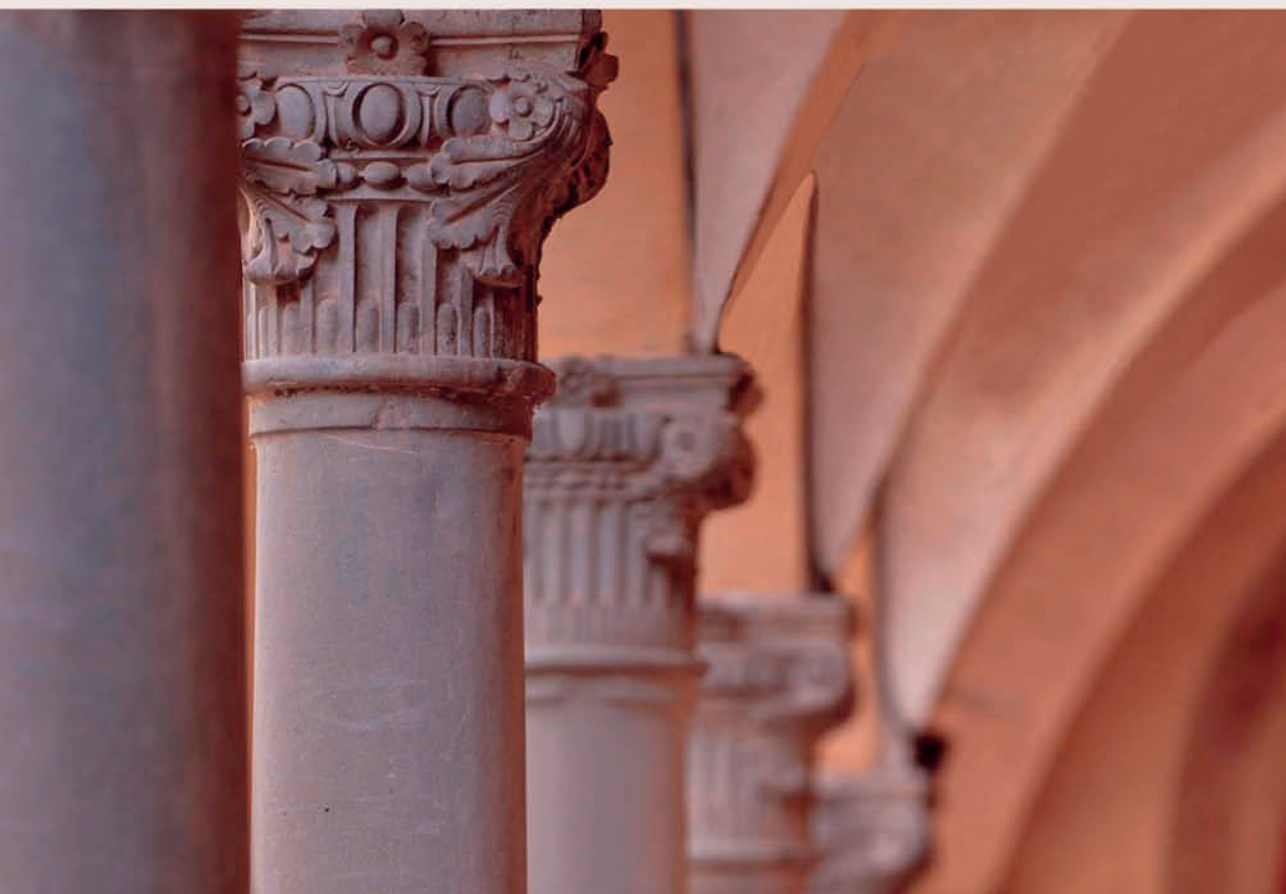


# The Political Economy of Europe's Future and Identity

## Integration in crisis mode

Edited by  
Annette Bongardt & Francisco Torres



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## Reviews

“European politicians may need to dare to take more risks” write the editors in the introduction. This rich, diverse, and well-argued book of essays by leading thinkers shines light on the priorities for taking these risks, the trade-offs to consider, and the mistakes to avoid. Anyone interested in Europe’s future should read it.

