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The foreign policy aspects of the Artificial Intelligence policy of the European Union

Abstract

The EU has a problem: it is lagging behind in technological developments on Artificial Intelligence (AI). To solve it, the EU does what it does best: it regulates. Is this going to be enough? To attempt an answer, this article examines the foreign policy ramification of the EU's AI policy, particularly through the lens of the foreign affairs implications of the AI Act (Regulation (EU) 2024/1689). We cluster these foreign policy implications around three themes: areas in which the EU leads, dossiers on which it cooperates, and issues on which it seeks to export its values. By drawing on literature on issue salience, we argue that this legislative initiative aligns with the EU's broader strategy to harness its economic power to support foreign policy goals. The contribution of this Article is that it offers a policy commentary on the connection between internal and external EU policies, and on how the EU leverages its market power on the international arena at a time of increased geopolitical competition. The answer to the opening question is that EU institutions hope that regulation is enough to eventually make the EU competitive in this domain, but reality is not proving them right.

Key words

External relations; Artificial Intelligence; information society; internal market; international relations; research and development

1. Introduction

Artificial Intelligence (AI) appears to be one of the most transformative technologies ever, and unsurprisingly it is the object of policy discussions at the national and international level.¹ The European Union (EU) also strives to be a leading global player on AI policy, in line with its broader legislative dynamism in the digital domain.² The problem is that EU companies are severely lagging behind in this domain, compared to their Chinese and American competitors.³ The broader strategy of EU AI policy is therefore twofold: creating an ecosystem of excellence and an ecosystem of trust.⁴ The first means that the EU should acquire and exploit the technology (that is, increase the competitiveness of its companies); the second means that the

¹ see, among many, Nathalie Smuha, *The Cambridge Handbook of the Law, Ethics and Policy of Artificial Intelligence* (Cambridge University Press 2025).

² Andrea Renda, 'Beyond the Brussels Effect. Leveraging Digital Regulation for Strategic Autonomy.' [2022] Foundation for European Progressive Studies Policy Brief; Carsten Schmidt and Robert Krimmer, 'How to Implement the European Digital Single Market: Identifying the Catalyst for Digital Transformation' (2022) 44 *Journal of European Integration* 59.

³ The market is owned by U.S. (Meta, Alphabet, Apple, Microsoft) and Chinese (Baidu, Deepseek, DJI) companies: Stash, '15 Largest AI Companies in 2024' (8 August 2024) <<https://www.stash.com/learn/top-ai-companies/>> accessed 18 February 2025.

⁴ European Commission, 'White Paper On Artificial Intelligence - A European Approach to Excellence and Trust' (European Commission 2020).

EU should stimulate trust in AI for consumers and global partners by promoting human-centric AI usages (that is, exercise normative influence globally). The EU is doing the latter well, the former not so well. The jewel in the crown of this effort is the Artificial Intelligence Act ('the AI Act'),⁵ adopted in May 2024: it is the first legislation of its kind - a comprehensive legal framework - in the world.

How does this ambitious AI policy position the EU on the global stage, particularly in relation to other major players like the United States (U.S) and China? In other words, in the context of an 'AI arms race',⁶ what does the policy tell us about the standing of the EU in global politics? To answer these questions, this Article analyses the external implications of the regulation of AI by the EU. We offer a theoretically informed policy commentary on how the EU is taking part in this 'AI arms race' by referring to a specific characteristic of how the EU's foreign policy is formulated, that is, we examine the interplay between internal policy frameworks, such as the AI Act, and the Union's broader foreign policy.

