use Europe's market power more strategically

I • 2nd Session: Addressing Europe's Security Threats: Can Europe Effectively Manage Its Own Security? Can This Be Achieved Without the United States?

a. Threats: Russia's Hybrid Attacks, The War in Ukraine, and the Wars in the Middle East, China

The first part of the security session provided a diagnosis of the threat environment. The discussion identified three major trends challenging the international system: the technological transformation of warfare, the weakening of multilateral institutions and international law, and the spread of extremist or illiberal political ideas that were once marginal but are now entering mainstream politics and government.

A major focus was the changing character of war. New technologies, especially drones, sensors, missiles, data systems and artificial intelligence, are making battlefields increasingly transparent. This makes manoeuvre more difficult, creates more static frontlines and increases attrition. At the same time, technological change is lowering the cost of certain military capabilities and contributing to what was described as a "democratisation" of warfare, in which actors with limited traditional military strength can still inflict significant damage.

For Europe, this creates a strategic and industrial challenge. European defence systems are often sophisticated, high-tech and precise, but also expensive, difficult to scale and slow to produce. The war in Ukraine shows the importance of combining advanced capabilities with mass, speed, adaptability and low-cost production. Europe must therefore rethink its defence-industrial model so that it can produce at scale, adapt quickly and sustain long conflicts.

The session also addressed the weakening of international norms. The discussion referred to the erosion of multilateral institutions, the growing contestation of international law, challenges to maritime security and the weakening of international humanitarian law. These trends are particularly important because they reduce the predictability of the international system and increase the space for coercion and force.

Russia was discussed as a direct and multidimensional threat to Europe. Participants emphasised that hybrid attacks should not be treated as isolated incidents. Cyberattacks, sabotage, disinformation, pressure on infrastructure, attacks on logistics and interference in political systems may form part of a broader pattern aimed at weakening Europe's civilian and military capacity. Particular concern was expressed about attacks that could affect transport, logistics, IT systems, health services, government structures and military readiness.

The discussion underlined that Russia views conflict as a continuum across domains. Conventional, nuclear, cyber, informational and psychological instruments are used together as part of a wider strategy of coercion. The objective is not only to win on the battlefield, but to shape the mind of the opponent, convince Western societies that resistance is futile, and create hesitation over the costs of confrontation. Participants warned against falling into this logic of reflexive control.

Ukraine remained central to the discussion. The war was described as both a battlefield conflict and a test of European resolve. The front line is marked by high attrition and limited territorial movement, but also by rapid adaptation, especially in drones, data systems and decentralised innovation. Ukraine's experience shows the importance of organisational learning, civil-military innovation and the ability to integrate technology quickly into military operations.

Air defence emerged as a critical vulnerability. The shortage of interceptor missiles and the strain on systems such as Patriot were identified as major problems, especially given competing demands from other theatres. The discussion also pointed to the need for contingency planning for Ukraine, including winter resilience, energy infrastructure protection and long-term military support.

The Middle East and China were also part of the broader threat picture. The wars in the Middle East, tensions around strategic chokepoints and the strengthening of links among Russia, China, Iran and North Korea were seen as signs of a more unstable and interconnected security environment. Europe must therefore think about security not as a regional or single-theatre issue, but as part of a global contest over power, technology, energy flows and alliances.

Overall, the first part of the session suggested that Europe is facing not only a conventional military threat, but a comprehensive security challenge. The distinction between war and peace is becoming less clear. Threats operate across military, economic, technological, informational and political domains. Europe's response must therefore be equally comprehensive.

b. Responses: EU's Defence Industry; EU capabilities and Relations with NATO

The second part of the security session moved from diagnosis to response. The discussion began from a central dilemma: Europe needs to strengthen its own defence capacity, but remains deeply dependent on the United States, NATO structures and US-provided strategic enablers. The uncertainty surrounding the future US role in Europe makes this dependency increasingly problematic.

A recurring theme was the future of NATO. Participants broadly agreed that Europe should preserve NATO for as long as possible, because it remains the only integrated military structure with the command capacity, operational experience and planning mechanisms needed for European defence. At the same time, Europe needs a credible Plan B in case the United States becomes unwilling or unable to provide the same level of support, or uses its position inside NATO to constrain European action.