### **Ricardo Reis**

A. W. Phillips Professor of Economics. The London School of Economics.

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There have been no shortages of crises for the EU to deal with as of recently. Yet, we often forget that crises are often not just a challenging test but an opportunity. The works collected in this book are a powerful testament to that: Bongardt and Torres dissect the combination of economic and institutional crises and bring together a star line-up of authors to shed light on the political opportunities to strengthen the European project even in times of crises. This is a must-read book for all those interested in understanding the evolutionary trajectory of the EU and its capacity to adapt and address to the biggest challenges of our times.

### **Manuela Moschella**

Associate Professor of International Political Economy. Scuola Normale Superiore

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A thought-provoking collection of creative essays by extraordinary scholars that ranges far and wide to probe the European Union’s deepening as a polity--and all the contestation that comes with it. A must read for anyone seeking to chart the future of Europe.

### **Kathleen R. McNamara**

Professor of Government & Foreign Service. Georgetown University

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## **CONTRIBUTORS**

Annette Bongardt, Francisco Torres, Erik Jones, Alexandre Palma, Kalypso Nicolaidis, Sergio Fabbrini, Vivien Schmidt, Dirk Schoenmaker, Francesco Mongelli, Stefan Collignon, Amy Verdun, Anna-Lena Högenauer, David Howarth, Lucia Quaglia, Pedro Duarte Neves, George Pagoulatos, Paul De Grauwe, Roberto Tamborini, Sebastian Diessner, Michele Chang, José Tavares, Charles Wyplosz, Waltraud Schelkle, Tomasz Woźniakowski, Nazaré da Costa Cabral, Marco Buti, Marcello Messori, Hubert Zimmermann, Daniel Innerarity, Leila Simona Talani, Maria Helena Guimarães, Loukas Tsoukalis.



## **Il Ratto di Europa**

by Onofrio Pepe, maestro scultore e mitografo,  
Florence (EUI collection)

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# CHAPTER 26

## European digital sovereignty

Daniel Innerarity

### 1. Introduction: Digital deterritorialization and renationalisation

The emergence and development of the internet has been linked to expectations of deterritorialization, generating in some cases euphoria and in others unease, under the impetus of a cyberlibertarian culture or sparking debate about the most appropriate sphere for its proper regulation. As a global architecture, the internet has challenged political regulation and left little room for state intervention. The text that best expresses the deterritorialization of digital space was John Perry Barlow's (1996) "Declaration of the Independence of Cyberspace", which proclaims the arrival of a world that is everywhere and nowhere, and addresses a very strong message to those who aspire to any form of control: "You have not sovereignty where we gather".

This supposed irrelevance of states and the corresponding fluidification of the principle of territoriality were strongly influenced by the early developments of the internet, when state hierarchy and the principle of territoriality were presented as the opposite of the flexible, diffuse and adaptive constellation of the global digital network. The governance of the internet, in principle, according to its

technological infrastructures, seems to be a typical example of global governance beyond the nation state. Nation states were faced with great technical difficulties when they wanted to intervene with their regulation, which became evident very early on with data protection. The belief in the capacity of decentralised, collective and consensual regulation explained the rejection of the legitimacy of state regulation and foreshadowed the configuration of a new public space that would no longer necessarily correspond to the sphere in which the state monopoly of violence is exercised.

The debate between network and sovereignty, between the logic of connectivity and the logic of hierarchy has been ongoing, not least because the digital world has not taken one direction versus the other, but has resulted from a combination of principles that were assumed to be incompatible, giving rise to a peculiar hybridisation. The historical development of the internet also shows that state frameworks and stimuli have been a very significant factor, which has not taken place outside the legal spaces of states, their regulatory regimes and infrastructures. Classic examples of this are its birth in the American military sector or the public leadership in some innovations from which we users and companies now benefit (Mazzucato, 2013). And the European Union has developed an entire regulation of the digital space, exercising an authority that complements that of its member states and presents itself as a global reference.