The EU foreign policy dimension of AI has received significantly less attention compared to its internal regulatory aspects in the current academic and policy literature. However, international aspects are noteworthy and, crucially, cannot be analysed in isolation from the 'internal' ones. AI touches virtually any policy,⁷ so Brussel's strategy can hardly work internally without a corresponding diplomacy to support it:⁸ the AI Act expressly aims at providing the EU with a strong *regulatory* basis to set a new *global* standard, with a view to achieve digital sovereignty.⁹

In this Article, we therefore explore the relationship between the EU's (internal) regulation of AI and the Union's external posture. By internal regulation, we mean the policies pursued under an internal market competence: such is the case of the AI Act (the main focus of our analysis), the Digital Services Act, and the Digital Markets Act, all adopted pursuant to Article 114 Treaty on the Functioning of the EU (TFEU), which relates to the harmonisation of the internal market, on a proposal by the European Commission. We use the phrases external posture, diplomacy, foreign policy, and external action of the EU interchangeably: we understand them in a broad sense, thus including Common Foreign and Security Policy (security and defence), other competences (trade, development, enlargement) and of course the external dimension of

⁵ Regulation (EU) 2024/1689 of the European Parliament and of the Council of 13 June 2024 laying down harmonised rules on artificial intelligence and amending Regulations (EC) No 300/2008, (EU) No 167/2013, (EU) No 168/2013, (EU) 2018/858, (EU) 2018/1139 and (EU) 2019/2144 and Directives 2014/90/EU, (EU) 2016/797 and (EU) 2020/1828 OJ L, 2024/1689.

⁶ Stefka Schmid and others, 'Arms Race or Innovation Race? Geopolitical AI Development' [2025] *Geopolitics* 1.

⁷ The European Council has called for 'an integrated approach across all policy areas to increase productivity and growth throughout the whole economic base of our continent, combined with a deepened Internal market and reinforced industrial, agricultural and trade policies'. Conclusions of the European Council 23 March 2023, available at <https://data.consilium.europa.eu/doc/document/ST-4-2023-INIT/en/pdf>

⁸ European Commission, 'White Paper On Artificial Intelligence - A European Approach to Excellence and Trust' (n 5).

⁹ Recital 8 of the AI Act.

internal policies (migration, environment, competition).¹⁰ We do not aim to analyse the regulation of AI *per se*, but its foreign policy implications, ranging from its security aspects to investment. The question is important because it relates to understanding how the EU uses its internal market for its external posture: is the internal development driving the external one, the other way round, or is there a loop of feedback between the two?

The key hypothesis is that the salience of the *internal* issue influences the EU's *external* policy. The perceived importance of AI for EU decision-makers cannot be overstated. As one of the European Parliament co-rapporteurs on the AI Act said, 'AI will push us to rethink the social contract at the heart of our democracies, our education models, labour markets, and the way we conduct warfare'.¹¹ The framework for how issue salience influences policy outputs is developed in section 2. The empirical material we use for our analysis is the text of EU legislation and of policy documents.

Section 3 maps out the empirical material that informs our analysis. It is a chronological narrative of EU initiatives on AI from the first initiatives in 2018 to the AI Act to the latest developments announced for 2025. This section is largely dedicated to the history of EU AI policy, and has no aspiration to being exhaustive.¹² Rather, we present the elements needed for our policy commentary.

Section 4 discusses the interaction between 'internal' AI regulation and other policies with an external dimension. The framework developed in sections 2 and 3 informs the structure of section 4: in our policy commentary, we conceptualise the external implications as consisting of the EU's excursion to have normative influence (4.1) and to increase its competitiveness (4.2). These foreign policy implications are clustered, for both domains, around the three keywords 'lead', 'cooperate', 'export'.¹³ We also briefly discuss alternative explanations (4.3): AI diplomacy may be influenced by purely geopolitical considerations, i.e. by the EU's (pre-existing) strategy vis-à-vis third countries; or by the pursuit of the EU's strategic autonomy.

2. The internal-external dynamics of digital sovereignty: How issue salience influences policy-making

¹⁰ Sieglinde Gstöhl and Simon Schunz, *The External Action of the European Union: Concepts, Approaches, Theories* (Macmillan international higher education 2021); Stephan Keukeleire and Tom Delreux, *The Foreign Policy of the European Union* (3rd edition, Bloomsbury Academic 2022).

¹¹ European Parliament, 'Artificial Intelligence Act: MEPs Adopt Landmark Law' (13 March 2024) <<https://www.europarl.europa.eu/news/en/press-room/20240308IPR19015/artificial-intelligence-act-meps-adopt-landmark-law>> accessed 22 June 2024.

