Jacques Delors
Friends of Europe
Foundation

one Europe
one market
for all

One Europe, One Market

Europe's strongest response to a world in transformation

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This paper is part of the Jacques Delors Friends of Europe Foundation's "One Europe, One market" - campaign, which supports the completion of the Single Market by 2028.

Founding partners:

The case for a European market

A rapidly deteriorating international environment is exposing Europe to successive shocks, from tariffs and increasingly aggressive trade practices to energy crises, supply chain disruptions and growing security tensions. The response has been immediate, but largely reactive. The reflex has been to deploy emergency tools. Necessary, at times unavoidable. But ultimately insufficient. Because what Europe is facing is not a sequence of temporary crises. It is a **systemic shift**.

The global economy is increasingly shaped by continental-scale economic blocs, where competition is driven by size, integration and strategic coordination. In this context, Europe's core weakness is clear. It remains fragmented. And this **fragmentation carries a growing cost**. It is visible in Europe's sluggish economic performance. Companies face higher capital costs, limiting their ability to scale. Energy markets remain insufficiently integrated, keeping prices high and volatile. Digital markets are still segmented, preventing the emergence of global players. Across sectors, Europe operates below its potential.

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But the implications go well beyond economics. In a world where economic scale translates directly into geopolitical clout, our internal fragmentation marginalises Europe in global decision-making processes and increases our dependencies in critical technologies and strategic resources.

This is precisely the gap that the **One Europe, One Market agenda** seeks to address. Presented to EU leaders in Alden Biesen and formally endorsed by the European Council in March 2026, it offers a strategic response to this new reality: **completing the Single Market to unlock Europe's full potential and strengthen its strategic autonomy**. It is intended to complement the Single Market Strategy already presented by the European Commission. While the Strategy focuses on the main barriers within the Single Market, the One Europe, One Market agenda aims to complete it by broadening its scope and deepening EU economic integration.

The choice is increasingly stark. Either Europe deepens its integration and equips itself to compete at continental scale, or it accepts a gradual loss of relevance.

Strategic autonomy and global competitiveness cannot be engineered through short-term fixes. They require the structural conditions in which they can emerge: deep and liquid capital markets, integrated energy and infrastructure systems, and a genuinely unified economic space. In other words, **a true European Market**.

This is Europe's most powerful asset in an increasingly contested world. It allows the Union to remain faithful to its core principles, openness, multilateralism and cooperation, while acting from a position of strength. It enables European firms to grow and compete globally, sustains the social market economy, and equips the Union to manage interdependencies without retreating from the global system.

In a fragmented world, scale is power. And for Europe, scale can only come from unity.

A strategy to break the deadlock

"*It follows the logic of the* **Delors method** *that originally built the Single Market - combining political leadership, a comprehensive programme and a defined timeline to achieve a decisive leap forward in European economic integration.*"

The One Europe, One Market agenda should be understood not merely as a set of priorities, but as a method designed to ensure that political commitment translates into systemic change. It follows the logic of the **Delors method** that originally built the Single Market - combining political leadership, a comprehensive programme and a defined timeline to achieve a decisive leap forward in European economic integration. The crucial difference is that this agenda requires no Treaty change. Delivering the same level of ambition within the existing institutional framework is its defining characteristic, and the foundation for both swift action and politically sustainable results. Three elements are central to this method.

First, it requires a package-based approach. The challenges facing the European economy are interconnected, spanning finance, energy, innovation and regulatory frameworks. Such an approach also facilitates political agreement by creating space for balanced compromises.

Second, it requires strong political commitment at the highest level, in the form of a formal interinstitutional agreement among the European Council, the Commission and the European Parliament - essential to ensure the authority and alignment needed to advance complex reforms.

Third, it requires a clear and credible timelines. A defined horizon with key milestones along the way introduces discipline, anchors expectations, and makes progress measurable and visible.

These components define a method with clear historical precedent. The transition from the Common Market to the Single Market in the 1980s showed that transformative integration is achievable when leadership, a comprehensive legislative programme and a defined timeline are combined within a coherent strategy.

