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**Call for Papers "Geopolitics & Values: what is the real power of the EU?"**

**BOOSTING SOVEREIGNTY AND SHAPING RULES.**

**AT THE TIME OF COVID-19 CRISIS, THE EU CAN PLAY A LEADING ROLE IN DIGITAL TRANSFORMATION**

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**EXECUTIVE SUMMARY**

At the time being the COVID-19 crisis is exposing an international community dominated by uncertainty and national interests in which the EU is perceived as an actor incapable to protect and stand for its own values. So far, in the traditional form of hard power, the EU has not been able to play at the same level as its geopolitical competitors. However, when it comes to emerging threats such as data governance or climate-related issues, the EU could have a say in the matter and owns the necessary charisma to take the lead. COVID-19 is provoking profound transformations in our society while the EU has adopted a more ambitious geopolitical approach in international relations. This essay argues that emerging threats and new transformative trends allow the EU to strengthen its role in the global arena. Supporting the digital transformation in partner countries offers an occasion to do it.

### Short bio

Duccio Maria Tenti works as a program manager at DG DEVCO of the European Commission in the field of EU-Africa relations with a focus on Sub-Saharan continental policies and programs. He holds a bachelor in international relations from the University of Trieste and a master of science in EU politics from the London School of Economics and Political Science. Before joining, the European Commision Duccio started his professional career as bluebook trainee at HRVP Mogherini Cabinet. He covered different roles in the private sectors among which at Eni S.p.A. working on sustainable energy and climate change.

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# 1. Introduction

COVID-19 can be considered as having given a boost to digital transformation, provoking changes much faster than expected. While the pandemic was starting, the EU adopted its Digital Strategy paving the way of the EU digital policy in the years to come. Many actors look at the EU as a model in some of the key areas of digital transformation such as data governance and privacy regulation. The EU's ability to influence third countries to adopt its standards is one of the most powerful resources in EU foreign policy and it is defined as the "Brussels effect". Africa is the region of the world with the highest potential in terms of digital transformation. Whether the EU is determined to increase its influence in digital global policy, Africa is for many reasons the main target of the EU external action.

In the beginning, this essay recognizes the role of COVID-19 as a catalyst for digital transformation. Then the EU Digital Strategy and its external dimension are presented. According to this essay, the EU pursues two major interests in foreign policy for what concerns the digital agenda: protecting its sovereignty and shaping regulatory frameworks in third countries. Africa is the geographic region that offers the main opportunities for EU engagement. This essay argues that the EU cannot lose     the chance of shaping Africa's digital policy by exporting its values and norms. In the conclusions, the author will formulate a few policy recommendations to strengthen the effectiveness of the EU external action.

## 2. COVID-19 as a catalyst for digital transformation

After almost one year into the global crisis due to the pandemic, while COVID-19 is boosting digital transformation it also amplifies opportunities and threats.

As a booster, the COVID-19 pandemic leads to the increasing adoption of digital technologies in science and medical research.  Public opinion seems more willing to accept data collection for research and infection monitoring and this crisis is pushing to overcome obstacles in sharing data

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between business and governments. COVID-19 is also accelerating the digital transition of companies, public administrations, and educational institutions.

At the same time, COVID-19 crisis is highlighting the critical role of data governance and security in modern societies. Public-private cooperation in data collection and governance might bring positive effects when it comes to health issues; on the other hand, the effects of mass surveillance without adequate public scrutiny might lead to potentially negative outcomes. Moreover the increase of fake news and misleading campaigns in the political arena are weakening social cohesion, democratic values and pose a security risk for modern governments (European Commission , 2020).

Finally, the fast changes brought by the COVID-19 pandemic makes the digital divide more and more devastating for the most vulnerable and less resilient people in the society that are not fast enough to react.

# 3. The EU Digital Strategy and its external dimension

The concept of power has been discussed many times when referring to the EU. According to Nye's definition, "hard power" is the ability to use extensively military capabilities and "soft power", in this case, the EU, the one to project and shape values and norms beyond the own borders and without using coercion (Abels, et al., 2020) (Nye, 2004).

