

Europe's 2028 Turning Point

How the Fifth Freedom can redefine
the future of the Single Market

JANUARY 2026
In-depth 1/2026

ENRICO LETTA | JANEZ POTOČNIK



Europe's 2028 Turning Point

How the Fifth Freedom can redefine the future of the Single Market

For the first time in human history, we are witnessing the emergence of a single, tightly coupled social and ecological system on a planetary scale. We face multiple, overlapping challenges, and the global landscape is shifting at unprecedented speed, technologically, geopolitically, and economically. Societies are transforming from industrial economies into knowledge based ones.

The European Union once again stands at a crossroads. It finds itself caught between the urgency to act and the temptation to remain reactive, constantly adjusting to pressures from external actors rather than shaping its own future. How to address multiple challenges at the same time, in a world moving from rule based to power based governance, while preserving core European values and science based policymaking, is central to our future.

The Single Market remains the Union's greatest collective achievement, yet it is still incomplete and far from having deployed its full potential; too many of its benefits remain uneven, fragmented or simply unused across Europe.

Today, for the first time in decades, Europe has the strategic necessity and the political alignment to take a decisive leap. At the heart of this opportunity lies a proposal long discussed but never fully realised: the **Fifth Freedom in the Single Market**. Initially envisioned by Jacques Delors and subsequently developed, the concept has resurfaced over the years as a response to Europe's need to anchor its future in knowledge and innovation. It now re-emerges with greater clarity and stronger political backing than ever before.

What began as a forward-looking policy vision has become a concrete political mandate. Both the 2025 State of the Union speech and the European Council conclusions of 23 October explicitly endorsed 2028 as the deadline for completing the remaining elements of the Single Market. Within this broader completion agenda, the Fifth Freedom stands out as one of the key pillars and enabling forces. The convergence of political will around this overarching objective is the closest the EU has come to replicating the success formula behind the Single Market in 1992 and the introduction of the euro in 2001: a clear deadline, a shared commitment, and a unifying narrative capable of mobilising institutions, Member States, businesses, and citizens.

Today, Europe has the chance to build not only a market, but a knowledge-powered, innovation-driven, research-centred Union capable of anchoring prosperity, autonomy and leadership in the 21st century.

1. A deadline to mobilise Europe

The decision to set 2028 as the horizon for completing the Single Market mirrors a fundamental lesson from previous integration milestones: Europe advances when it sets deadlines and sticks to them. Jacques Delors understood this intuitively.

The 1992 Single Market was possible because a precise date pushed institutions and Member States to converge. The euro followed the same logic, with dual deadlines in 1998 and 2001 providing the political discipline needed to act.

Within this larger deadline, the Fifth Freedom becomes one of the essential components that must be delivered if completion is to be meaningful. It is part of a wider agenda, not an isolated project, and its success will be one of the key tests of whether the 2028 objective has been truly met.

A countdown – visible, public, and politically binding – would transform an abstract agenda into a tangible project. Even something as symbolic as placing a large clock on the Berlaymont would reflect the seriousness and urgency of this endeavour, shifting Europe from reactive mode to project mode, from responding to global shocks to shaping its own future and trajectory.

Without this sense of urgency, Europe risks being perpetually on the defensive, responding to technological disruptions, reacting to geopolitical tensions, adjusting to the actions of the US, China, and other powers. A deadline gives Europe agency again.

2. The roadmap, a matrix for completing the Single Market

The political mandate emerging from the State of the Union and the European Council conclusions is not vague, nor is it limited to the Fifth Freedom alone.

It is already taking shape within a clear framework, a matrix for action that defines how the Single Market should be completed by 2028. This matrix brings together different strands of European policy that must advance in parallel if the Single Market is to be fully realised.

On one side of this matrix stand three major domains in which the Union knows it must advance if it wants to remain competitive and sovereign in a turbulent world: the integration of financial markets, the construction of a genuine energy union, and the strengthening of connectivity as the backbone of the digital economy.

On the other side are two transversal dimensions that cut across these sectors and give them coherence: the Fifth Freedom, understood as the free circulation of knowledge, research and data, and the so-called 28th regime, a simplified and optional European legal framework capable of overcoming the fragmentation generated by diverging national rules.