Although everything related to the internet seems to challenge the categories of statehood, national boundaries and the logic of territoriality, there are phenomena that speak of a fragmentation and renationalisation, such as the issues of security, data protection and patents or the domain system, while simultaneously another territorial dimension has grown in its increasing *geo*-strategic significance. Furthermore, authoritarian states have deployed the state apparatus to control communication on the internet, providing new instruments for surveillance of the population, while liberal democracies are establishing a so-called “surveillance capitalism” (Zuboff, 2018) with equally disturbing results, even if it is not the state but the market and companies that are doing the surveillance.

Thus, we could conclude the description of this new landscape by stating that, with different procedures and strategies, states have made every effort to strengthen their legislations and increase their intervention in the digital sphere (Goldsmith and Wu, 2006). The aim was to ensure the sovereignty of states and the security of their critical infrastructures, even if this might interfere with the open and universally accessible nature of the internet, thus provoking a fragmentation that spoils the opportunities linked to this openness and has very negative economic and political impacts on those who are digitally isolated.



## 2. The concept of European digital sovereignty

It is in this context of deterritorialisation, renationalisation and geostrategic competition that the idea of a European digital sovereignty is born, at different times and with different formulations. There has been talk of “technological sovereignty” (Leonard and Shapiro, 2019), “strategic autonomy” (European Commission, 2018) and “digital autonomy” (Voss, 2020). In July 2020 the German government, in its official programme for the presidency of the European Council, announced its intention “to establish digital sovereignty as a leitmotiv of European digital policy” (The German Presidency of the EU Council, 2020). It was one of many recent moments when the term digital sovereignty was used by governments to refer to the idea that Europe should assert its authority over the digital space and protect its citizens and businesses from the various challenges facing its autonomy.

What is to be understood by such a strange term as “digital sovereignty” when both the very nature of Europe and of the digital world seem to respond to a post-territorial logic? It is an expression that combines two in principle incompatible realities: power over a territory in a deterritorialised matter, hegemony over others in a field where logics other than imposition or exclusion seem to govern. The sovereignty aspired to has very little to do with its classical meaning, linked to modern statehood and formulated as an exclusivist pretension of the European Union, which is neither a state nor a mere aggregation of states (Innerarity, 2018). In my interpretation, this version of the concept of sovereignty cannot be understood as a monopolistic and interference-free power when it comes to the global governance of digital infrastructures and technologies. My proposed interpretation is to consider sovereignty as the ability to maintain one’s own model in competition with others, to achieve both competitiveness and normative principles.

## 3. The geostrategic dimension of European digital sovereignty

The relevance of the idea of European digital sovereignty is due to the fact that it could extend beyond the borders of the Union and affect both foreign companies operating within the EU and somehow also any citizen of the world. This is a way of exercising sovereignty in an interdependent world that needs to be explained.

The digital world is a world that is inexplicable and ungovernable with the territorial delimitation of states. On the one hand, the mobility of people and goods is leading to talk of “iborders” (Pötzsch, 2015) and “biometric borders” (Amoore, 2006), through eGates and scanners, which would make it possible to identify the movement of people “remotely”, before they reach the territory of another state. This is relevant, for example, when it comes to security or health issues, for migration, climate risks or epidemics. The ideas of one’s own territory and outer space are controversial and even completely useless for many issues. The suggestion that Europe is in a process of “rebordering” (Schimmelfennig, 2021) makes perfect sense here, not only in relation to traditional forms of state borders but also to new borders across the different domains that characterise the 21<sup>st</sup> century, many of which have to do with digital space.

