

“The times in which we can fully count on others are somewhat over, as I have experienced in the past few days, [...] we Europeans must really take our destiny into our own hands.”

Angela Merkel, 2017

## Chapter I: Introduction and Contextualization

The European Union (EU) is a unique economic and political organisation due to its founding essence. The great majority of international organisations are based solely on the principle of cooperation, allowing its members to discuss, agree and commit on specific matters and objectives, nonetheless, participant States continue to have their own single voice and retain their overall decision power. The European Union goes a step beyond and not only uses cooperation in its structure but introduces a much deeper guiding principle, namely integration.

The remarkable nature of the Union lays in the notion that sovereign States have given through the signature and ratification of the European Treaties certain powers, aims and objectives to the Institutions of the Union. This means that States have forwarded their sovereignty to the EU in order to govern in specific sectors, mostly economic and monetary, either on an exclusive, shared or cooperative basis. The result is the creation of a Union that comprises a vast part of the European continent with 27 Member States, shelters over 400 million citizens, and represents a major economic power and political actor in the international sphere.

Notwithstanding, the European Union is not a closed project, as it continues to develop and adapt to internal and external challenges. The origin of today's Union dates back until after the Second World War with the vision of French Politician, Jean Monnet, one of the founding fathers, to unify the Franco-German productions of coal and steel under the coordination of a common supranational High Authority. This first initiative, which was presented during the Schuman Declaration in 1950, described the latent desire of preventing another possible war or armed confrontation between European States. As a result, the European Coal and Steel Community was founded in 1952, initiating a process of integration that allowed for the foundation of the subsequent European Communities and nowadays the unified body with judicial personality of the European Union.

History shows that the Union was not built from one day to the other, it took time. As stated by Robert Schuman (1950, p.1) “Europe will not be made all at once, or according to a single plan. It will be built through concrete achievements which first create a de facto solidarity.” The EU was firstly conceived as an economic project, which has evolved over the years to include the political and social dimensions, once the needed solidarity, willingness, ambition, and purpose were present. It is without a doubt that, because of this, the Union has moved slowly and even had to take a step backwards at certain moments before stabilizing. Nonetheless, the European project has always moved on and continues to be built.

In this sense, the European Union has deepened its Agenda in a wide range of issues including the protection of the environment, external relations, military, and defence or the promotion of its values. This is a response caused by the commitment of Member States to pursue a stronger European position, as in today's world no European country can face domestic and foreign challenges alone. Moreover, this idea is the guiding principle defended by former High Representative of the Union for Foreign Affairs and Security Policy (HR/VP), Federica Mogherini, in the EU Global Strategy, which receives the title of: *Shared Vision, Common Action: A Stronger Europe. A Global Strategy for the European Union's Foreign And Security Policy*. In other words, more Europe is needed, and it is needed now.

When thinking about the future, one element that notoriously stands out are the new technological and digital mechanisms. These factors are present in both the private and professional realm and will design the future of economies and ultimately the power and influence of States. It is therefore not surprising that the People's Republic of China has invested a considerable amount of its GDP in financing digital research, development, and innovation. Moreover, it has developed highly ambitious internal and external strategies

of digitalisation, making a strong approach towards the European Union and its Member States, actions that have set off the alarms in the United States.

If the EU wants to pursue its strategic autonomy and persist in today's international sphere, as Chancellor Merkel (2017) highlighted during a G-7 summit, it is time for the EU to take its own destiny into its own hands. The Union needs to have a united front and develop a community strategy towards China's digital advancement. Furthermore, it has to decide whether it wants to continue being solely the game board for other digital powers' confrontations or evolve as a referee or as an important player.

## 1. Study Research

In June 2016 former HR/VP, Federica Mogherini, presented the European Global Strategy (EUGS) which replaced the European Security Strategy of 2003. The new doctrine addresses the security and defence approach of the Union and its Member States in order to protect its civilians, engage in cooperation with third countries and organisations and positively respond to threats. Moreover, it puts the main focus in achieving the strategic autonomy of the EU, which becomes a guiding objective in the development of future actions. This Strategy comes as a much-needed response towards a series of external challenges and events such as the economic crisis of 2008, the refugee crisis, social integration concerns, terrorist attacks or the surge of armed conflicts in certain regions of the world, that have shaken the Union's security and stability. In addition, the document is presented shortly after the result of the Brexit referendum, notifying the departure of Great Britain from the EU in the following years. Therefore, it becomes clear that the Union has to rethink its own Agenda and start acting consciously in order to promote a common direction.