This matrix reflects a growing awareness that Europe's competitiveness and strategic autonomy cannot be pursued through isolated, sectoral policies. Financial markets cannot support the investments required by the green and digital transitions if they remain segmented along national lines. Energy security, decarbonization and circular economy cannot be guaranteed without a level of coordination that far exceeds what individual states can achieve alone. Connectivity is no longer a technical issue but the basic infrastructure on which the entire digital economy rests. Yet none of these areas will reach their full potential if knowledge, research and data continue to be constrained by borders, incompatible systems or legal uncertainty, and if European actors are forced to navigate a labyrinth of overlapping or diverging national rules.

The Fifth Freedom, combined with a 28th regime that offers a single, optional European legal path, is therefore not an accessory to these three pillars, but a condition for their success. In this sense, the Fifth Freedom is not an added component loosely attached to the Single Market: it is the enabling force inside the broader Single Market completion agenda.

3. Making the Fifth Freedom tangible: flagships and foundations

To succeed, the Fifth Freedom must become more than an internal policy exercise confined to institutions and experts. It must evolve into a genuine political flagship, something that citizens can recognise as a concrete improvement in their daily lives.

European integration has always advanced when people could touch its results. The 1992 Single Market was not remembered only for directives and regulations, but for Erasmus exchanges that allowed young Europeans to study abroad and for low-cost flights that suddenly made cross-border travel accessible to millions.

In the same spirit, the Fifth Freedom needs visible, public-facing initiatives that embody its meaning. Among the various ideas in circulation, two in particular emerge as natural symbols of this new phase: a **European university diploma** that would ensure automatic recognition of degrees across the Union, and a **European status for researchers** that would guarantee common rights and mobility conditions wherever they work in Europe.

These proposals are intuitively understandable, clearly linked to the movement of knowledge and talent, and carry immediate benefits for students, academics and families. At the same time, they are politically realistic and straightforward to explain, which is essential if a broad mobilisation is to be built between now and 2028 around the idea that the Fifth Freedom is not an abstract slogan but a promise of concrete opportunities.

Without a European integrated (higher) education system, European citizens will keep on having a hard time acquiring the skills they need to work or build businesses across borders. The knowledge society and knowledge economy cannot work well without the free and egalitarian education system enabling EU citizens their career development and active economic and social contributions.

Yet if these flagship initiatives are to be credible, they must rest on a deeper vision of what the Fifth Freedom is meant to change in Europe's way of thinking and acting. The reflections developed through extensive dialogue with research centres, universities and innovation ecosystems across Europe point to a set of core directions that together define how the Fifth Freedom can become a truly transformative force.

1. Europe must place research at the centre of its future strategy. The narrative has to shift from viewing defence, security, industrial competitiveness, and democratic values as isolated priorities to understanding that, in each of these fields, the decisive factor will be research and innovation. From autonomous defence systems to climate solutions to the education for democratic citizenship, what ultimately matters is the capacity to generate new knowledge, not traditional spending patterns or simple increases in national budgets. Putting research at the core means treating laboratories, universities and innovation ecosystems as strategic assets, and aligning major European initiatives with a long-term vision of knowledge creation.

2. The Fifth Freedom must promote a rigorously evidence-based governance model. Scientific evidence and data-driven policymaking should be embedded in EU governance in a systematic way rather than as an occasional accessory. In a time marked by misinformation and competing narratives, this is not guaranteed and requires political courage to accept that complex decisions must rest on facts, not slogans. It implies investing in the capacity of institutions to interpret data, listen to experts and subject policies to transparent evaluation.

3. The Fifth Freedom should reinforce multilateralism and shared sovereignty. Research is inherently collaborative and flourishes when ideas, people and data cross borders. The Fifth Freedom strengthens Europe's ability to lead in global partnerships, shaping multilateral research norms instead of depending on external ones or importing standards defined elsewhere. In doing so, it offers a concrete example of shared sovereignty: Europe becomes stronger not by closing in on itself, but by participating in international cooperation from a position of autonomy and leadership.

