

SHAPING THE DIGITAL BATTLEGROUND: EUROPE'S STRATEGY FOR GLOBAL TECH GOVERNANCE

Policy Brief
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EXECUTIVE SUMMARY

The global digital landscape is rapidly evolving, with tech giants consolidating power at an unprecedented pace. Since Donald Trump's return to office, the digital governance race has intensified, with the US doubling down on its market-driven model and China expanding its state-controlled digital ecosystem. This escalation threatens the EU's ability to shape the global digital order. The EU must take decisive political action to reinforce its regulatory framework and lead the world in defending democratic digital governance. Without proactive leadership, the EU risks being sidelined by US corporate dominance and China's digital authoritarianism. If the EU does not demonstrate its ability to

regulate the tech industry effectively, it will likely lead to the conclusion that the governance of the digital economy is dominated either by authoritarian regimes (like in China) or by private tech companies (in the US and the EU), rather than by democratic governments.

This policy brief, based on **Ingrid Schneider's** recent policy paper for **the Center for the Governance of Change**¹, outlines the urgency of the issue and provides actionable recommendations to secure the EU's position in digital governance. It argues that **the EU must move from being a regulatory superpower to a strategic digital leader through two pillars of action:**

PILLAR #1



INTERNALLY:
Building An Effective
International Digital
Policy Strategy

- 1) Personify EU's digital leadership
- 2) Promote fundamental rights, values and European regulatory standards through effective enforcement

PILLAR #2



EXTERNALLY:
Building And Reinforcing
Digital Partnerships With
Like-Minded Countries

- 3) Enhance multilateral cooperation and various digital governance coalitions in the Global North and South
- 4) Reinforce the Global Gateway program

BACKGROUND:

DEMOCRATIC AND DIGITAL SOVEREIGN GOVERNANCE AT RISK

The EU has long been recognized for its strong regulatory framework in digital governance, with landmark policies like the GDPR, AI Act, DMA, and DSA. However, it now faces a dual challenge:

- externally, it risks being sidelined in the global digital governance race, forced to decide whether it remains just a referee or becomes an active player²;
- internally, growing calls for deregulation argue that reducing regulatory burdens could enhance competitiveness.

While regulatory efficiency is crucial for innovation, the key to securing the EU's digital leadership lies not in deregulation but in building strategic alliances that reinforce its regulatory model.

The push for regulatory simplification has gained momentum, particularly following the Draghi report³. In response, the European Commission's Competitiveness Compass seeks to reduce administrative burdens, streamline bureaucracy, and improve efficiency⁴. However, while simplification is necessary to foster innovation and investment, there is an ongoing debate over whether it could lead to broader deregulation, potentially undermining the EU's ability to enforce consumer protection, environmental standards and other societal interests. Weakening regulatory standards could leave European markets vulnerable to foreign corporate dominance, undermining the EU's ability to enforce digital sovereignty and maintain its rights-based governance model. The recent withdrawal of the AI Liability Directive and ePrivacy Regulation signals a shift that risks eroding the EU's credibility as a global standard-setter.

At the same time, geopolitical pressures are intensifying. A second Trump administration, closely aligned with American tech oligarchs, is increasingly attacking the EU's digital laws under the pretext of defending free speech. This shift threatens to weaken the EU's ability to maintain its regulatory autonomy, especially as major tech companies push for deregulatory measures that favor their business interests⁵. Additionally, China continues to expand its digital influence through its Digital Silk Road, exporting its state-driven model of digital governance. These dynamics create an urgent need for the EU to strengthen alliances with like-minded partners who share its commitment to democratic digital governance.



TOWARDS SOLUTIONS: BUILDING AN EFFECTIVE INTERNATIONAL DIGITAL POLICY STRATEGY

Rather than diluting its regulatory standards in the face of competitiveness concerns, the EU must reinforce its leadership in digital governance by actively forging strategic alliances with like-minded states across the Global North and South. While the Draghi Report highlights the need to reduce Europe's dependence on foreign tech platforms and strengthen its digital sovereignty, its recommendations have focused too narrowly on internal measures, overlooking the necessity of outward-facing strategies that position the EU as a global leader in digital governance.

As geopolitical tensions escalate and regulatory challenges mount, the EU cannot shape global digital norms in isolation⁶.

To safeguard its interests, values, and global reputation, the EU should integrate its fundamental rights-based, open-market and human-centric approach into its alliances, partnerships, and multilateral organizations.