¹² This is covered in a much more detailed and analytical way in Daniel Mügge, 'EU AI Sovereignty: For Whom, to What End, and to Whose Benefit?' (2024) 31 *Journal of European Public Policy* 2200.

¹³ On which see Section 3 below.

Many EU internal policies have an external dimension.¹⁴ This is particularly evident in the internal-external security nexus,¹⁵ migration,¹⁶ or climate policy.¹⁷ And it is a long-known phenomenon: the landmark 1970 *ERTA* judgement,¹⁸ finding EU competence in the field of external relations, concerns precisely the external aspects of EU (internal) transport policy. Studies have also focused on the external dimension of EU internal crisis management.¹⁹ To borrow Huntington's phrase (he used it for the US),²⁰ the EU tries to 'harness [its] economic power to foreign policy goals'.²¹ The EU is a 'market power',²² a characteristic that can in turn be inscribed in the broader, liberal internationalist narrative that stresses the importance of trade over hard power in international relations,²³ which in European studies is often associated with

¹⁴ Chad Damro, 'Market Power Europe' (2012) 19 *Journal of European Public Policy* 682; Anu Bradford, 'The Brussels Effect' (2012) 107 *Northwestern University Law Review* 25; Alex Mills, 'Private International Law and EU External Relations: Think Local Act Global, or Think Global Act Local?' (2016) 65 *International & Comparative Law Quarterly* 541; Christina Eckes, *EU Powers under External Pressure: How the EU's External Actions Alter Its Internal Structures* (First edition, Oxford University Press 2019); Marise Cremona and Joanne Scott (eds), *EU Law Beyond EU Borders: The Extraterritorial Reach of EU Law* (1st edn, Oxford University Press 2019) <<https://academic.oup.com/book/32240>> accessed 27 September 2022; Anu Bradford, *The Brussels Effect: How the European Union Rules the World* (1st edn, Oxford University Press New York 2020) <<https://academic.oup.com/book/36491>> accessed 22 June 2024.

¹⁵ Florian Trauner, *The Internal-External Security Nexus: More Coherence under Lisbon?* (EUISS 2011) <<https://data.europa.eu/doi/10.2815/21941>> accessed 22 June 2024; Ana Paula Brandão, 'The Internal-External Nexus in the Security Narrative of the European Union' (2015) 6 *Janus.Net e-journal of International Relations* 1; Alistair JK Shepherd, 'EU Counterterrorism, Collective Securitization, and the Internal-External Security Nexus' (2021) 7 *Global Affairs* 733; Alistair JK Shepherd, *The EU Security Continuum: Blurring Internal and External Security* (Routledge 2022).

¹⁶ Roderick Parkes, 'The Internal-External Nexus: Re-Bordering Europe' (European Union Institute for Security Studies (EUISS) 2016) <<https://www.jstor.org/stable/resrep06868>> accessed 22 June 2024; Arne Niemann and Natascha Zaun, 'Introduction: EU External Migration Policy and EU Migration Governance: Introduction' (2023) 49 *Journal of Ethnic and Migration Studies* 2965; Bernd Parusel, 'The External Dimension of EU Migration Policy – New Proposals, Possibilities, and Risks' (Swedish Institute for European Policy Studies 2023) <<https://www.sieps.se/en/publications/2023/the-external-dimension-of-eu-migration--policy--new-proposals-possibilities-and-risks/>> accessed 23 June 2024; Eva Kassoti and Narin Idriz (eds), *The Principle of Solidarity: International and EU Law Perspectives*, vol 2 (TMC Asser Press 2023) <<https://link.springer.com/10.1007/978-94-6265-575-1>> accessed 23 June 2024.

¹⁷ Sebastian Oberthür and Marc Pallemarts, *The New Climate Policies of the European Union: Internal Legislation and Climate Diplomacy* (VubPress 2010); Eleonora Milazzo and Helena Hahn, 'Can the EU Achieve a More Coherent Policy on Climate Mobility? The Nexus Approach Could Help' (*MPC Blog*, 6 February 2024) <<https://blogs.eui.eu/migrationpolicycentre/can-the-eu-achieve-a-more-coherent-policy-on-climate-mobility-the-nexus-approach-could-help/>> accessed 22 June 2024.

