

## **European Strategic Sovereignty and technological challenges. Italy and Europe in the new global Tech War (*Sovranità Strategica europea e sfide tecnologiche. Italia ed Europa nella nuova Tech War globale*)**

**A project carried out by ECFR Italy – Italian Office of the European Council on Foreign Relations (ECFR)**

### ***Project description***

The debate on *how* to enhance European capacity to act is still ongoing, yet Europeans – policy and decision makers in EU countries and EU and multilateral institutions as well as citizens – do agree on the necessity to foster Europe’s ability to make its own decisions and protect its own interests in a highly competitive geopolitical environment. The challenges Europeans face every day, even more so after the breakout of the war in Ukraine, do highlight the urgent need to enact European capacity to negotiate within an interdependent international system, and to take countermeasures against the actors threatening the rule-based order.

Against this complex backdrop, the project **European Strategic Sovereignty and technological challenges. Italy and Europe in the new global Tech War (*Sovranità Strategica europea e sfide tecnologiche. Italia ed Europa nella nuova Tech War globale*)**, carried out by the Rome Office of the European Council on Foreign Relations with the support of the Italian Ministry of Foreign Affairs and International Cooperation, has explored the evolution and potentialities of European capacity to act in two areas where European strategic sovereignty has proved to be increasingly focal in today’s interconnected world: **technology and resilience to economic coercion**.

Indeed, technology has increasingly turned into a primary geopolitical battlefield, with countries and global companies competing to develop and control new technologies, stemming from the awareness of how these increasingly represent the very basis of the economic, political, and normative power. The tensions between US and China, among others, and Europe’s uncertainty in crafting its tech power is generating several challenges, but it is also leading to new opportunities. At the same time, possible threats to Europe and its sovereignty also increasingly come from the economic and trade sector, and that is why Europeans are feeling the increasing and urgent need to enhance their resilience against economic coercion.

In this complex and evolving scenario, ECFR has gathered Italian and international experts, officials and representatives from the public and private sector to deal with timely issues such as technological competition, geopolitics of tech and the challenges and opportunities for European strategic sovereignty sparked by the new tech area; and to discuss possible tools to enhance European resilience and strategic sovereignty vis à vis economic coercion.

### ***Project Activities***

- ***Conference in Turin***

The conference “**Great Powers and Technological competition. What role for the EU?**” was held in Turin, on **April 28-29<sup>th</sup> 2022**. The event, supported by the Italian Ministry of Foreign Affairs and International Cooperation and by Fondazione Compagnia di San Paolo, was held in cooperation with Comando per la Formazione e Scuola di Applicazione dell'Esercito- Centro Studi Post Conflict

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Operations and CeSPI, and was joined by Italian and international experts, officials and representatives from the private sector and from the military.

The event was inaugurated by a dinner discussion on “**Technological competition and the new security order: for a Geopolitical EU**”, with **Alberto Anfossi**, Secretary General, Fondazione Compagnia di San Paolo; **Roberto Baldoni**, Director General, National Cybersecurity Agency; **Deborah Bergamini**, Undersecretary of State, Presidency of the Council; **Jeremy Shapiro**, Research Director, ECFR; **Alessandro Speciale**, Head of Rome Office, Bloomberg; **José Ignacio Torreblanca**, Head, Madrid Office and Senior Policy Fellow, ECFR.

The following day, the conference was structured around three panels. **Laura Carpini**, Head Cyber security & policies Department, Ministry of Foreign Affairs and International Cooperation; **Diego Ciulli**, Head of government affairs and public policy, Google Italy; **Susi Dennison**, Director, European Power Program, ECFR; **Antonio Missiroli**, former NATO Assistant Secretary-General for Emerging Security Challenges; and **José Ignacio Torreblanca**, Head, Madrid Office and Senior Policy Fellow, ECFR, discussed **EU tech sovereignty in the age of great power competition**.