The outbreak of the COVID-19 crisis started when the European Commission (EC) published the communication "Shaping Europe's digital future" early in February 2020.

Together with the EU Green Deal, the digital agenda has been adopted as one of the two overarching priorities of the new EC and the communication is paving the way of the EU approach to digital transformation in the years to come.

The EU's Digital Strategy takes an ambitious approach toward digital technological development, as well as toward how technology will be used to meet climate-neutrality objectives.  Artificial intelligence, data strategy and impact on big tech are at the core of the new EU's Digital Strategy. The new policies and frameworks as foreseen in the communication should enable the EU     to deploy cutting-edge digital technologies and strengthen its cybersecurity capacities. At the same time, strict EU rules on the protection of consumers, the fight against unfair commercial practices, and personal data protection and privacy, continue to be a key agenda for the EU (White & Case, 2020).

As the EU is trying to place itself as a global player in the field of digitalization, the EU's Digital Strategy has a clear external dimension. With the new political impulsion of the Von der Leyen Presidency digitalization has been consolidated as a key geopolitical interest and the EC aims at making the EU a global leader in the digital world in the years to come.

The new EU Digital Strategy calls for Europe to achieve technological and digital sovereignty in some critical areas and to stand for its security. Together with cyber-attacks, fake news creation and spread have pushed the EU to accelerate the implementation of the EU Data Strategy and the White Paper on Artificial intelligence. Moreover, dependency on non-European collaborative platforms for digital infrastructure exacerbates the risk of profiling, targeting and manipulating EU citizens' data (European (European Commission , 2020).

The new EU Digital Strategy does not refer only to technology and sovereignty. The EU strategy aims at transforming the EU in a model for the digital economy, supporting developing economies in going digital and developing digital standards and promoting them internationally.  Indeed,

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many countries around the world look at the EU as a leading example in digital governance and data regulation. The EU capability to leverage its regulatory power in digitalization shaping global interactions and promoting EU interests is seen as one of its main resources in foreign policy. For this reason, the EU has a strong interest in leading and supporting international efforts when it comes to shaping global standards and creating an environment in which economic and technological development thrive in full compliance with EU law (European Commission, 2020) (European Commission, 2020).

# 4. Boosting sovereignty and shaping rules

In the field of digitalization, the EU operates in a geopolitical context that comprehends an extended variety of issues including 5G, cloud computing, data governance, internet regulation and competition policy. Facing multiple threats and issues to cope with, the EU pursues the objective of becoming a global player by boosting its sovereignty and by pushing third countries to comply with its rules.

The US remains the EU's closest partner. Cooperation in the field of digital security includes areas such as a shared commitment to stop the use of the internet for terrorist, repression and social control purposes.  However, the EU and the US are struggling to coordinate their views on what digitalization is bringing. Criticalities in their relations persist over privacy and economic competition. Finding a common position between the EU and the US over these topics should be a priority in both sides of the Atlantic but tensions remain high since policymakers are coping with a number of threats and opportunities while Big Tech companies seek to avoid any forms of stricter regulation (European Parliament, 2016).

Relations with China focus on improving access to the Chinese market for the EU's industrial actors and cooperation over the development of global standards. However, the EU-China relationship is slowing down due to the COVID-19 crisis and the debate on China's responsibility in the outbreak of the pandemic. Chinese technological equipment and components are attractive but the EU wants to move away from using Chinese suppliers for 5G networks that might pose a serious threat to EU sovereignty.

Increasing US-China divergences are an additional factor that pushes the EU to develop its digital capabilities. Indeed the EU heavily depends on the US and China in a broad range of information and communication technologies and it is squeezed in the competition between the two actors (European Council on Foreign Relations, 2020).

As a global player in international trade, the EU relies on its appeal to export its way of managing the digital transformation in line with European values and interests. Regarding trade and investment, the EC continues to address unjustified restrictions for European companies in third countries, such as data localisation requirements, and pursue ambitious goals in terms of market access, respect of intellectual property, research and development and standardisation programmes (European Commission, 2019).  At the same time the EU digital governance model inspires more and more countries and the EU has the clearest opportunity to exercise its regulatory power and shape the international environment on digital issues.