¹⁸ Case 22/70 *Commission v Council (EART)* ECLI:EU:C:1971:32.

¹⁹ Björn Fägersten, 'The Implications of the Euro Crisis for European Foreign Policy- Lessons from Crisis Management and International Trade' (2014) 19 *European Foreign Affairs Review* 483.

²⁰ Samuel P Huntington, 'Trade, Technology, and Leverage: Economic Diplomacy' [1978] *Foreign Policy* 63, 71.

²¹ Josep Borrell, 'Declaration by the High Representative on Behalf of the European Union on Respect for the EU's Democratic Processes' <<https://www.consilium.europa.eu/en/press/press-releases/2021/09/24/declaration-by-the-high-representative-on-behalf-of-the-european-union-on-respect-for-the-eu-s-democratic-processes/>>.

²² Damro (n 11); Jacques Pelkmans, 'Why the Single Market Remains the EU's Core Business' (2016) 39 *West European Politics* 1095.

²³ Richard Rosecrance, *Rise of the Trading State: Commerce and Conquest in the Modern World* (Basic Books 1987); G John Ikenberry, *Liberal Leviathan: The Origins, Crisis, and Transformation of the American World Order* (Princeton university press 2011); G John Ikenberry, *After Victory: Institutions, Strategic Restraint, and the Rebuilding of Order after Major Wars* (New edition, Princeton University Press 2019).

the literature on Europe as ‘normative power’,²⁴ with some picking it up already to describe the EU’s approach to AI.²⁵

Issue salience can be defined as the perception of importance of a political item by a given actor.²⁶ Usually, the ‘item’ is a desired change in a state of the world (for example, the reduction of pollution,²⁷ pension reform,²⁸ an improvement in the regulation of digital technology²⁹), but it could also be an event.³⁰ Salience is usually assessed in relation to other items.³¹ An item may be salient for the electorate (and in that case it will probably be salient for the candidates³²), or for a group of decision-makers.

There are many studies on issue salience in European politics.³³ The notion has long been applied not only to Member States³⁴ and EU institutions,³⁵ but also to other entities such as firms³⁶ or political élites,³⁷ as well as, more broadly, national and EU media.³⁸ Studies span

²⁴ Ian Manners, ‘Normative Power Europe: A Contradiction in Terms?’ (2002) 40 *Journal of Common Market Studies* 235; Arne Niemann, ‘Normative Power Europe? EU Relations with Moldova’ [2010] *European Integration online Papers* <<https://doi.org/10.1695/2010014>> accessed 23 June 2024; Ueli Staeger, ‘Africa–EU Relations and Normative Power Europe: A Decolonial Pan-African Critique’ (2016) 54 *JCMS: Journal of Common Market Studies* 981.

²⁵ Raluca Csernatonî, ‘Charting the Geopolitics and European Governance of Artificial Intelligence’ [2024] *Carnegie Europe*; and, although not referring to Ian Manners and the EU specifically, Giovanni De Gregorio, ‘The Normative Power of Artificial Intelligence’ (2023) 30 *Indiana Journal of Global Legal Studies* 55.

²⁶ Andreas Warntjen, ‘Measuring Salience in EU Legislative Politics’ (2012) 13 *European Union Politics* 168.

²⁷ Rebecca Bromley-Trujillo and John Poe, ‘The Importance of Salience: Public Opinion and State Policy Action on Climate Change’ (2020) 40 *Journal of Public Policy* 280.

²⁸ Juan J Fernández, Tobias Wiß and Karen M. Anderson, ‘Issue Salience and Feedback Effects: The Case of Pension Reforms’ (2023) 0 *Journal of European Public Policy* 1.

²⁹ Veronika Datzer and Luigi Lonardo, ‘Genesis and Evolution of EU Anti Disinformation Policy: Entrepreneurship and Political Opportunism in the Regulation of Digital Technology’ [2022] *Journal of European Integration* 1.