**New military technologies and defence cooperation** were the core of the second panel’s discussion, joined by **Sandro De Poli**, Chairman of The Board, Avio Aero; **Antonio Del Gaudio**, Col, Director & Commanding Officer, Post Conflict Operations Study Centre; **Dr Sophie-Charlotte Fischer**, Senior Researcher in the Swiss and Euro- Atlantic Security Team, Center for Security Studies (CSS), ETH Zurich; **Andrea Gilli**, Senior Researcher, NATO Defense College; **Carla Hobbs**, Programme Manager, ECFR Madrid.

In the last panel, **Gabriele Carrer**, Journalist, Formiche.net; **Massimo Deandreis**, General Manager, S.R.M. Economic Research Center related to Intesa Sanpaolo Group; **Kristina Kausch**, Senior Resident Fellow, The German Marshall Fund of the United State; **Elisabetta Romano**, CEO, Telecom Sparkle; **Arturo Varvelli**, Head, Rome Office and Senior Policy Fellow, ECFR, explored **connectivity and infrastructure competition in the broader Mediterranean**.

The conference was closed by the remarks of **General Claudio Graziano**, Chairman of the European Union Military Committee, joining the event in videoconference from Brussels.

- ***Dinner discussion in Rome***

A second dinner discussion, held **in Rome on June 7<sup>th</sup> 2022**, was the occasion to delve into how Europe can address the costs of economic coercion, thus enhancing its resilience. ECFR members of the Task Force for Strengthening Europe Against Economic Coercion **Jonathan Hackenbroich**, **Policy Fellow** and **Filip Medunic**, Lead Coordinator, discussed this topic and analysed the characteristics and feasibility of an EU Anti-Coercion Instrument (ACI) with **Vincenzo Celeste**, Director General for Europe and International Trade Policy, Italian Ministry of Foreign Affairs and International Cooperation.

The discussion was joined by **Riccardo Alcaro**, Research Coordinator and Head, “Global Actors” Programme, Istituto Affari Internazionali (IAI); **Andrea Barbaria**, Head, Market Access and Trade Defence Unit, Italian Ministry of Foreign Affairs and International Cooperation; **Andrea Ciommi**, Head of Institutional Relations, CNH Industrial; **Gerardo Pelosi**, Journalist, Il Sole 24 Ore; **Enrico Petrocelli**, Head of Institutional Relations, Cassa Depositi e Prestiti; **Nicoletta Pirozzi**, Institutional Relations Manager and Head, “EU, Politics and Institutions” Programme, Istituto Affari Internazionali (IAI); **Alessandro Speciale**, Rome Bureau Chief, Bloomberg; **Arturo Varvelli**, Head of the Rome Office and Senior Policy Fellow, ECFR.

The discussion mainly revolved around what Europe could do to increase its resilience when threatened by or suffering from economic coercion and interferences in its sovereign choices. In order to craft a proper strategy, the need to outline and properly describe the nature of coercive measures was highlighted as one of the main points for discussion.

Among the suggested tools that Europe could adopt to increase its resilience, the implementation of an Anti-Coercion Instrument (ACI), the institution of an EU office for economic resilience, a reform of the EU Blocking Statute and the creation of a European export bank were mentioned.

The ACI, a tool on which the European Commission is currently working, has been described as a response to the use and weaponization of trade and economic coercion against Europe. As such, it is regarded as an update of the EU toolbox to protect EU strategic autonomy and choices and represents an instrument to guarantee a level playing field while also supporting socio-economic sustainability and defending some European critical industries.

During the discussion, the defensive nature of ACI was highlighted: rather than a first-strike, everyday tool, it should be a reactive mechanism to implement in case of need, while always trying to preserve European multilateral approach to trade. This overall framework justifies the need to stick to qualified majority (rather than unanimity) to apply it, and the need for it to be adequate, timely, dynamic, proportionate, and feasible.

The ACI is unveiling some tensions within the EU: while some countries such as Italy, France and Poland are pushing for ACI's implementation, others such as Sweden, Finland, Ireland, Netherlands, and Baltic states are very cautious and highlight how the ACI could be easily turned into a foreign policy tool, an outcome they would want to prevent. As such, these countries are calling for a different kind of solidarity, compensation, and mitigation measures to address the effects of economic coercion. The most radical countries against the ACI also correspond to the most Atlantist ones, thus reflecting the tension between the EU and the US in this domain.