The discussion explored whether a stronger European pillar could be developed within NATO. Rather than immediately creating a wholly separate structure, Europe could progressively Europeanise command responsibilities, strengthen European capabilities and build coalitions of willing countries around specific functions.

This would include the United Kingdom, Norway, Iceland and, crucially, Ukraine. The idea was not to abandon NATO, but to make Europe capable of acting within NATO and, if necessary, beyond it.

Coalitions of the willing were considered useful but insufficient if they remain purely ad hoc. The key question is whether they can become a bridge towards more permanent capabilities and structures, or whether they will disappear once a particular threat recedes. The discussion therefore pointed to the need for durable mechanisms, even if they do not always take the form of EU-wide structures.

Capabilities were at the centre of the debate. Europe needs common strategic enablers in areas such as command and control, intelligence, surveillance, satellites, deep-strike capabilities, missile defence, air defence, cyber, logistics and nuclear deterrence. These are expensive and difficult to produce at purely national level. Participants therefore discussed common financing mechanisms, including common borrowing, an ESM-like defence mechanism, a European Defence Bank, and the possible use of frozen Russian assets to support Ukraine while freeing European resources for Europe's own defence.

The defence-industrial discussion was particularly rich. The need for industrial consolidation was questioned. While some degree of coordination is necessary, participants warned against assuming that bigger companies automatically produce more innovation, lower costs or greater speed. The US experience was invoked as a cautionary example: large defence contractors can become slow, expensive and insufficiently innovative. Europe should therefore avoid simply imitating the American model of large defence champions.

Instead, the discussion emphasised the need to combine decentralised innovation with the capacity to scale. Ukraine's wartime innovation model, including drones and digital systems developed rapidly and close to operational needs, shows the importance of flexibility and experimentation. Europe must find ways to connect this "garage" innovation to industrial production, procurement and financing structures without suffocating it through excessive centralisation.

At the same time, some strategic platforms may require coordinated European governance. The discussion mentioned areas such as fighter aircraft, interceptors, naval systems, tanks or armoured vehicles, drones and anti-drone systems. The central issue is not only what to build, but how to govern these platforms, how to fund them, how to ensure interoperability and how to avoid inefficient national duplication.

Nuclear deterrence was identified as one of the most difficult questions. If Europe can no longer rely fully on the US nuclear umbrella, the role of France and the United Kingdom becomes central. However, governance, financing, political control and public legitimacy all create formidable obstacles. The discussion suggested that some elements of extended deterrence could gradually develop, including early warning and forward components, but ultimate decision-making would remain a highly sensitive national question.

The link between defence sovereignty and technological sovereignty was another key theme. Europe's dependence on US digital platforms, software, cloud systems and AI infrastructure could become a strategic vulnerability, especially if the United States is prepared to weaponise technology access. Defence autonomy therefore cannot be separated from tech autonomy.

Finally, the debate touched on civic and social dimensions. Defence cannot be the only source of European mobilisation. Participants warned that Europe should not become merely a "big tech and big defence" project. Its strength also depends on welfare, education, climate, research, social cohesion and civic motivation. The idea of civic or military service was raised as part of a broader reflection on how to build resilience, public awareness and a shared sense of responsibility.

Overall, the session concluded that Europe must preserve NATO while preparing for a different strategic reality. This requires stronger European capabilities, common financing, better industrial coordination, closer integration with Ukraine, a serious debate on nuclear and technological sovereignty, and a defence agenda connected to society rather than detached from it.

I • 3rd Session: How Can Europe Best Address the Attacks on Its Liberal Democratic Systems and Its European Institutions?

a. Challenges to EU institutions and EU member states from the political extremes, Hybrid attacks

The first part of the democratic resilience session explored the vulnerabilities of liberal democracy and European institutions. The introductory remarks framed a central tension at the heart of liberalism: the relationship between democratic people power and liberal constitutional constraints. Historically, liberalism has often sought to limit popular emotion and direct majoritarianism through institutions, checks and balances, and technocratic forms of governance.

The European project was described as partly shaped by this historical anxiety. After the traumas of fascism, Nazism and war, European integration developed as a way to cool down politics, divide power, constrain extremes and pursue legitimacy through results. This helped stabilise the continent, but also created a technocratic bias and distance from citizens.