³⁰ John W Kingdon and James A Thurber, *Agendas, Alternatives, and Public Policies: Includes a New Epilogue: Health Care Reform in the Clinton and Obama Administrations* (Updated 2 ed, Longman 2011); Paul Chaney, ‘Public Policy for Non-Humans: Exploring UK State-Wide Parties’ *Formative Policy Record on Animal Welfare, 1979–2010* (2014) 67 *Parliamentary Affairs* 907.

³¹ Kai Oppermann and Henrike Viehrig (eds), *Issue Salience in International Politics* (Routledge 2011).

³² Christopher Wlezien, ‘On the Salience of Political Issues: The Problem with “Most Important Problem”’ (2005) 24 *Electoral Studies* 555.

³³ Robert Thomson and others (eds), *The European Union Decides* (1st edn, Cambridge University Press 2006) <<https://www.cambridge.org/core/product/identifier/9780511492082/type/book>> accessed 21 June 2024; Jan Beyers, Andreas Dür and Arndt Wonka, ‘The Political Salience of EU Policies’ (2018) 25 *Journal of European Public Policy* 1726.

³⁴ Andrew Moravcsik, ‘Preferences and Power in the European Community: A Liberal Intergovernmentalist Approach’ (1993) 31 *JCMS: Journal of Common Market Studies* 473.

³⁵ Torsten Selck, ‘Evaluating the Predictive Power of a Procedural Model for the European Union Legislative Process’ (2003) 9 *The Journal of Legislative Studies* 140.

³⁶ Nikhil Kalyanpur and Abraham L Newman, ‘The MNC-Coalition Paradox: Issue Salience, Foreign Firms and the General Data Protection Regulation’ (2019) 57 *JCMS: Journal of Common Market Studies* 448.

³⁷ Beyers, Dür and Wonka (n 37).

³⁸ Maja Kluger Rasmussen, ‘The Battle for Influence: The Politics of Business Lobbying in the European Parliament’ (2015) 53 *JCMS: Journal of Common Market Studies* 365.

the entire policy-cycle. We do know that issue salience plays an important role in EU agenda setting and decision-making,³⁹ albeit quite how much is the object of debate.⁴⁰

We assess the impact of EU AI policy on its own terms, that is, we consider its objectives to be those framed by the policy-makers. It shall be recalled that these are two: to build an ecosystem of trust and to build an ecosystem of excellence.⁴¹

3. A history of EU policymaking on AI

The path towards a common EU regulatory stance on AI was a progressive build-up of various initiatives. In April 2018, the Commission published the Communication on Artificial Intelligence for Europe. This first comprehensive European strategy on AI was based on three axes: boosting Europe's technological capacity; preparing for socio-economic disruptions; and defining an ethical framework based on EU values.⁴² Although chiefly focused on the internal dimension of regulating AI, the strategy also mentioned international outreach, remarking the importance of international cooperation within relevant fora, such as the G7/20, the United Nations, and the Organization for Economic Development and Cooperation (OECD).

The White Paper on AI, published in 2020, systematised previous strategic documents.⁴³ This initiative exemplifies what could be defined as the EU's dual-track approach to AI: the 'ecosystem of excellence' and the 'ecosystem of trust'.

The Artificial Intelligence Act was proposed by the Commission in April 2021 with the aim of delivering on the 'ecosystem of trust' set out in the White Paper. The legal basis on which the Act was adopted is Article 114 TFEU as it 'constitutes a core part of the EU digital single market strategy. The primary objective of this proposal is to ensure the proper functioning *of the internal market* by setting harmonised rules in particular on the development, placing *on the Union market* and the use of products and services making use of AI technologies or provided as stand-alone AI systems.'⁴⁴

³⁹ Jonathan Golub, 'How the European Union Does Not Work: National Bargaining Success in the Council of Ministers' (2012) 19 Journal of European Public Policy 1294; James P Cross, 'Everyone's a Winner (Almost): Bargaining Success in the Council of Ministers of the European Union' (2013) 14 European Union Politics 70; Javier Arregui, 'Determinants of Bargaining Satisfaction Across Policy Domains in the European Union Council of Ministers' (2016) 54 JCMS: Journal of Common Market Studies 1105.