Beyond these three core elements of the Delors method, there is a further enabling condition which, unlike in the original phase of Single Market integration, may prove to be the real game changer in terms of policy delivery today. This concerns the choice of legal instruments. Here, the political direction is clear. As the European Council's March 2026 conclusions have established, regulations should be preferred over directives in order to ensure the uniform application of rules across the Union and to avoid the fragmentation that results from divergent national transposition.

Yet the Delors experience also highlights that such a process cannot rely on institutions alone. The deepening of the Single Market must be a genuinely shared project, grounded in the close involvement of key stakeholders - above all employers' organisations and trade unions. Broad-based participation is not only a matter of legitimacy; it is a condition for effectiveness, aligning reforms with economic realities and social expectations.

Completing the Single Market is a collective endeavour requiring sustained engagement across society - ensuring this next step in European integration is both widely supported and socially sustainable.

A comprehensive approach for transformative change

Building on this method, the One Europe, One Market agenda should focus on the key components that already lie at the heart of the European policy debate. The objective is to align and strengthen these priorities within a coherent framework, ensuring that each contributes to a broader process of integration and to a common strategic direction. **Three pillars are central to this agenda: the savings and investments union, the energy union, and innovation and connectivity**. These are not parallel priorities but mutually reinforcing components of a single economic ecosystem. Consider a European company seeking to grow beyond its domestic market. To scale, it needs access to deep and integrated capital markets. To remain competitive, it depends on affordable and reliable energy. To expand across borders, it requires seamless digital and connectivity ecosystems. Only by advancing these pillars together, and by aligning policy design with the real economy rather than institutional silos, can Europe create the scale, efficiency and coherence required for its businesses to compete globally.

Yet advancing these three pillars in tandem is not sufficient on its own. The effectiveness of a more integrated Single Market also depends on the broader conditions that shape how integration works in practice - conditions that cut across all three pillars and must inform their design throughout. **Three horizontal enablers are therefore essential: the capacity to simplify the regulatory environment, to strengthen Europe's research base, and to ensure that the benefits of deeper integration are broadly shared across regions and social groups**. More specifically, simplification should advance through more coherent European frameworks and the development of the 28th regime; research and development through the progressive construction of a fifth freedom for knowledge, innovation and talent; and cohesion through a stronger social and territorial dimension capable of ensuring that the benefits of deeper integration are broadly shared and politically sustainable.

Figure 1. One Europe, One Market: a matrix for the completion of the Single Market

Presented by Enrico Letta at the Informal EU Leaders Retreat - 12 February 2026 - Alden Biesen Castle, Belgium

Pillar I: savings and investments union

The Single Market can play a decisive role in mobilising these resources by making investment in Europe more attractive, both for European savers and for global institutional investors.

The fragmentation of European capital markets represents a structural vulnerability, both at the level of individual firms and at the systemic level. For firms, it limits access to the capital needed to invest, grow, compete, innovate and hire. For the Union as a whole, it constrains the volume of resources that can be mobilised to address the major challenges Europe is facing, from security and defence to the energy transition and technological innovation, all of which require substantial amounts of long-term capital.

The Single Market can play a decisive role in mobilising these resources by making investment in Europe more attractive, both for European savers and for global institutional investors, who still too often leave capital idle or allocate it elsewhere. The scale of the gap is reflected in the numbers: EU stock markets have a combined capitalisation of roughly 60% of EU GDP, while the two largest US exchanges alone exceed 200% of American GDP. This imbalance offers a concrete measure of the extent to which Europe still struggles to channel private capital towards productive investment.

This is precisely the objective of the Savings and Investments Union agenda. Important steps have already been taken, and many proposals are already on the table. The central challenge now lies in delivery, namely in building the political compromises needed to translate a broadly shared ambition into a genuinely integrated European capital market.
Within the framework of the One Europe, One Market agenda, realising the Savings and Investments Union should mean achieving four closely connected goals.

- **Complete the architecture of integrated capital markets**. This requires a more coherent supervisory and market framework for cross-border financial activity, and therefore places the Market Integration and Supervision Package at the centre of the agenda. The objective should be to strengthen European supervision by transferring direct supervisory powers for significant cross-border financial entities to ESMA, while also moving forward on the integration of stock markets, the harmonisation of listing requirements and the establishment of a single supervisory framework for cross-border trading. In parallel, barriers to capital deployment should be reduced by simplifying and harmonising passporting, marketing and distribution rules for investment funds, so as to enable genuinely European cross-border operations. The overall aim is to make the circulation of capital within the Union more fluid, more predictable and more efficient.