Indeed, regulatory power refers to the EU's capacity to encourage other states to follow EU practices to get access to its internal market. In the digital realm, the leading example of this effort is GDPR (the General Data Protection Regulation), which has pushed companies around the world to comply with EU standards on privacy and have encouraged similar regulations in other jurisdictions (European Council on Foreign Relations, 2020). This is the example of Japan that has

followed the EU model of data protection and for these reasons in January 2019 has received the EU adequacy decision to the GDPR. Indeed according to the GDPR rules, data transfer from the EU to third countries may only occur if they have in place an adequate level of data protection, which generally means an equivalent level as the GDPR.

# 5. Digital transformation in the EU-Africa relations

Africa is the home to nine of the world's fifteen fastest-growing economies, making the continent an increasingly attractive environment for global business investment. Internet penetration in sub-Saharan Africa has grown tenfold since the early 2000s, compared with a threefold increase in the rest of the world (International Monetary Fund, 2019). The digital economy offers a great opportunity for African business and government to seize and contribute to quality employment opportunities for around 29 million new workers entering the African economy between now and 2030 every year (OECD, 2019).

However, Africa's digital transformation faces several obstacles and the principle African criticalities persist. Infrastructure constraints, the costs of data and the lack of access to affordable energy still keep the Africa digital divide well below the average of the rest of the world.

**Global Digital Divide (percent of population, 2017)**

*Sub-Saharan Africa lags behind others regions in internet penetration but the gap is reducing rapidly*
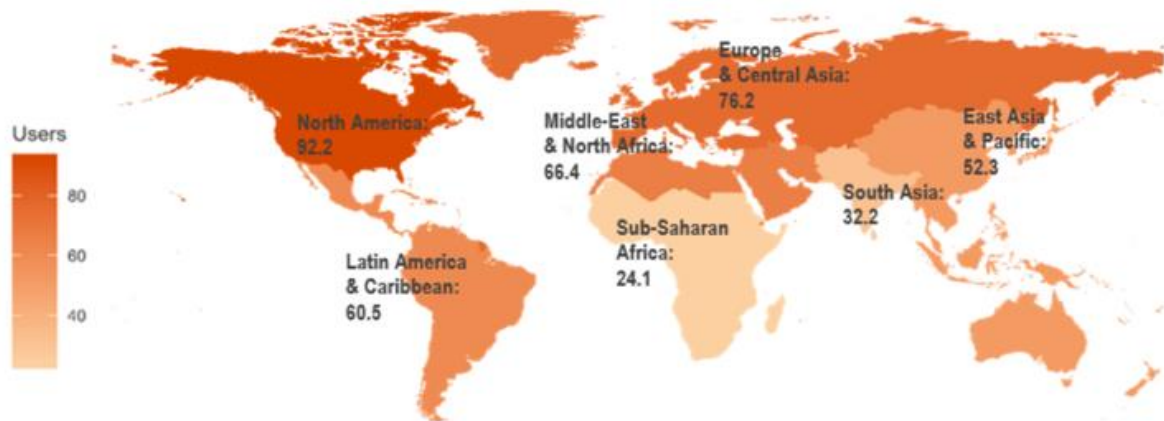


Source: (International Monetary Fund, 2019)

In February 2020, the African Union adopted its own Digital Transformation Strategy (DTS) that aims at boosting digital technologies and transforming Africa's economy. At the same time, digital transformations are also reflected as one of the five priorities of the EU Strategy with Africa that was released a month after in March 2020. The two strategies overlap in this field and they prioritize the same actions: digital transformation of public administration, increasing connectivity, fostering digital infrastructure and leveraging the digital transformation to improve education and skills.

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The EU Strategy with Africa and the AU Digital Transformation Strategy has been adopted before the outbreak of the COVID-19 pandemic and they did not take into account the effects of the pandemic. Nevertheless, we have seen as COVID-19 is a catalyst for digital transformation, and given that digitalization will become a top priority in EU-Africa relations.