## GREAT POWERS AND TECHNOLOGICAL COMPETITION WHAT ROLE FOR THE EU?

TURIN

April 28<sup>th</sup> -29<sup>th</sup> 2022

AGENDA

**28 APRIL 2022**

**Venue: Hotel NH Carlina (Piazza Carlo Emanuele II, 15)**

**20:00-22:00 Dinner Discussion “Technological competition and the new security order: for a Geopolitical EU”**

**Welcome remarks: Alberto Anfossi**, Secretary General, Fondazione Compagnia di San Paolo

**Co-Chairs: Alessandro Speciale**, Head of Rome Office, Bloomberg; **José Ignacio Torreblanca**, Head, Madrid Office and Senior Policy Fellow, ECFR

*Speakers:*

**Roberto Baldoni**, Director General, National Cybersecurity Agency

**Deborah Bergamini**, Undersecretary of State, Presidency of the Council

**Jeremy Shapiro**, Research Director, ECFR

**29 APRIL 2022**

**Venue: Circolo Ufficiali (Corso Vinzaglio 6)**

**9:00- 9:15 Welcome remarks**

**Nicolò Russo Perez**, Head, International Affairs Programme, Fondazione Compagnia di San Paolo

**Arturo Varvelli**, Head, Rome Office and Senior Policy Fellow, ECFR

**9:30 -11:00 Session 1**

**“Weaponized interconnections: bolstering EU tech sovereignty in the age of great power competition”**

*In the rising global competition, interconnections – from energy dependence to technology up to financial transition systems – are becoming an instrument of coercion and conflict between powers, as demonstrated by the relations between the EU and Moscow after the Russian attack against Ukraine. Throughout history, technological innovation has been a decisive factor in the struggle for power between states and has played a key role in the rise of the West to global hegemony. In recent years, however, technology has begun to spread at an unprecedented rate, empowering a wide range of non-*

*Western powers, from China to Russia, while at the same time eroding Western technological advantage. In this framework, building its technological sovereignty will be crucial for the EU to play a proactive geopolitical role and avoid losing relevance on the international stage.*

**Chair: Susi Dennison**, Director, European Power Program, ECFR

**Speakers:**

**Laura Carpini**, Head Cyber security & policies Department, Ministry of Foreign Affairs and International Cooperation

**Diego Ciulli**, Head of government affairs and public policy, Google Italy

**Antonio Missiroli**, former NATO Assistant Secretary-General for Emerging Security Challenges

**José Ignacio Torreblanca**, Head, Madrid Office and Senior Policy Fellow, ECFR

**\*15 min break\***

## **11:15 - 12:30 Session 2**

### **“The future was yesterday: new military technologies and defence cooperation”**

*As the nature of international relations becomes more complex and volatile, so are security dynamics and defence requirements, with a direct repercussion on how states mobilize and employ coercive measures, as well as on the way the Defence Industry adapts and reframes its role. The emergence and spread of advanced technologies such as AI, Quantum computing and hypersonic propulsion are already affecting international military capabilities and may soon alter the global distribution of power. With the current EU leadership considering a solid defence industry instrumental in forging a stronger geopolitical role, much emphasis should be placed on deeper intra-EU cooperation, increased investments, better public-private integration and clearer defence goals both by states and by Brussels itself. The urgent necessity of European action in this area is made even more evident by the Russian invasion of Ukraine and threat to European security.*

**Chair: Carla Hobbs**, Programme Manager, ECFR Madrid

**Speakers:**

**Sandro De Poli**, Chairman of The Board, Avio Aero

**Antonio Del Gaudio**, Col, Director & Commanding Officer, Post Conflict Operations Study Centre

**Dr Sophie-Charlotte Fischer**, Senior Researcher in the Swiss and Euro- Atlantic Security Team at the Center for Security Studies (CSS), ETH Zurich