Strengthening alliances with partners who share its democratic values and regulatory principles will not only expand the EU's influence but also help build a more open, competitive, and secure digital environment

worldwide. In an era where technology is increasingly contested and weaponized⁷, enhancing the digital sovereignty of like-minded countries will also reinforce the EU's own resilience, protecting allies from cyber threats, foreign influence, and technological dependencies that could undermine collective security and economic stability.

To shape global norms effectively, the EU must capitalize on the Brussels Effect⁸, ensuring that its regulatory frameworks set de facto international standards. The global adoption of GDPR principles has already demonstrated this potential, but additional efforts are needed to align regulatory approaches with strategic partners in AI ethics, cybersecurity, antitrust policy, and data governance. By fostering regulatory convergence, the EU can create a more predictable and interoperable global digital landscape, strengthening its position as a standard-setter rather than a passive rule-taker.

However, to achieve global credibility, the EU must demonstrate rigorous enforcement of the digital regulations enacted in the last legislative period. A fragmented or inconsistent application of these rules would weaken the EU's ability to lead by example.

In conclusion to secure its position in global digital governance, the EU must transition from a regulatory superpower to a strategic digital leader. To do so, two action pillars need to be considered:



**PILLAR #1:
Building An Effective International
Digital Policy Strategy**



**PILLAR #2:
Building And Reinforcing Digital
Partnerships With Like-Minded
Countries**



PILLAR #1

BUILDING AN EFFECTIVE INTERNATIONAL DIGITAL POLICY STRATEGY

RECOMMENDATION 1)

Personify EU's digital leadership

Developing a comprehensive and unified digital policy requires strong digital guidance—one that is both visible and personified by:

- ✔ **Appointing a special representative, envoy or ambassador-at-large for digital affairs** to provide political leadership, synergize the EU's efforts, articulate core concerns and foster dialogue with partner countries. The appointee should serve as a bridge-builder between the different Commission portfolios—such as trade, internal market, tech sovereignty and economic affairs and utilize the EU delegations to identify key issues influencing partners' digital policies. He or she should also represent the EU in all international forums on digital matters, ensuring a unified and strategic voice. Their work should fall under the joint supervision of the Executive Vice-president of the European Commission for Technological Sovereignty, Security and Democracy, Henna Virkkunen, and High Representative for Foreign Affairs and Security Policy, Kaja Kallas, ensuring alignment with the EU's digital policy objectives and technological competitiveness.
- ✔ **Expanding the network of digital attachés in key EU delegations** (US, China, Brazil, India, Mexico, South Africa, Indonesia and others) to ensure effective communication and alignment with allies, as well as provide support for third countries looking to align their digital policies with European standards.
- ✔ **Enhancing the role of European Parliament committees** in promoting EU digital norms by engaging in regulatory discussions with global partners through foreign affairs, civil liberties, industry committees, and inter-parliamentary forums.⁹

RECOMMENDATION 2)

Promote fundamental rights, values and European regulatory standards through effective enforcement

To achieve global resonance, the EU must implement at home its digital regulations in a comprehensive, coherent and consistent manner by:

- ✔ **Ensuring horizontal coordination** between the different Directorates-General (DGs)—including DG COMP, DG CONNECT, DG JUST and DG TRAD—as well as **vertical collaboration** with regulatory agencies—such as the European Data Protection Supervisor (EDPS)—and national authorities in charge of implementing digital regulations to achieve cross-compliance¹⁰.
- ✔ **Providing adequate funding and competent workforce** for new EU agencies like the AI Office to implement the AI Act and other legislative frameworks effectively.
- ✔ **Providing technical support and guidance** to businesses, particularly SMEs, to help them comply with legislative requirements.





PILLAR #2

BUILDING AND REINFORCING DIGITAL PARTNERSHIPS WITH LIKE-MINDED COUNTRIES

RECOMMENDATION 3)

Enhance multilateral cooperation and various digital governance coalitions in the Global North and South

The EU is not alone in its efforts to regulate digital markets and the unchecked power of global tech giants. Strengthening partnerships with like-minded democracies and emerging digital economies globally can significantly support the EU's "third way" digital governance strategy by:

- ✓ **Intensifying current partnerships to foster a safe and inclusive digital space** with Japan, South Korea, Singapore, and Canada, fostering mutual exchange about best practices and assessment of regulatory experiences, and expanding these partnerships to more like-minded countries.¹¹
- ✓ **Forming various coalitions with regional, state and non-state actors based on shared support for specific policy frameworks**, such as the human-centric digital transition or digital public infrastructures. The members of each coalition should be engaged in proper consultations and peer-review mechanisms, embracing others' ideas to develop more inclusive and globally aware digital policies¹².
- ✓ **Adopting a proactive role in multilateral forums and trade agreements**, ensuring that digital chapters reflect its values and priorities. The Follow-up- und Review-Process of the UN's Global Digital Compact will be a forum for the EU to engage more and to safeguard human rights standards, multistakeholder collaboration and public digital infrastructures.¹³
- ✓ **Replicating the successful framework of the EU-Latin America and Caribbean Digital Alliance¹⁴** by initiating similar partnerships with the African Union and ASEAN. Focus on capacity-building to help develop digital skills and infrastructure in local economies, work together to develop regulations that promote fair competition and consumer protection, and promote joint initiatives for research and development in digital technologies.