Governments today seek to operate in spaces outside their own territory and to redefine boundaries for which their sovereignty seemed inapplicable. Obviously, as in the old colonial logic (with respect to which it has similarities and differences), all this raises numerous problems, mainly of legitimisation. In the international order, we are witnessing a resurrection of the concept of sovereignty as a geopolitical aspiration that has set in motion a race to establish and extend one’s own sphere of influence.

Europe’s digital sovereignty is linked to a global battle over the model of digitalisation. China, the United States, Russia and the European Union now find themselves in a competition of different digitalisation models, a battle in which the shape of global markets and regulations is contested. At stake are conceptions of privacy, human rights, the platform economy and, ultimately, how markets, states and societies should relate to each other. The current trade conflicts between Europe, China and the United States go beyond purely economic issues. Digital technologies are the infrastructures of advanced societies. With digitalisation, a new kind of conflict begins in global politics over acceptable and universalisable standards. Behind the flags that are raised in geostrategic battles there is a competition of models. The USA, China and the EU represent, respectively, digitalisation as a business, as an instrument of power or as an area in which a balance of social and democratic values has to be achieved. There are big differences between Europe and China regarding human rights and political freedoms, but also between Europe and the US when it comes to privacy protection in relation to security issues.

In Europe, the term digital sovereignty is used to refer to an ordered, value-driven, regulated and secure digital sphere that meets the demands of individ-



ual rights and freedoms, equality and fair economic competition (Bendiek and Neyer, 2020). The European Commission and the Council of Europe have advocated a democratic, social and rights-based approach to digitalisation. In their various documents, technology is conceived as an opportunity for the improvement of society, which should not only be efficient but also respectful of human rights and democracy. What is thus advocated is a market that does not drive out humans, decision-making procedures that do not abandon us completely to automaticity, algorithms that do not discriminate, data understood as a common good, governance that prevents the absolute power of digital giants.

## 4. Conclusion: the externalisation of Europe

This European model is discredited on two opposing grounds: as being too self-interested and too naïve. According to the first accusation, what Europe wants to do is to internationalise its criteria in order to externalise the costs of its own adaptation and not to harm its competitiveness. However, Europe has every right to demand the universalisation of its criteria if it believes them to be appropriate, even if they are to its advantage. The fact that certain values serve its own interests does not necessarily delegitimise them.

The other accusation, that of naivety, would see this approach by the EU as damaging to its competitiveness. The reality, however, is somewhat different. Consider the issue of data protection. A demanding measure that was originally intended for the European area has been taken as a model in other legislations, adopted by non-European companies and thus ends up protecting the privacy of many citizens outside Europe. The reason for this curious protection is that global companies do not want to leave the European market. Data mobility effectively makes them subject to European regulation, which thus becomes transnational, as it is more efficient and cheaper for many companies to follow European regulations around the world than to operate according to different standards. In this way Europe *de facto* extends the territorial scope of its data protection legislation. If by sovereignty we mean the ability to assert one's own criteria externally, here we have an illustrative, albeit paradoxical, example, not so much in the logic of classical nation-state power but in line with the reality of digitalisation. This is a curious case of the “externalisation of Europe” (Bendiek and Romer, 2019) or the “Brussels effect” (Bradford, 2012).

Global interdependence requires global standards, which is an incentive for an economy whose deployment depends precisely on this standardisation being as broad as possible. In the digitalised space, the idea of sovereignty as an attribute indicating hegemony and control (absolute and exclusive over one's own territory) makes little sense. European digital sovereignty must instead be thought of as a property that includes reputation, capacity to influence and intelligent regulation. Such sovereignty can no longer be understood from the classical attributes of the nation state that could have been transferred to the pan-European level; rather, it is about complementing the Union's internal power with the battle for global harmonisation by valuing its potentially universal benefits (Floridi, 2020). In this sense, European digital sovereignty depends on making progress in the governance of global interdependence with the criteria that Europe defends and promotes.

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