Besides the difficulties and obstacles, these episodes have triggered community initiatives and doctrines in numerous affairs as to pursue a more united and stronger Europe. This is clearly visible in the six objectives set out by the current European Commission for 2019-2024, which address issues that are vital to guarantee the proper progress of the Union and consolidate it as a major power with strategic autonomy. One of the priorities is "*a Europe fit for the digital age*", focused on delivering a digital strategy in order to adapt European countries for a new generation of technologies. This is a very significant approach for one simple reason, the future will go hand in hand with digitalisation. Even though it cannot be precisely predicted how fast technology will evolve or the scope of influence it might reach, the reality shows that the defence and security, economic, social, and political spheres cannot be conceived without digital or technological tools. It is therefore unquestionable that the Union has to take action in this realm and strengthen its position towards the outside world. More precisely in its own digital strategy towards China, which, as a major economic power and its ongoing rivalry with the United States, will have a considerable influence in the future evolution of global affairs. Taking this into consideration, it is of significant interest for the Union to have a united and precise approach towards a country that is already in the playing field seeking its position. The EU has to decide whether it just wants to remain silent or participate.

## 2. Purpose and Motives

The purpose of this Final Thesis is to analyse the European Union's digital strategy concerning today's most important rising technological giant, the People's Republic of China (PRC). This country has developed over the last years a number of initiatives regarding digitalisation such as the New Digital Silk Road (DSR) or Made in China 2025, which have and will have a world-wide impact, including the EU and its Member States. Furthermore, it also generates an open confrontation with the United States as the main rival, dividing the countries, including Europeans, between two technological powers and their disputes in the search of a hegemonic position. In this sense, the European Union needs to review its own digital strategy in relation to China, which already knows the advantages of dividing the Union and addressing Member States individually in an attempt to reach agreements faster and easier than dealing with a united EU. It is visible that the PRC has a clear mind of what it wants and what it wants to pursue, the EU might however still have to transform its words into action or strong strategies.

The aim is to provide, an analysis of four possible scenarios –*board game, referee, player* and *hybrid*– that will depend on the type of strategy the Union might choose, highlighting what the possible combinations are between them and what strengths and opportunities each of them offer. This will be based on the previous analysis of eight internal and external drivers chosen from the contextualization and state of the art sections and which play an important role in building the EU's approach towards China.

In regard to the selection of this specific topic for the Master's Thesis, a total of three motives have driven the author to carry out an analysis of the Union's digital strategy and the future possible scenario with respect to China.

First of all, as an International Relations (IR) and Translation and Interpretation graduate, the author has been studying the evolution of game power between countries, the different relationship and alliances that have been forged or the important events of global affairs since the very start of her academic path. In this sense, one country that has been present in many lectures due to its influence, growing power and influence of future world impact is the People's Republic of China. The Asian country has emerged as a main actor in the international sphere. Beyond occupying one of the permanent seats at the United Nations Security Council that allows Beijing to control the international intervention in specific security related issues, China has evolved to become the second economy in the world and invest heavily in foreign investment. Most precisely, its focus during the last years in developing digital and technological strategies that go hand in hand with state-owned enterprises makes it a much more interesting and relevant subject to analyse.

Secondly, by orientating her International Relations Studies in the realm of Security and Foreign Affairs and wider deepening her knowledge through the enrolment in a Master's Degree of the European Union, the author has mainly focused on topics concerning foreign relations and security aspects of the Union. The current crisis originated by the COVID-19 pandemic has highlighted more than ever that digital technology is a vital element for the present and an indispensable mechanism for the future. States need to develop an approach in digitalisation if they want to effectively responds against threats, challenges and enjoy also possible opportunities. In this sense, the European Union has already recognized the importance of this topic by introducing the Commission's objective *a Europe fit for the digital age*. However, a much more united digital strategy needs to be adopted towards China if the Union wants to continue its search for strategic autonomy and become an actor with a strong voice in the international sphere rather than the game board for the other powers' rivalry.

Lastly, the author knows the relevance of performing research analysis of matters that have a direct impact on the targeted study. In this case, the European Union, and how the possible evolution of events might affect the strength, evolving, and even survival of the chosen target. Therefore, reviewing the Union's digital strategy and its approach towards China, one of the main digital and technological giants (Cheong, 2020), is of strict importance. Not only because it concerns security issues of the EU but because it addresses the evolution and future prospects of the Union, with each future scenario having different results in either weakening or strengthening its position as an international actor.