- 4. Freedom of access to data must be guaranteed.** A modern innovation ecosystem cannot function without reliable, interoperable and fair access to data, both within and across Member States. The Fifth Freedom should institutionalise this principle and support the infrastructures that enable it, from secure data spaces to common standards and governance rules. Ensuring such access, while fully protecting fundamental rights and privacy, is essential if researchers, public authorities and businesses are to make the most of digital technologies.
- 5. Europe must fix its scale problem.** The inability to scale start-ups, research infrastructures and technological projects remains one of the continent's most significant handicaps in global competition. Too often, national barriers, regulatory fragmentation and duplicated efforts prevent promising initiatives from reaching critical mass. The Fifth Freedom offers the architecture to overcome this by pooling capabilities at continental level, encouraging shared platforms and creating ecosystems where excellence can translate into European, not just national, success.
- 6. Europe must redefine how it finances research.** The Union needs to leverage both public and private capital more effectively, aligning the Fifth Freedom with the broader agenda on savings, investment and competitiveness. This means designing financial instruments that reward long-term research efforts and make it easier for private investors to support high-risk, high-potential projects. Private capital mobilisation is essential for catching up with global competitors, but it will only happen at scale if research is clearly recognised as a central pillar of Europe's economic future.
- 7. The Fifth Freedom must be recognised as the enabling force of all other freedoms.** The free movement of goods, services, capital and people can only thrive when supported by the free flow of knowledge, data and research that gives them substance and dynamism. In a knowledge-based economy, these traditional freedoms are increasingly dependent on the ability to generate, share and use information across borders. The Fifth Freedom is thus the operational backbone of the entire European project, the condition that allows the Single Market to adapt and remain effective in the twenty-first century.

4. A call for political leadership and national engagement

The success of the Fifth Freedom, and of the wider 2028 agenda for completing the Single Market, cannot rely solely on EU institutions. It requires a pan-European political mobilisation, including national leaders, parliaments, scientific experts and organizations, and civil society.

The Fifth Freedom must be framed as an investment in the prosperity, sustainability and security of Member States themselves, not as a Brussels initiative but as a shared European opportunity. Some of the most impactful initiatives will be those driven by Member States, not only by EU institutions.

Europe has a rare window of opportunity. The political mandate exists, the institutional alignment is unprecedented, and the strategic need is undeniable. The 2028 deadline gives structure and rhythm to the entire agenda of Single Market completion, and the Fifth Freedom is one of its most important enabling pillars.

But what will determine success is not only regulatory action or institutional reform. It is the ability to build a new European narrative – one where research, knowledge, data, and innovation are not abstract values but the engines of prosperity, sustainability, security and autonomy. The Fifth Freedom is not merely an additional freedom. It is the freedom that connects and enables all the others.

And more than that, it is an essential ingredient protecting our democracies and values. We should not underestimate the massive impact science, in particular the social sciences, law, humanities, philosophy, has had in the last centuries for building and defending our democracies and teaching people about history, myths, or how to deliberate, reason, and decide over political affairs, including the very European project. Well informed and knowledgeable people are the best guarantee for securing European future.

The European Union is a visionary project. The Fifth Freedom would help restore the confidence and trust that we are on the right side of history. This is Europe's chance to be heard, not instructed, and to lead, not follow.

About the authors

Enrico Letta | Former Prime Minister of Italy; currently President of AREL and the Jacques Delors Institute, and Dean of the IE School of Politics, Economics and Global Affairs in Madrid.

Janez Potočnik | Former European Commissioner for the Environment and for Science and Research; currently Co-founder Systems Transformation Hub, Co-chair UNEP International Resource Panel, and partner at Systemiq.

This paper is the result of a collaboration between Arel Single Market Lab and the Systems Transformation Hub. Arel Single Market Lab is a project launched by Enrico Letta to follow up on the implementation phase of the report on the future of the single market lab and its reform agenda. The Systems Transformation Hub is a partnership of organizations working to bring systems thinking and action into European policymaking.

The content of this paper does not necessarily reflect the views of the Hub's partner organisations.

SINGLE MARKET LAB