- **Mobilise the savings of European citizens more effectively**. Europe has abundant private savings, yet too large a share of these resources remains in low-yield products or does not reach productive investment within the Union. Unlocking this potential requires measures that encourage long-term participation in capital markets and broaden the channels through which household savings can support growth. This is why the Commission's recommendations on Savings and Investments Accounts and the Supplementary Pensions Package are so important. It is now up to member states to put in place the necessary national reforms without delay. These measures can help develop occupational and personal pension systems, strengthen participation in long-term investment, and make savings more easily transferable across different stages of life and work. Alongside this effort, a revision and simplification of the EU securitisation framework is also necessary, as a more effective securitisation market would help deepen capital markets and facilitate the reallocation of capital towards new investment opportunities.

- **Complete the Banking Union**. A genuine Savings and Investments Union cannot rest on fragmented banking markets alone. More integrated and developed capital markets require a banking system that is itself able to operate across borders with greater scale, stability and efficiency.

This is why progress on a new legislative proposal for the European Deposit Insurance Scheme remains essential. Completing this missing component of Banking Union would strengthen confidence in the financial system and support a more integrated and competitive banking landscape. At the same time, the European framework should make it easier, where appropriate, to promote cross-border consolidation in the banking sector, so that European banks are better equipped to finance growth and investment across the Union. This also requires a broader reassessment of the EU banking regulatory and supervisory framework, so that prudential rules continue to safeguard stability while better supporting growth, competitiveness and the financing capacity needed for a fully-fledged Savings and Investments Union.

- **Strengthen the foundations of Europe's financial system**. Part of this agenda is already reflected in the digital euro package, which should be carried forward as part of a wider effort to modernise Europe's monetary and payment architecture and reinforce the strategic autonomy of its financial system. Yet there is a further dimension that remains insufficiently addressed in the current debate, namely the absence of a genuine European safe asset. The global role of the dollar rests in part on the depth and liquidity of the US Treasury market, which functions at the same time as a store of value, a pricing benchmark and a core instrument for risk management. The European Union still lacks an equivalent asset of comparable scale and function. NextGenerationEU and the programmes that followed have demonstrated that the Commission is able to issue bonds at scale and to attract global institutional investors. By the end of 2026, outstanding EU bonds are expected to approach one trillion euros, already making the Commission one of the largest net issuers in euros. Yet these instruments are still treated by index providers as supranational rather than sovereign debt, and they continue to trade at a spread over German Bunds that reflects structural illiquidity more than credit risk. A new legislative initiative aimed at consolidating EU bond issuance under a single, permanent framework would therefore represent a major step forward. This could be achieved by marketing the issuances of the different EU institutions under a single name while still being backed by their own credit and capital structures, rather than creating new debt. By providing the regularity, depth and benchmark status that a true safe asset requires, such a framework could unlock a new category of long-term institutional demand for European capital markets and reduce borrowing costs across the Union.

Pillar II: the energy union

In a context of geopolitical instability, the European energy system appears increasingly inadequate. The ability to produce, move and price energy efficiently across the Union is now directly linked to Europe's economic and political autonomy. At the same time, the green transition requires not just more generation, but a system capable of integrating it at scale. Currently, our energy mix remains largely reliant on fossil fuels for two thirds of its daily uses while the electrification rate of our economy has been stagnating for the last decade. Despite the milestone reached in 2025, with renewables surpassing fossil fuels in EU electricity generation, the system remains fragmented and unevenly integrated, with clear consequences for competitiveness, security and the credibility of decarbonisation. An Energy Union that exists largely in name, with weak interconnections and price gaps of tens of euros across borders, cannot deliver either efficiency or resilience. Fragmentation now translates directly into economic and geopolitical exposure.

