Speed, partnerships and competitiveness: Europe's next challenge

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Europe’s defining challenge is no longer just vision. It’s speed.

For years, Europe has been recognized for its engineering excellence, quality, reliability, regulatory leadership, commitment to sustainability and ability to balance economic growth with social cohesion. Yet as the global competitive landscape shifts, a new challenge is coming into focus. In a complex world of fast-moving technology and competing regions, Europe does not suffer from a lack of ideas; it suffers from a lack of speed.

While topics such as defence, healthcare, energy, food systems, finance and artificial intelligence are often at the heart of business and political summits such as Almedalen, a recurring question defines the 2026 agenda: how can Europe innovate, invest and scale fast enough to remain competitive in a world increasingly shaped by the technological leadership of the United States and the industrial scale of China?

The real debate is not Europe versus the United States or China. It is how Europe can preserve the strengths of its economic and social model while increasing its ability to execute. Across sectors, one conclusion became increasingly clear: Europe’s future competitiveness will depend less on strategy and more on its ability to accelerate innovation through partnerships.

The macro context: A world characterised by intensifying geopolitical competition, technological disruption and economic uncertainty.

Security concerns remain elevated across Europe. Russia's war against Ukraine continues to shape political and economic priorities, while NATO expansion and increased defence spending are influencing industrial investment, workforce planning and innovation agendas. Security is no longer a standalone policy area; it is becoming a central organising principle for economic strategy.

At the same time, governments and businesses continue to navigate productivity challenges, uneven growth and ongoing supply-chain vulnerabilities. Questions of resilience remain important, but the emphasis is increasingly shifting from protection to competitiveness. Sustainability, energy security, industrial policy and societal preparedness are now being approached as interconnected issues rather than separate agendas.

Technology is accelerating this shift. Artificial intelligence is rapidly becoming a defining force across industries, creating new opportunities while intensifying competition between economic blocs. The discussion has moved beyond experimentation to questions of deployment, governance, infrastructure and talent.

Meanwhile, both the United States and China continue to demonstrate significant advantages. The United States benefits from deep capital markets, world-leading technology ecosystems and an ability to commercialise innovation quickly. China continues to combine industrial scale, manufacturing strength and long-term strategic investment.

Conversations around AI, defence innovation, skills, startups and industrial investment repeatedly return to the same challenge: Europe possesses the capabilities required to compete, but often struggles to connect capital, innovation, regulation and deployment at the speed seen in the United States or the scale achieved in China.

The underlying concern is not whether Europe has the capability to compete, but whether it can mobilise quickly enough.

Five themes defining Europe’s next chapter

1. Security is driving a new era of industrial partnerships

One of the clearest shifts is the increasingly close relationship between security, innovation and industrial policy. Defence is no longer being discussed solely in terms of military capability. It is becoming a catalyst for broader conversations about innovation ecosystems, industrial capacity, digital infrastructure, skills development and economic competitiveness.

What feels markedly different is the focus on scaling and discussions exploring how to accelerate defence innovation, move technologies from demonstration to production, and create stronger links between startups, industry, investors and government. The language of venture capital, industrial ecosystems and innovation acceleration increasingly appears alongside traditional defence policy discussions. Future competitiveness and future security are becoming inseparable.

2. Sustainability remains critical, but the framing is changing

Climate and energy are increasingly linked to industrial growth, strategic autonomy and economic resilience. Conversations surrounding electrification, grid infrastructure and industrial transformation focus not only on emissions reduction but on Europe’s ability to maintain competitiveness in a changing world.

The debate feels less focused on targets and more focused on delivery. How quickly can new energy infrastructure be deployed? How can investment be accelerated? How can Europe translate sustainability leadership into industrial advantage? How does sustainable energy reduce costs and protect national security as well as decarbonisation? For organisations, the implication is clear: sustainability narratives increasingly need to demonstrate value across competitiveness, resilience, innovation and growth, not simply environmental performance.

3. Health is emerging as strategic infrastructure

Rather than focusing exclusively on healthcare delivery, an ageing population and rising costs, the conversation surrounding health has shifted to innovation, productivity, and resilience. Health systems are increasingly being viewed as strategic infrastructure that influences workforce participation, economic performance and societal stability.

A recurring theme is the need to accelerate implementation. Whether discussing precision medicine, health data, prevention or access to innovation, the emphasis is on the gap between scientific excellence and real-world adoption. As several healthcare leaders argue, the challenge is no longer generating innovation. The challenge is ensuring that innovation reaches patients, healthcare systems and society at scale.

4. AI Is becoming a test of Europe’s ability to execute

It isn’t just the technology that has fundamentally evolved in recent years. The central question is no longer whether AI matters; it is whether Europe can deploy and scale AI quickly enough to remain globally competitive.

Talent, infrastructure, governance, investment and adoption remain top of mind. The underlying concern is not whether Europe can innovate, but whether it can innovate fast enough to compete with US technology ecosystems and China’s industrial capabilities.