The discussion connected this technocratic bias to the rise of populism. Populism was interpreted not only as a rejection of elites, but as a critique of a political model perceived as distant, complex and insufficiently responsive. Brexit was mentioned as one of the clearest examples of a revolt against technocratic governance, even if its consequences have also revealed the limits of populist promises.

Several possible responses were discussed. One was the need to avoid complacency. The failures of populist governments should not lead mainstream liberal forces to assume that the pendulum will automatically swing back. Populism may fail to deliver, but if mainstream politics does not change, societies may remain trapped in a cycle between ineffective technocracy and disruptive populism.

A second idea was to institutionalise self-criticism. The notion of “red teaming” was proposed as a way for European institutions to identify their own weaknesses before opponents exploit them. This would mean thinking like critics, populists or hostile actors in order to expose blind spots, groupthink, excessive privileges, communication failures and institutional vulnerabilities.
A third response was to become more proactive in confronting hostile actors. The discussion argued that Russia and other external forces have often taken the initiative in exposing Western weaknesses, infiltrating information spaces and shaping narratives. Europe should not only defend itself passively, but also expose the weaknesses of authoritarian and hostile systems.

The session also emphasised that threats to democracy are transnational. Attacks on democratic systems cannot be understood only as national problems. External interference, disinformation, digital platforms, foreign financing, cyber tools and domestic political actors often interact. Democracy protection therefore requires instruments capable of addressing the intersection between internal vulnerabilities and external manipulation.

The EU's existing efforts were recognised, including initiatives on electoral integrity, media freedom, disinformation and the defence of democracy. However, these were seen as necessary but not sufficient. The problem is not only legal or institutional, but also technological and social. Digital platforms have changed the architecture of democratic politics, amplifying extremism, disinformation and polarisation across ideological lines.

The discussion also stressed the importance of memory. European democracy was built in response to historical catastrophe. Remembering what happens when democracy collapses is essential to rebuilding a positive democratic narrative. This memory should not be used only as a warning, but as a way to reconnect citizens with the value of democracy, rule of law and freedom.

In the open discussion, participants returned to the importance of language. European and liberal-democratic actors often speak in abstract, technical or procedural terms, while their opponents use simple and emotionally powerful messages. The debate highlighted the need to speak more directly, address citizens' real concerns and avoid looking down on voters. Issues such as affordability, security, migration, education and respect for institutions must be discussed in a language that people understand.

A key question was whether the problem is primarily economic or cultural. Participants acknowledged that both dimensions matter. Economic insecurity, inequality and loss of opportunity feed distrust, but values, identity, belonging and perceived loss of control are equally important. Liberal democratic politics needs answers to both, rather than assuming that better economic management alone will solve the problem.

Overall, this part of the session suggested that democratic resilience requires more than institutional defence. It requires a different relationship with citizens, stronger communication, democratic participation, technological regulation, external vigilance and the courage to confront the weaknesses of liberal systems themselves.

b. Europe's Values, Freedom, Democracy and the Rule of Law. The Future of Liberalism: How to Revive It?

The second part of the panel focused on how to rebuild a positive liberal and democratic narrative. The discussion began from the idea that liberalism cannot survive only as a defence of procedures, markets or individual freedoms narrowly understood. It needs a broader story capable of responding to fear, insecurity, identity, belonging and the demand for protection.

A central argument was that Europe should speak less in the language of abstract economic freedom and more in the language of security. Citizens feel insecure economically, socially, culturally and geopolitically. Europe can present itself as a guarantor of multiple forms of security: physical security, economic security, democratic security, digital security, social security and environmental security.

Moderation was also discussed as a European value. In a world marked by extremism, polarisation and aggressive politics, Europe can embody a form of moderation that is not weakness, but civilisation: the capacity to limit power, protect institutions, preserve pluralism and avoid the destructive logic of friend-enemy politics.