The scale of the problem is measurable. In 2024, 72 terawatt hours of largely renewable electricity were curtailed due to grid bottlenecks, roughly

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equivalent to Austria's annual consumption, at a cost of €8.9 billion. Wind from the North Sea cannot reach Central Europe, and solar from Iberia cannot flow to Germany. These are structural failures that undermine clean energy investments and slow down decarbonisation. The constraint is no longer generation capacity, but infrastructure and coordination, which also limits Europe's ability to reduce external dependencies.

Within the framework of the One Europe, One Market agenda, advancing the Energy Union should mean pursuing a number of closely connected objectives.

- **Completing Europe's transmission infrastructure**. The European Commission's European Grids Package, presented in December 2025, represents the most ambitious attempt in a generation to address this structural weakness. It amends four key pieces of legislation, introduces streamlined permitting with binding two-year timelines, and identifies eight Energy Highways targeting the most critical cross-border bottlenecks from the Baltic to Iberia. The total investment requirement through 2040 is estimated at €1.2 trillion. The cost-sharing provisions are the most politically contested element, and the concerns of net-contributor countries deserve engagement. The gains, however, are quantifiable: additional cross-border transmission capacity could cut renewable curtailment by 30 TWh annually by 2030, and more efficient use of the European generation mix could reduce system costs by approximately €9 billion per year by 2040. A deal is achievable by end-2026 or early 2027 if negotiations are pursued with the necessary seriousness. This package should be treated as a priority file within the One Europe, One Market agenda.

- **Preserving the Emissions Trading System**. The ETS has driven approximately 47% of emissions reductions in covered sectors since its launch in 2005, making it one of the most effective climate policy instruments deployed anywhere in the world. The political pressure to weaken it rests on a misdiagnosis: the price volatility of 2021–22 was mainly caused by gas market disruption, not by flaws in the ETS design. Rolling back the system now would destroy investor confidence in European climate policy and penalize European first innovators at the precise moment when the clean technology investment it has catalysed is beginning to materialise at scale. The ETS must be understood not only as a climate instrument but as a market instrument - one that provides the long-term price signal on which low-carbon investment decisions depend, as well as generating significant revenues, most of which fall into the hands of Member States (€24 billion in 2025). Weakening it would constitute an act of Single Market self-harm, and should be firmly resisted within the framework of this agenda.

- **Reducing energy price divergence across Member States**. Significant disparities in energy prices across the Union continue to distort the functioning of the Single Market, creating unequal conditions for firms operating in different member states and undermining the principle of a level playing field. Further integration of wholesale energy markets, combined with the infrastructure investments outlined above, would progressively narrow these divergences. Complementary measures to improve market transparency and strengthen regulatory coordination among national energy authorities should be advanced in parallel, so as to ensure that the benefits of a more integrated energy system are effectively transmitted to industrial users and consumers across the Union.

Pillar III: innovation and connectivity

Innovation is central to Europe's competitiveness and strategic autonomy. In a more contested global environment, technological leadership is no longer just an economic asset, but a security imperative, as modern defence increasingly relies on civilian digital infrastructures such as networks, cloud and satellites.

Yet innovation cannot be engineered through investment or regulation alone. It depends on integrated ecosystems of firms, research, capital and skills, something only a truly unified European market can provide. Connectivity is foundational to this system, enabling scale, integration and resilience both for economic and security purposes.

Europe's current structure remains misaligned with this reality. The telecom market is fragmented, foreign global players dominate key segments like cloud, and Europe lags in next-generation technologies, from 5G to satellites. This fragmentation creates both an innovation gap and a growing security vulnerability.

> *Strengthening Europe's technological base therefore requires deeper market integration, greater investment capacity and the conditions for consolidation.*

The challenge is not a lack of capacity, but of scale and integration. Strengthening Europe's technological base therefore requires deeper market integration, greater investment capacity and the conditions for consolidation. The objective is not autarky, but the ability to retain strategic autonomy in critical technologies and make sovereign choices in an open global system.

Within this framework, advancing connectivity and innovation should mean pursuing a number of closely connected objectives.

