# EU Policy Brief

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# European digital sovereignty: Combining self-interest with due diligence

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### **Summary**

\* Europe is confronted with a challenging global political environment. The digitalization of more and more areas of action and the new rivalry between the major powers lead to the demand for Europe to enhance its powers in the cyber and information space. This demand is justified (only) if it is understood in line with democratic values, multilateral principles, and in relationship to the promotion of an open society.

# **Background/Challenge**

- Worldwide networks and supply chains in the financial and trade systems, in the management of the Internet, and in the global communications order are highly asymmetric and can be used by states against political opponents.
- This has led to increased uncertainty about the opportunities and threats of global interdependence. Until recently, there was broad consensus that the interdependence promoted by the postwar order—built on the pillars of multilateralism, international law, and international organizations—offers all participants opportunities for greater prosperity, building trust and ultimately overcoming the security dilemma. This consensus is becoming more contested.
- There is a perception that interdependence is not only a promise, but also a danger. A process of "weaponization of interdependence" can be observed: Powerful states control the flow of information and resources via the nodes they dominate in the network. On many issues—from access to the world's monetary system and digital communications infrastructure to access to medicines—these instruments become a power resource when opponents are denied access.
- There is a great danger that the open multilateral order will be fundamentally called into question and a **new phase of protectionism** begins.

#### **KEY FINDINGS**

- European states can only survive in the uncertain international environment and advocate effectively for an open and liberal world order if they strengthen their **common foreign and security policy** in the context of the European Union (EU).
- An emerging narrative calls for the EU to focus on **European sovereignty**. Mark Leonard and Jeremy Shapiro of the European Council on Foreign Relations have recently argued that the EU must develop a higher degree of strategic independence from the United States (US). They call for more effective foreign policy instruments, a close linkage of security and economic policy, and ultimately a reflection on Europe's own nuclear deterrence potential.
- Such a policy shift is **not without risk**. If the current trend of the major powers turning away from multilateral institutions—such as the World Trade Organization (WTO) and the World Health Organization (WHO)—were to continue, and if Europe were also to embark on the path of unilateral pursuit of interests, the liberal world order as a whole would be threatened.
- It is therefore important to remember that prosperity and peace need a **binding European** and international legal framework with clear rules. The European Commission's approach to implementing a digital foreign policy is based on the idea of "strategic openness". It evaluates the functioning of the internal market in terms of vulnerabilities within in essential value chains. It seeks to favour allied partners in Europe's resource security.



### **KEY FINDINGS (continued)**

- Digital foreign policy today requires an alignment of European foreign (economic) policy with the values of an open society. Neither isolationism nor naive openness, but **strategic interdependence** is the order of the day. This approach has three dimensions.
- Governance dimension: Economic integration in Europe must be pursued in a way that is sensitive to its own vulnerabilities. This requires further integration in areas such as cloud computing, data sharing, key technology development, competition, and merger control. The European Commission must be vigilant with regard to foreign direct investment in strategically important sectors and protect European technological sovereignty.

Beyond the Single Market, the EU must acquire foreign and security policy competencies necessary for a digital capacity to act. This includes protection of critical infrastructures, development of joint defensive cyber capacities, a sustainable European technology policy, as well as improved cyber diplomacy capability in the European External Action Service.

- Democratic dimension: Any reconfiguration of a European foreign policy must be built on an alliance of democratic multilateralists that —unlike Europe's current foreign policy strategy—includes the US. Only together with Canada, Australia, Japan and the US will Europe be strong enough to hold its own against China and other authoritarian states in the long term.

The EU requires more supranational competencies to ensure that institutions such as the Internet Corporation for Assigned Names and Numbers, the Internet Governance Forum, and the Internet Engineering Task Force meet requirements of inclusive participation.

# **Policy Implications**

- on strategic interdependence, democratic multilateralism, and multi-stakeholder approach is in line with Europe's values and, at the same time, consistent with the functional requirements of global politics in the digital constellation.
- Calls on the EU to awaken from its political slumber and develop its digital sovereignty are justified. However, this requires a willingness on the part of the member-states to cede more extensive competencies in cyber foreign and security policy as well as in digital policy to the EU and to expand co-decision-making by the European Parliament.
- Responsible interest-based policy must not be limited to the executive self-empowerment of governments represented by the European Council, but will only gain broad social and civic acceptance if the requirements of democracy, multilateralism, and an open and liberal society are met.

#### **Further Reading**

Annegret Bendiek. (2018). "<u>The EU as a Force for Peace in International Cyber Diplomacy</u>", SWP Comment 2018/C 19. Berlin: Stiftung Wissenschaft und Politik.

Mark Leonard and Jeremy Shapiro. (2019). "Strategic Sovereignty: How Europe Can Regain the Capacity to Act", Policy Brief, 25 June 2019. Berlin: European Council of Foreign Relations.

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