

Europe Cannot Procure Its Way to Digital Sovereignty

Why "Buy European" will not close Europe's digital sovereignty gap.

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Across Europe, "Buy European" has become the political answer to digital dependence. If public money flows to European technology firms, the argument runs, Europe will reduce its exposure to American and Chinese platforms and regain control over its digital future.

It is an appealing slogan. But it mistakes spending for power.

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Europe's problem is not insufficient preference for domestic suppliers. It is insufficient federal capacity over strategic digital infrastructure.

Procurement policy cannot substitute for the ability to govern the rails on which the economy runs. Digital sovereignty is ultimately about control under stress. In calm conditions, markets function and global supply chains optimise for efficiency. In crises, what matters is who holds the keys, who can update systems, who can enforce rules at technical speed, and who can lawfully override critical infrastructure if necessary.

Today Europe writes ambitious rules on data protection, artificial intelligence, financial stability and cybersecurity. Yet much of the cloud infrastructure, mobile operating systems, payment layers and AI compute capacity that implement those rules remain highly centralised and often outside European jurisdiction. This mismatch creates a sovereignty gap: legal authority without operational control. That gap is not primarily technological. It is institutional.

A confederation in a federal era

In areas where infrastructure must function seamlessly across borders, Europe still behaves like a confederation. Twenty-seven procurement systems, supervisory cultures and industrial strategies coexist under a common market. The result is fragmentation, slower decision-making and weaker bargaining power. In capital markets, fragmentation increases transaction costs. In digital infrastructure, it increases systemic risk.

A "Buy European" approach does little to resolve this. A European-headquartered supplier can still depend on non-European cloud stacks, semiconductor supply chains or foreign legal exposure. Nationality is not the same as control. Conversely, resilience can sometimes come from diversified and interoperable architectures rather than passport-based preference.

More importantly, procurement nationalism risks deepening Europe's structural weakness. If each member state defines "European" differently, the Union ends up with parallel industrial policies under one slogan. That may protect selected firms in the short term, but it does not create continental scale or strategic coherence. A fragmented buyer does not become sovereign by restricting its vendor list.

Governance of infrastructure

From an economic perspective, the real issue is the governance of infrastructure. Digital markets are increasingly shaped by protocols, standards and embedded governance mechanisms. Market power resides not only in firms, but in control over the layers beneath them. If Europe wants to reduce strategic dependence, it must ensure that

critical infrastructures are auditable, interoperable and designed with credible exit options under European law.

This is where the federal question becomes decisive. Sovereignty over strategic infrastructure requires the ability to act at continental scale. Crisis response, cybersecurity coordination, digital identity standards and financial settlement layers cannot be effectively managed through loose coordination alone. They require binding authority, shared stress testing, pooled procurement for genuinely strategic assets and enforceable governance frameworks. Without federal capacity, Europe remains a rule-maker dependent on external execution. With federal capacity, it can align law and infrastructure.

At the same time, technical execution should not be centralised in a single European champion. Concentration creates its own vulnerabilities. The economic objective is not to replace foreign centralisation with domestic centralisation. It is to design architectures that distribute control, reduce single points of failure and preserve contestability.

Decentralised infrastructure, properly applied, serves as a risk-management strategy. By distributing key custody, embedding auditability and ensuring real migration paths, it lowers switching costs and mitigates lock-in. It strengthens resilience without requiring autarky. In economic terms, it improves optionality.

The formula

The formula is therefore not protectionism, but institutional redesign: **federal political authority** where decisions must be binding; **decentralised**

technical architectures where resilience demands distribution.

Public procurement still matters. But the criteria must change. Instead of asking whether a supplier is European, governments should ask whether a system guarantees measurable sovereignty outcomes.

FROM NATIONALITY TO CONTROL: FOUR PROCUREMENT CRITERIA

- 1 **Key custody.** Cryptographic material held under European legal jurisdiction.
- 2 **Verifiable audit trails.** Independently inspectable by public authorities.
- 3 **Enforceable emergency powers.** Technical means that match legal authority.
- 4 **Credible exit paths.** Data portability and architectural reversibility by design.

These are measurable sovereignty outcomes, not symbolic preferences. Europe's competitiveness challenge will not be solved by narrowing supplier lists. It will be solved by building governable infrastructure at scale. If Europe continues to treat digital sovereignty as a procurement exercise, it may spend more while remaining strategically exposed. If it builds federal capacity over strategic digital infrastructure, supported by resilient and decentralised design, it can turn regulatory ambition into economic power.

In the digital economy, sovereignty does not follow the flag on a tender document. It follows control over the rails.