- **Creating a genuine single market for digital networks.** The Digital Networks Act replaces the directive-based European Electronic Communications Code with a directly applicable regulation, eliminating the fragmented national implementations that have prevented cross-border scale. Its central innovation is the single passport authorisation: operators wishing to provide networks across multiple member states need notify only one national regulatory authority. The Commission estimates that full deployment of the Digital Networks Act framework could contribute up to €400 billion to EU GDP by 2035.

- **Establishing a coherent framework for cybersecurity across the Single Market.** In a highly interconnected Single Market, a cyber vulnerability in one member state is a vulnerability for all. The current patchwork of 27 separate national cybersecurity frameworks, labels and certification requirements is not merely an inconvenience for cross-border operators; it is a structural weakness. The revised Cybersecurity Act addresses this directly by establishing harmonised standards and a common EU framework for high-risk vendors.

- **Securing European cloud and AI infrastructure.** The concentration of cloud infrastructure in the hands of a small number of non-European providers represents a strategic dependency that the Union cannot afford to leave unaddressed. The Cloud and AI Development Act, expected from the Commission in the first quarter of 2026, aims to establish a legal framework for EU-based sovereign cloud and AI computing, with harmonised eligibility standards for cloud service providers and procurement rules that set high bars for data sovereignty without excluding innovation. It is important that the upcoming Cloud and AI Development Act introduces an ambitious but pragmatic definition of Sovereign Cloud, ensuring that critical infrastructure serving European public interests operates under European law.

- **Aligning merger and competition policy with European scale.** The existing framework of EU competition and merger policy was designed for a different technological era and has, in practice, made it difficult to build European firms of sufficient scale to compete globally in digital markets. A structured review of merger guidelines - one that explicitly accounts for European strategic interests and the need for scale in technology-intensive sectors - is an essential complement to the regulatory agenda outlined above. This does not imply the abandonment of competition principles, but rather their intelligent application to a global environment in which Europe's principal competitors operate at a scale that the current framework does not adequately enable.

Critical horizontal enablers for integration

Alongside the three core pillars of the One Europe, One Market agenda, three horizontal enablers are essential to its success: simplification, research and development, and cohesion. These are not ancillary objectives, but cross-cutting priorities that shape the conditions under which a more integrated Single Market can deliver competitiveness, innovation and balanced growth. Ensuring progress in these areas is therefore indispensable to the overall coherence, effectiveness and political sustainability of the agenda

Simplification

> *"These are not ancillary objectives, but cross-cutting priorities that shape the conditions under which a more integrated Single Market can deliver competitiveness, innovation and balanced growth."*

The quality and coherence of the regulatory environment are increasingly decisive in shaping where companies choose to invest, grow and locate their activities. At a time when jurisdictions outside the European Union are moving faster in developing more business-friendly administrative frameworks, simplification has become a structural issue for European competitiveness. The European Council Conclusions of March 2026 recall that a 'One Market' approach, with harmonised EU-wide rules that replace 27 sets of national rules, in itself brings simplification, as does the wellfunctioning application of the mutual recognition principle. This is precisely why the 28th regime has the potential to become one of the most transformative instruments of the One Europe, One Market agenda. From the perspective of the Single Market, the most effective path to simplification is not deregulation, but European integration, since it makes it possible to replace a disordered patchwork of national rules with a single and more coherent framework.

The Commission's **proposal for EU Inc.** provides a strong basis on which to build, beginning with the fact that it takes the form of a regulation rather than a directive. For this reason, the proposal should be approved rapidly, while preserving the key elements that underpin its transformative potential:

- **A broad and inclusive scope**. Although clearly conceived with start-ups and scale-ups in mind, the framework is open to all types of companies. This is essential, because the transformative effect of the 28th regime will only be fully realised if all firms facing the barriers it is designed to address are able to benefit from it.

- **Substantive ambition**. The 28th regime extends into areas that the Union's historically approach to company law harmonisation has often left only partially addressed. This is important because simplification is meaningful only if it tackles the legal bottlenecks that affect how companies raise capital, take decisions and organise growth across borders.