RECOMMENDATION 4)

Reinforce the Global Gateway program

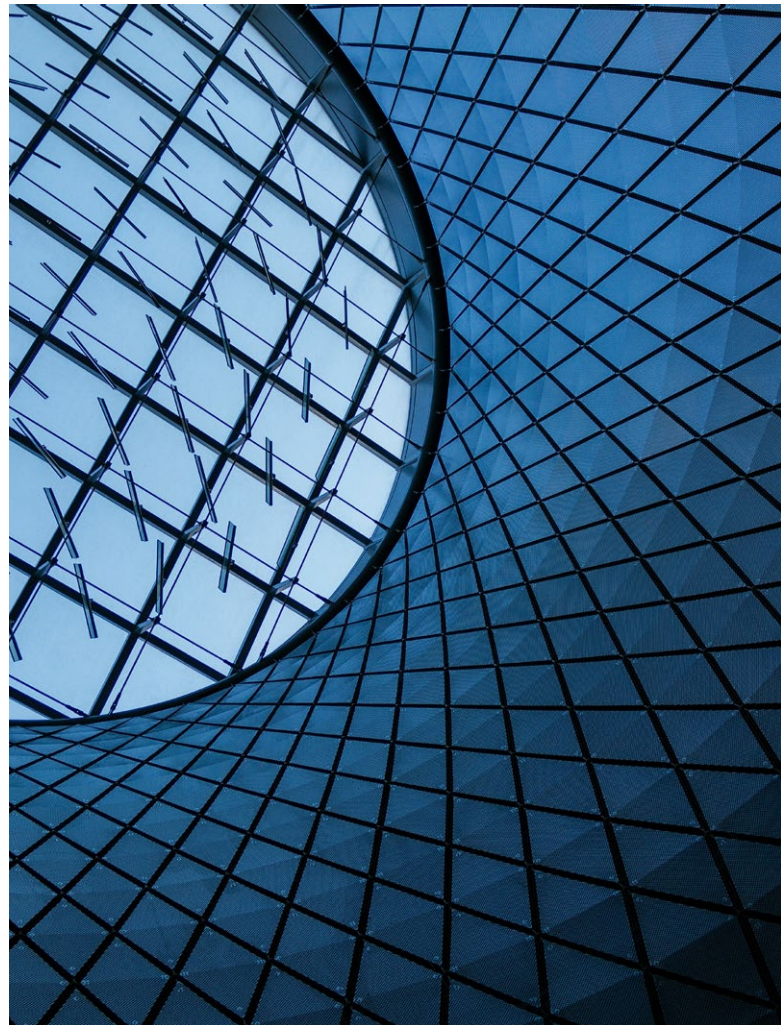
The Global Gateway program has come under substantial criticism for being predominantly aspirational and for its heavy reliance on existing programs.¹⁵ This reliance raises concerns about its capacity to offer a genuinely competitive counterbalance to China's Digital Silk Road. The EU should reinforce this program by:

- ✓ **Incorporating a robust regulatory component** linked to the EU's digital policy and digital diplomacy objectives in close collaboration with partner countries to support rules-based institutions.¹⁶
- ✓ **Prioritizing investments in strategic corridors**, which have proven effective in enhancing regional connectivity and economic integration. Increasing investments in AI and semiconductors, and complementing these with digital connectivity projects, can further amplify the effectiveness of these corridors.¹⁷
- ✓ **Establishing comprehensive regulatory and technological cooperation frameworks that extend beyond mere physical infrastructure.** Allocating funds for scientific cooperation and technology development is crucial. Additionally, strengthening connections with civil society organizations will foster sustainable and inclusive partnerships, reinforcing the EU's strategic objectives globally.



ENDNOTES

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It is based on the first policy paper of the package, authored by Ingrid Schneider: *“Reclaiming Digital Sovereignty: The EU’s Role in the Geopolitics of Digital Governance”*, IE CGC, February 2025.

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