**Andrea Gilli**, Senior Researcher, NATO Defense College

**\*Lunch 12:30 -13:30\***

### 13:30-14:45 Session 3

#### **“Connectivity and infrastructure competition in the broader Mediterranean”**

*In light of its geo-strategic significance, the Mediterranean has become one of the major hubs in the world in terms of infrastructural development and competition. Infrastructures, both physical and digital, remain crucial for today’s globalised economy, playing a vital role in fostering economic growth, energy security, sustainability, and job creation. In the wake of the Covid-19 outbreak, the great game for regional infrastructures will focus on addressing the fragility of global supply chains and the disruption of commercial routes, improving connectivity, and making sure sustainability and the digital boom prompted by the pandemic become the main benchmarks. Moreover, the crisis in Ukraine is pushing Europe to urgently review its energy security, freeing itself from Moscow and putting relations with the gas supplier countries of the MENA region back to the centre. For Europe to succeed, a pro-active approach which views infrastructures as an integral part of its economic and geopolitical agenda in the region will be necessary.*

**Chair: Gabriele Carrer**, Journalist, Formiche

**Speakers:**

**Massimo Deandreis**, General Manager, S.R.M. Economic Research Center related to Intesa Sanpaolo Group

**Kristina Kausch**, Senior Resident Fellow, The German Marshall Fund of the United State

**Elisabetta Romano**, CEO, Telecom Sparkle

**Arturo Varvelli**, Head, Rome Office and Senior Policy Fellow, ECFR

**14:45- 15:00 – Final remarks by General Claudio Graziano**, Chairman of the European Union Military Committee (*video conference*)

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## GREAT POWERS AND TECHNOLOGICAL COMPETITION WHAT ROLE FOR THE EU?

TURIN

April 28<sup>th</sup>-29<sup>th</sup> 2022

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## GREAT POWERS AND TECHNOLOGICAL COMPETITION

### WHAT ROLE FOR THE EU?

Turin – April 28<sup>th</sup> -29<sup>th</sup> 2022

#### Conference report

##### ***Technological competition as an increasingly defining feature of EU-US relations***

Despite presenting the features of a conventional twentieth-century military conflict, the war in Ukraine is also accelerating dynamics related to new forms of conflict, such as technological competition. Indeed, our technologically hyperconnected world is leading countries to increasingly carve out their *tech spheres of influence* by allying with like-minded partners and exclude their systemic rivals. This digital power battle will result in tech supremacy being the new marker of global competition in the next future. What can the EU do to navigate this intricate web of digital friends and foes?

As an economic project based on the free circulation of goods, services and people, the EU initially envisaged a special role for technology in the functioning of its Single Market. Indeed, due to its ability to keep devices, systems and services connected and interoperable, technology became to be understood as crucial in maintaining the competitiveness of Community industries in the internal market. While ten years ago, technology was a sort of good, and geopolitics and technology mainly were two separate realms, nowadays technology has become a key geopolitical tool and asset for global actors to achieve their goals. Indeed, today the cyberspace is becoming increasingly filled with threats, ranging from attacks to critical infrastructure, democratic processes, and even threats to personal health and safety. This, in turn, has spurred a fierce battle among global actors towards the achievement, most of the times at each other's expense, of technological primacy: he who owns the technology, owns the world.

Two recent examples encapsulate these dynamics. Following the Russian invasion of Ukraine, Western countries have announced high-tech sanctions aimed at suppressing the production of weapons technology and ensure that Russia is decoupled from the global economy. Indeed, the exclusion of the country from global high tech value chains is deemed to be an effective measure to potentially deny Russia a future as modern economy. In a similar way, the EU Digital Market Act and Digital Services Act are now increasingly being used as geopolitical tools against business models that are threatening to Europe. Here, the bulk of the EU's regulatory efforts has thus far been directed towards US firms, in an attempt to readjust the competitive advantage of the US in some tech areas.