Due to COVID-19, Africa-Europe economic relations could take a different turn. Europe will be hit hard by the expected global recession, but also Africa will suffer. Countries that are heavily dependent on natural resources, oil and extractive industries, such as Nigeria, Angola or Libya, risk losing a major part of their revenue (Laporte, 2020). Therefore the current crisis could also create the necessary incentives to diversify economies and boost     the digital market.

Digital is one of the priorities on which to rebuild     a new successful     relationship with Africa. African countries look at what the EU can bring to boost their digital transformation and European companies and Member States can benefit from more opportunities. Nevertheless, to be at the level of its ambition and capabilities, the EU needs to be more attractive and strengthen its efforts to solve Africa's structural weaknesses. Economic matters, geographic proximity and cultural and institutional links between Africa and the EU encourage the convergence of the two digital agendas. Given Africa's needs for external expertise and capabilities to solve its persistent criticalities and moving forward in digital transformation, the EU has the unique chance to support Africa in building its own digital future.

# 6. Conclusions

The current EU's focus on digital sovereignty has its roots in a much broader discussion about Europe's ability to protect its citizens from an increasingly hostile and challenging international environment. The financial crisis of 2009–2012, the Russian aggression in Ukraine in 2014 and the migration crisis the following year, led to an awareness of the deterioration in the EU's external circumstances (Burwell & Propp, 2020).

Together with the Nye's definition of soft power as given at the beginning of this essay, the notions of "     regulatory" and "market" power made their way to integrate and better describe how the EU shapes the international business environment by promoting regulations (Walker & Ludwig, 2017). As an example, the alignment with the EU General Data Protection Regulation standards by Japan, the EU's influence in the world has been described as the "Brussels Effect" (Bradford, 2020). Indeed, by promulgating regulations that shape world politics, elevating standards worldwide and leading to a strong Europeanization of many relevant aspects of global commerce, the EU has managed to shape policy in a broad range of areas. In this regard, the digital transformation is one of the fields in which EU power in foreign policy is more tangible.

COVID-19 pandemic is pushing digitalization faster at the top of the global leaders' agenda. While the EU is committed to protecting its digital sovereignty, its soft power in shaping the rules of the game is recognized in the global arena. As the EU looks for a new entry point into the digital race, supporting Africa's digital transformation is the best chance for the EU to build its leadership and strengthen its influence as a global leading actor.

In light of these conclusions, a few critical points expressed as political recommendations must be addressed, and are the following:

- The EU should strengthen its support to digital transformation in partner countries by adopting a comprehensive set of policies and instruments to allow a stronger and more effective intervention of the European private sector. With the adoption of the new Neighbourhood, Development and International Cooperation Instrument (NDICI), the EC establishes the European Fund for Sustainable Development +. This new budgetary instrument aims to crowd private investment outside the EU and it will be more policies and interests driven. The European business sector should be informed of the availability and functioning of this kind of instruments and initiatives via induction meetings, workshops and seminars at the Brussels level. Industry associations, corporates' government affairs departments and interest    groups should be directly involved in open and transparent consultations on how to make the most effective use of these new tools outside the EU.

- In light of the adoption of the new Multiannual Financial Framework the EU should explore the way to make its new budgetary instruments more EU interest-driven and should increase its capabilities to pledge faster funds dedicated to digital investments. In most of the case, in particular for what concerns ICT and digital innovations, the business sector loses interest in working with the EU programs and facilities because the bureaucratic machine advances slowly.

- In partner countries, the EU should establish *ad hoc* campaigns to advocate in favour of the long-term benefits and opportunities of adhering with the EU Digital Single Market and the GDPR standards. As described along with the paper, the so-called "Brussels effect" is a resource in foreign policy and the benefits of belonging to the EU system of values and norms should be communicated more strategically and appealingly by adopting a bolder attitude in communication.

- The EU has recently adopted the Team Europe approach to support partner countries in the fight against the coronavirus pandemic by combining resources from the EU, its Member States and financial institutions. The Team Europe approach should be adopted as the most appropriate way of intervention for initiatives in digitalization. The Team Europe approach represents a step ahead toward a more effective and sharp EU foreign policy in particular in the field of such geopolitical issues as digitalization is. Some Member States are not yet fully aware of the potential of the Team Europe initiative and they need to be mobilized further.

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