At the same time, the discussion recognised that democracies must be able to identify real adversaries. Hostile authoritarian systems, aggressive oligarchies and unaccountable digital platforms should not be treated as neutral actors. Digital platforms received particular attention. Participants argued that they are transforming public life, weakening attention, polluting information ecosystems and undermining the conditions for democratic debate. Europe has an opportunity to define itself as the political space that can regulate digital power and put technology at the service of the common good, rather than allowing it to fragment society or be captured by private oligarchic interests.

The debate also focused on the need for a new narrative. Populist movements often succeed not because they govern effectively, but because they offer simple stories. Liberal democratic forces, by contrast, often respond with nuance, facts and complexity, which are necessary but politically insufficient. Europe needs a narrative that is simple without being simplistic, emotional without being manipulative, and rooted in lived concerns rather than institutional language.

The discussion returned to the idea of people power. Listening to citizens is not enough; citizens must be involved. Democratic participation should not be reduced to voting every few years. Local communities, civic associations, education systems, social dialogue and participatory processes can help rebuild trust and give people a sense of agency. Decentralisation and community-level engagement were seen as important correctives to excessive technocracy.

Education and respect for institutions were also discussed as foundations of democratic resilience. The weakening of trust in teachers, public servants, expertise and intermediary institutions was identified as a cultural problem. Democracy depends not only on elections, but also on habits of respect, civic education and a shared understanding of public responsibility.

Participants also debated whether one must become populist to defeat populism. The general conclusion was that democratic actors should learn from the communicative effectiveness of populists, but not imitate their contempt for institutions or their plebiscitarian logic. The challenge is to speak clearly and emotionally while preserving liberal constitutional principles, pluralism and respect for facts.

Migration was mentioned as an example of the difficulty of reconciling values, realism and public concerns. Liberal forces cannot ignore citizens' fears or dismiss them as illegitimate. At the same time, they must avoid adopting the far right's framing wholesale. The broader lesson is that first-best technocratic solutions may not always be politically sustainable, and democratic politics requires compromise, prioritisation and credible delivery.

Overall, this part of the session argued that the future of liberalism depends on its ability to recover political energy. Liberal democracy must become less technocratic, more protective, more participatory and more capable of telling a compelling story about why freedom, rule of law and pluralism matter in citizens' everyday lives.

I • Concluding Thoughts and How to Move Forward

The final discussion brought together the main threads of the retreat. Europe's capacity to act depends on its ability to connect economic strength, security, democratic resilience and social cohesion into a single strategic agenda. None of these dimensions can be treated in isolation.

On the economic side, Europe must complete and modernise the Single Market, deepen capital markets, strengthen investment, reduce fragmentation and use its scale more strategically. But this agenda will only succeed if it is communicated in concrete terms and linked to citizens' concerns.

On trade and economic security, Europe must preserve openness where possible while building resilience where necessary. It must diversify partnerships, reduce critical dependencies, engage more seriously with Africa and other strategic regions, and develop instruments that allow it to use market power collectively.

On defence, Europe must preserve NATO while preparing for a less reliable American role. This means building European capabilities, developing common strategic enablers, strengthening cooperation with Ukraine, improving interoperability, addressing nuclear deterrence and ensuring that technological sovereignty becomes part of the defence agenda.

On democracy, Europe must confront both external attacks and internal weaknesses. It must regulate digital platforms, defend electoral integrity, counter disinformation, rebuild trust in institutions and develop a new narrative of liberal democracy based on security, participation, freedom, rule of law and civic responsibility.
Several cross-cutting priorities emerged:

- Europe needs a clearer implementation method, with packages, deadlines, milestones and political accountability.
- Europe must build scale without losing democratic legitimacy.
- Europe must develop common instruments where national approaches are insufficient.
- Europe must combine central coordination with decentralised innovation and experimentation.
- Europe must invest not only in defence and technology, but also in welfare, education, climate, research and social cohesion.
- Europe must learn to speak more simply, directly and emotionally about its purpose.
- Europe must turn crises into a shared political project, rather than allowing them to deepen fragmentation.

The retreat therefore pointed to a broad conclusion: Europe's challenge is not only to do more, but to act differently. It must become more strategic, faster, more capable of implementation, more conscious of power and more connected to citizens. In a world in crisis, Europe's capacity to act will depend on whether it can transform its economic, institutional and democratic assets into a coherent project of protection, influence and renewal.

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