5. Finance and food security are becoming strategic capabilities

Finance increasingly features as a strategic enabler of competitiveness. Whether discussing defence, energy, life sciences or AI, conversations often return to one issue: Europe needs to become better at financing growth and scaling innovation. Startup ecosystems, investors and business leaders repeatedly highlight the difficulty of turning promising ideas into globally competitive companies. At the same time, food security has increasingly entered mainstream discussions around resilience and competitiveness. Food supply resilience has become part of a broader shift linking preparedness, civil security and societal resilience. Both finance and food systems are now being viewed less as standalone sectors and more as strategic components of national resilience and economic security.

As Europe rethinks its future, strategic partnerships take centre stage

Almedalen identified cross-sector collaboration and growing links between innovation, competitiveness, security and societal resilience as defining characteristics of the 2026 agenda. Europe's competitiveness challenge cannot be solved by individual organisations acting alone and differs fundamentally from that of both the United States and China. Europe's strength has never been a centralised power or winner-takes-all market dynamics. Its strength lies in its ability to build trusted networks that connect industry, institutions and society. The question now is whether those networks can move faster. Whether discussing AI, energy, defence, healthcare or food systems, we come to the same conclusion: Success increasingly depends on connecting innovators with capital, customers, talent, policymakers and infrastructure. In that sense, competitiveness has become a partnership challenge.

Partnerships setting the example

1. Defence: The Gripen Model

Highly visible because of the air show connected to defence activities in Almedalen, Gripen, a lightweight, single-engine multi-role fighter aircraft developed by Sweden's Saab Group, represents much more than a defence platform. It is an ecosystem built around long-term collaboration between government, industry, academia, suppliers and international partners.

The question is whether that model could be replicated elsewhere bringing together innovation, capital, manufacturing capability and public policy to accelerate strategic priorities. The growing focus on moving defence technologies from demonstration to production reflects this mindset. Budget is no longer the most crucial element – time is key and no longer abundant. Europe needs capabilities and fast.

2. Health: From life sciences to national competitiveness

Swedish-UK Pharmaceutical giant, AstraZeneca, focuses heavily on strategic partnerships and implementation. They repeatedly highlight the importance of collaboration between healthcare providers, academia, policymakers, patient organisations and industry to strengthen innovation, competitiveness and health resilience.

An interesting initiative is the launch of BridgeHouse™, a national innovation platform led by AstraZeneca, Scania and RISE, with support from government and co-financing from Vinnova. It brings together life sciences, manufacturing, research and public stakeholders to accelerate sustainable innovation and industrial competitiveness. BridgeHouse demonstrates how competitiveness increasingly emerges at the intersection of sectors rather than within them. Life sciences, manufacturing, digital innovation and public policy are being integrated into a single innovation ecosystem. This type of partnership would have seemed unusual a decade ago. Post-Covid, and in a multipolar world, it increasingly feels necessary.

What comes next

Can Europe act with sufficient speed?

Over the next 12 to 24 months, three developments are likely to accelerate.

- First, defence policy and industrial policy will become increasingly intertwined as governments seek to strengthen both security and economic capability.
- Second, the competition to deploy and scale AI will intensify. The debate will move beyond governance towards infrastructure, talent, investment and adoption.
- Third, partnerships will become the primary mechanism through which innovation is delivered. The organisations capable of connecting government priorities, private capital, technological innovation and societal needs will gain a significant competitive advantage.

If partnerships are becoming the primary mechanism through which Europe accelerates innovation, an important question follows: who is responsible for building those partnerships? Increasingly, that role is falling to public affairs and policy professionals operating across sectors.

What does this mean for public affairs professionals and what can they do to act as accelerators and not merely navigators?

For public affairs professionals, this changing environment requires a fundamental shift in mindset. Traditionally, public affairs has focused on stakeholder management, policy monitoring and reputation protection. Those capabilities remain important, but they are no longer sufficient. In an era where speed is becoming a strategic advantage, public affairs can become a critical driver of execution. How can they accelerate Europe's competitive agenda?

1. Build coalitions before regulation arrives.

Organisations that shape ecosystems early are increasingly better positioned than those that respond once policy frameworks are fixed.

2. Translate business priorities into societal outcomes.

Policymakers increasingly assess organisations through the lens of competitiveness, innovation, security, skills and resilience.

3. Shorten the distance between innovation and policy.

Public affairs teams can help reduce barriers between emerging technologies and implementation.

4. Broker strategic partnerships.

Few functions operate across business, government, academia, investors and civil society. Public affairs is uniquely positioned to create those connections.

5. Act as a source of strategic intelligence.

The strongest teams help leadership understand where policy, investment and societal priorities are heading next.

The future role of public affairs may therefore be less about managing stakeholders and more about orchestrating ecosystems.

Thank you

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