A confrontational EU-US relationship on tech standards and regulations is not sustainable, however. There is no space in the world for three different tech orders, and it is hard to think Europeans could

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compete with the US in the tech domain. As a result, it is vital for Brussels and Washington to learn how to manage their differences, their divergent understanding of freedom of expression being a case in point. The US and the EU should aspire to create a global tech governance system and develop together regulations that are mutually beneficial in that they address the behaviours and markets of their joint systemic rivals. The EU needs to acknowledge that, alone, it cannot exercise the same tech governance weight as it could jointly with the US. The US, for its part, should take advantage of the EU's expertise in regulatory power and be willing to delegate some leadership on this front.

### ***EU attempts at becoming a relevant geopolitical actor in the tech domain***

Being dominated by a few actors, the so-called tech giants, the information technology industry exhibits limited levels of competition, even at a geopolitical level. Against this backdrop, it is crucial for the EU to develop legislation to ensure competition and for it to develop new autochthonous technologies to reduce dependency from extra-EU manufacturers. Political dialogue and potential alliances are unthinkable insofar as the current power asymmetry prevails. That is why there should be more ambition at an EU level to match the technology competitiveness of the actors that Europe struggles to confront and regulate.

However, positioning itself in the tech powers game is proving difficult for the EU and its 27. Here, the biggest constraint for Europeans lies in the inefficiency of their democracies in delivering the rapid decisions needed to exploit new technologies at the pace of relevance and to stay ahead of emerging threats. It follows that the real challenge for Europe is learning how to conciliate the need to innovate quickly with ensuring compliance with the principles and values of European societies, such as the respect of human rights, even in cyber space. An EU-led effort on this front can definitely be the answer, yet it should not once more result in longer decision-making processes.

A pan-European approach to cybersecurity is needed. Here, the EU-led effort should focus on strengthening Public-Private Partnerships in the different Member States. A binary understanding of public and private, whereby the two sectors operate separately is no longer sustainable. Though they operate in different ways, both the public and the private sectors share the same challenges, which is why their cooperation is fundamental to reach concrete goals, even in the legislation domain.

Another aspect the EU should focus on is overcoming the narrow approach to technology either through purely military or purely economic lenses. Instead, Europeans need to develop an integrated strategy which can bring together the geopolitical and geo-economic dimensions underpinning this policy area. This lack of an integrated approach in Europe is evident from the lack of synergy and collaboration between its universities, research institutions, public entities and private actors – something that is instead well developed in the US. The existence of “ministries for digitalization” in Europe is a case in point. In fact, there should not be a ministry for digitalization; all of them should be digitalized. These deficiencies are exacerbated by structural problems such as a lack of resources and non-scalable policies. Some countries are starting to act, but they are still doing so individually, and there are no combined efforts in legal terms. The EU, for its part, seems to be putting more

emphasis on restraining than on enabling, and it thus prevents the creation of champions at the EU level.

### ***Italy: the path towards a smart, cyber secure country***

For Italy to become a smart country, it needs a fertile digital ecosystem. Here, it is fundamental to raise awareness on what it means to be digital and to educate on the opportunities as well as on the challenges that go along with digitalization. This emphasis on learning has been recently introjected by the Italian government. While Rome developed a Cybersecurity agency later than countries such as Germany or France, this has allowed Italy to develop a vision and to learn from other's experiences.

Setting a Cybersecurity agency is important to create a sort of lighthouse to navigate the current technologically interdependent world with all the threats and challenge stemming from therein. Such an institution is useful to coordinate a cybersecurity strategy against cyber-attacks, to handle risk from these attacks as well as to direct and coordinate technological development. When it comes to shaping an Italian digital strategy, the European dimension is paramount. Italy's first circle of action is the EU: Rome aims at contributing to the EU resilience by bringing its own contribution to European diplomatic efforts and developments.

### ***European digital or tech sovereignty or autonomy: beyond labels, a key step for Europe***

Whether we talk about digital sovereignty or strategic autonomy, what is generally meant with these concepts is obtaining a degree of control and capacity to act strategically in order to achieve one's goals. While autarky is not reachable nor desirable, Europe needs to pursue a degree of capacity to control the environment and to retain its capacity to act independently. Digital sovereignty begins with awareness and ability to navigate systems. Here, the involvement of youth and the focus on building up cybersecurity toolkits in new generation workforces is paramount.