- **A central digital register**. The proposal foresees the establishment of a central digital register for EU Inc. companies within eighteen months of the regulation's entry into application. This provision is fundamental, because without a genuinely centralised and digital system the 28th regime would risk becoming little more than a coordinated sum of 27 national regimes, rather than a truly European legal framework.
- **Full preservation of workers' rights**. The legislation must ensure that the new regime cannot be used to circumvent participation rights, including board-level representation where such rules apply. Enshrining this principle in the final text will be essential, since the credibility of the 28th regime depends on its ability to deliver simplification without undermining the social and legal safeguards that are integral to the European model.

Research and development

"The main challenge lies in the Union's limited capacity to translate its research base, scientific talent, industrial know-how and innovative firms into industries capable of competing at global scale."

In an era increasingly shaped by technological competition, Europe faces growing difficulty in keeping pace with the speed and scale of global innovation. The main challenge lies in the Union's limited capacity to translate its research base, scientific talent, industrial know-how and innovative firms into industries capable of competing at global scale. This is why the Single Market must evolve so as to give innovation, knowledge and talent a more central role within its overall architecture. In this context, the integration of a fifth freedom into the Single Market framework could become one of the most consequential additions to the One Europe, One Market agenda. Alongside the traditional free movement of goods, services, capital and persons, the Union should ensure the free circulation of knowledge, research, innovation, data, competences and education.

The forthcoming legislative and policy framework provides a strong basis on which to build, in particular through the European Research Area Act and 10th EU Framework Programme for Research and Innovation (FP10). These initiatives should present the key elements that can give the fifth freedom real operational substance:

- **A market that structurally demands research, innovation and talent circulation**. The architecture of the Single Market itself should generate stronger demand for research, innovation and the circulation of talent, including through strategic public procurement, industrial policy tools and the broader instruments of the Savings and Investments Union, so that innovation is not only produced in Europe, but also scaled in Europe.
- **An integrated European approach to talent and skills**. The ERA Act should be used to advance two priorities in particular: the creation of a truly European Degree and the development of an EU framework for research careers, so as to reduce fragmentation in higher education, strengthen the visibility of European universities and make research careers more transparent, portable and attractive across borders.
- **Stronger pooling of research infrastructures and capabilities**. The ERA Act and the FP10 should reinforce university alliances, transforming them from collaborative networks into platforms of deeper integration, capable of attracting talent, investment and industrial partnerships. This would also make it possible to develop more ambitious mission-oriented research projects around clearly defined strategic priorities, supported by multiannual resources and governance structures that enable scientific leaders and industrial partners to operate effectively.

Social and territorial cohesion

From the outset, the Single Market was never conceived as a purely economic project. It was built with the understanding that market integration, if it is to be durable and politically sustainable, must go hand in hand with social and territorial cohesion. This remains even more true today. At a time when competitiveness rightly dominates the European debate, there is a growing risk that cohesion-related priorities are treated as secondary or left at the margins of the discussion. That would be a strategic mistake. A genuine step forward in European integration cannot rest on economic efficiency alone. It must also ensure that the benefits of deeper integration are broadly shared across workers, firms and territories, and that no part of Europe is left behind. For this reason, social and territorial cohesion should be regarded not as a complementary dimension of the One Europe, One Market agenda, but as one of its essential conditions for success. In practical terms, this means focusing on three priorities:

- **Addressing the development trap affecting many EU territories**. Cohesion policy must be updated to respond to the territorial challenges that define the current phase of European integration, including prolonged low growth, weak productivity and limited job creation in territories which, while not poor, struggle to capture the benefits of integration. Particular attention should be paid to the effects of brain drain on long-term development prospects.

- **Ensuring the availability of Services of General Interest across the Union**. A stronger European approach is needed to guarantee access to high-quality Services of General Interest, as a condition for social inclusion, equal opportunity, and the ability of citizens, firms and communities to remain and thrive across different territories. In this context, the development of a European Action Plan for Services of General Interest would represent an important step towards giving greater coherence and strategic direction to this dimension of the Union's social and territorial model.

- **Supporting affordable, sustainable and decent housing**. Access to affordable housing is increasingly affecting both freedom of movement and the freedom to stay, and should therefore be treated as an issue of common European concern. For this reason, the European Affordable Housing Plan should be implemented without delay, in a way that supports and coordinates action at European, national, regional and local level.vocational training to connect skills formation with industrial policy priorities at a European market-scale.

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