European sovereignty in the tech domain also refers to the ability of the EU to shape critical technologies in line with the needs of its societies, their interests and values, and to effectively regulate the dissemination of these technologies accordingly. It does not entail tech autarchy, which would be unrealistic, given the interconnected nature of the international trade system. Being globally competitive, not excessively dependent on other powers for tech production is essential for European societies, economies, and political systems.

### ***The weaponization of technology in the Ukraine war and global misinformation trends***

In the current conflict in Ukraine, it is possible to observe a weaponization of technologies by both warring parties. In this sense, technology has become a protagonist of the conflict, at the military but most importantly at the informational level. Indeed, on one hand, the war is seeing the deployment of new military technologies developed by Western countries; on the other, the conflict is also being fought on the informational front, as Russia in particular is heavily investing in exploiting information technologies to its advantage. These developments are hardly new, however. Ukraine is the not the first instance of the use of technologies at a geopolitical level. Russia has adopted a similar approach

in Syria and has been meticulously extending its information warfare to the whole European Neighbourhood.

As opposed to the weaponization of information, misinformation, a phenomenon that has increased in the last 10 to 15 years, is not necessarily bad news. In fact, it is to be understood as the natural effect of everyone having free access to a wide and differentiated range of information, and of individuals' ability to disseminate such information freely. While being in a way the staple of our democracies, this proliferation of information has also generated considerable challenges for our democratic systems. Here, it is important not to commit the error of trying to go back to an age where information was quality because only delivered by few sources. Plurality is here to stay; what is urgently necessary is learning how to navigate and regulate it. At the same time, the web should undergo a regulation process to better preserve it from the attacks of non-democratic states.

### ***New military technologies, innovation, and defence cooperation***

Due to the intergovernmental nature of security and defence policies, EU-led efforts in the defence realm have been generally weaker compared to other policy areas. Over the last few years, however, the EU has stepped up its work in this area as it aims to become a “fully-fledged European defence union” in which member states work together more closely in security policy, operations, and procurement. The EU's goal is to build a common European defence industrial base and a variety of new instruments have been created, ranging from Permanent Structured Cooperation (PESCO) to the European Defence Fund (EDF). Similarly, there have been also innovation initiatives also within NATO, such as the recently announced Charter of the Defence Innovation Accelerator for the North Atlantic (DIANA). For both the EU and NATO, these are giant leaps.

On European defence procurement, a tension can be observed. On the one hand, there are those who think Europe fundamentally lacks the resources and the time to develop indigenous capacity, therefore being unable to reach strategic autonomy in this regard. On the other, there are those who believe that Europe has a significant advantage on manufacturing. Specifically, Europe has an advantage when it comes to owning the entirety of the process. For instance, there are only six countries in the world – all European, and Italy is one of them – that can entirely fabricate a fighter jet engine, from the engineering to the manufacturing phase. The ability to own processes, from start to end, is often overlooked when it comes to strategic autonomy – while, instead, it is the very staple of it. In this sense, it is important to acknowledge that European countries are capable of excellence which remains unmatched by their competitors.

What has been missing in Europe, however, is a sense of urgency in the development of new defence technologies. The Russian invasion of Ukraine and the existential threat it is posing to Europe have the potential to reverse this trend and to open a significant window of opportunity for more defence spending, increased integration at the EU level as well as a commitment to overhaul and rejuvenate European militaries. This is a chance to seize to boost the strengthening of a European defence union,

which is an indispensable ingredient for the block's achievement of strategic autonomy. The EU has historically been reluctant to adopt hard power tools, preferring a more normative stance exerted through regulatory power. Yet, amid recent events, it is starting to understand that the military dimension is needed to uphold its credibility as a regulatory power and that this can be complementary to its traditional tools.

### ***The human dimension: the man behind the (technological) machine***

Investing in defence technologies is not only a matter of money, but also a question of mindset and vision. The human dimension remains a core part of defence innovation: more people need to be trained on the medium term, and a consistently higher engagement with youth is needed. What is more, investing in long run education is important to avoid the risk of becoming self-reliant. This an important part of the process of looking to innovation and technology from a different, not vertical perspective: looking at the man behind the machine.

Emerging technologies generate challenges on three main fronts: culture, institutions, and human capital. At the cultural level, people need to be taught to think in a creative way, and new working mindsets need to be introduced. At the institutional level, institutions are currently unable to support creative disruption and tend to build obstacles against this outcome. At the human capital level, the ability to retain people has to be improved.

### ***Connectivity and infrastructure competition in the broader Mediterranean: challenges and opportunities for Europe***

The Global Gateway could be seen as an attempt by the EU to compete with Chinese One Belt One Road initiative (OBOR). Yet, talking about competing initiatives is difficult when they have such substantially different levels of investment. Indeed, the Global Gateway's funds are drastically lower than Chinese ones and, in addition, Beijing enjoys a first mover advantage. Furthermore, there are structural differences at play. Not only does the Global Gateway have insufficient funds, but it is also at loss vis à vis OBOR due to the poor operationalisation of the project. Namely, it remains broadly conceptual, with little to no indication on how to translate the project into concrete, tangible initiatives.

In the Mediterranean and in the MENA region, the Global Gateway could become more ambitious. Namely, it could turn into an initiative able to encourage greater cooperation and collaboration between the two shores of the Mediterranean, thus improving cooperation between neighbouring countries. Specifically, it could contribute to promote a win-win situation between European and MENA partners by upholding the EU's green standards and helping MENA countries to improve their technological capacity.

In this framework, it is important for Europe to avoid reproducing the same economic and social conditions of the last 10 years, and to work to develop a long-term cooperation between Europe and

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the Southern Neighbourhood whose immediate focus is different from the usual suspects such as security, counterterrorism or migration. At the same time, a more integrated Mediterranean on fronts such as tech and green policy can potentially help the EU and its MENA partners to also find more alignment on controversial issues such as migration policy.

The Global Gateway can also help the EU to better position itself in global trade infrastructure and connectivity; indeed, 20% of global traffic is generated from the EU. Covid-19 has exposed the frailties of connectivity, both at the software and at the physical infrastructure levels. From the telecommunications perspective, Europe still retains leadership as a major crossroad of all global connections, and European states still have many unmatched competences in the telecommunications domain. Yet, they are losing significant ground on standardization. While Europe was initially the frontrunner of standardization bodies, its capacity in this area was quickly matched by China which now leads, for instance, the 5G standardization. In this sense, the upcoming need to standardize 6G technologies should represent an opportunity for Europe to get its leadership back. Europe is still relevant, but it needs to rush to keep this capacity and not lose it.

While it is often claimed that Europe is far behind from other great powers in the connectivity race, it is essential not to forget that the EU is an interdependent power and that the staple of its foreign policy has been for decades the building of partnerships and alliances. Even just geographically, Europe is an actual crossroad of all information. Thus, it is extremely well positioned when it comes to connectivity, and the fact that it tends to be slower than some other key players in this race is due to its polity type (democratic systems vs authoritarianism), and not merely to a lack of tools, means or expertise.

There are, however, two main problems within European approach to connectivity: first, there is too much emphasis on hardware rather than on software. Infrastructure is run by software, and we cannot build a solid one without an excellent other. Secondly, there is a workforce problem: the telecommunication sector is dominated by aged workers, who struggle to keep up with the digital transition, while it is proving increasingly difficult to recruit young workforce. Once again, youth rank as a key driver within the technological domain, at all its levels.

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## The costs of economic coercion How Europe can increase its resilience

Dinner Discussion – Tuesday June 7<sup>th</sup>, 2022, 7:30 PM  
Hotel Sina Bernini Bristol – *Piazza Barberini 23, 00187 Rome*

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### List of participants

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