⁴⁰ David Moloney and Richard Whitaker, 'Working up the Six-Pack: Bargaining Success in the European Council's Task Force on Strengthening Economic Governance' (2023) 24 European Union Politics 559.

⁴¹ European Commission, 'White Paper On Artificial Intelligence - A European Approach to Excellence and Trust' (n 5).

⁴² European Commission, 'Communication from the Commission to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the Regions. Artificial Intelligence for Europe' (2018).

⁴³ European Commission 'White Paper. On Artificial Intelligence – A European Approach to excellence and trust COM(2020) 65 final.

⁴⁴ European Commission, 'Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions. Fostering a European Approach to Artificial Intelligence' (2021) 6 emphasis added.

Since December 2024, the second von der Leyen Commission has adopted a new approach on AI policies. Rather than regulating the technology to address its risks, the priority seems to have shifted towards positioning Europe as a global leader on AI capabilities and uses. The Competitiveness Compass – a strategic document outlining this new vision, largely derived from the Draghi and Letta Reports – points at AI industrial uptake, research and innovation, and boosting supercomputing capacity as key enablers of AI leadership.⁴⁵

Although initiatives on AI have been so far directed at establishing provisions for the internal market, their external implications are noteworthy. We conceptualise the international policy aspects arising from EU policies on AI along the three following actions: cooperate, lead, export.

First, the EU has always proved to be aware of the global nature of artificial intelligence. For this reason, it has remarked the importance of international cooperation on AI and has pledged to engage in multilateral fora and international organisations since the first AI Strategy of 2018. In 2020, the Commission assured that the ‘EU will continue to cooperate with like-minded countries [and] with global players’.⁴⁶ The AI Act’s Explanatory Memorandum states that the regulation will strengthen the EU’s capacity to cooperate with international partners.⁴⁷

Second, since the 2020 White Paper the Commission already prefigured that the EU should not only influence international discussions on AI, but lead them by leveraging its own definition of trustworthy AI. The Commission specifically mentions its ambition to lead on AI regulatory aspects when it writes that the EU should seek ‘to *exercise global leadership* in building alliances around shared values and promoting the ethical use of AI’.⁴⁸ In this context, the AI Act was not only meant to establish Europe’s human-centric approach to AI, but also to strengthen the EU position at the international level. The text of the proposal explicitly confirms this:

‘The proposal also strengthens significantly the Union’s role to help shape global norms and standards and promote trustworthy AI that is consistent with Union values and interests. It provides the Union with a powerful basis to engage further with its external partners, including third countries, and at international fora on issues relating to AI’.⁴⁹

The international impact of the AI Act has also been at the centre of discourse by decision-makers. In 2022 the European Parliament adopted recommendations calling on the EU to

⁴⁵ European Commission, ‘Communication From the Commission To The European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the Regions’ COM(2025) 30 final.

⁴⁶ European Commission, ‘White Paper On Artificial Intelligence - A European Approach to Excellence and Trust’ (n 5) 8.

⁴⁷ European Commission, ‘Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions. Fostering a European Approach to Artificial Intelligence’ (n 55).

⁴⁸ European Commission, ‘White Paper On Artificial Intelligence - A European Approach to Excellence and Trust’ (n 5) 8 emphasis added.

⁴⁹ European Commission, 2021, p. 5

‘define the regulatory approach, including the protection of fundamental rights and freedoms, and to act as a global standard-setter’ on AI.⁵⁰ Similarly, Commissioner Breton claimed that the AI Act is ‘a launchpad for EU start-ups and researchers to lead the global race for trustworthy AI’ and underlined the EU’s ‘role as a global standard-setter’.⁵¹

Third, the shaping of global rules on AI should respond to the strategic objective of the EU of exporting its own interests and values globally. As for the interests, those mentioned in EU policy-documents include ‘supporting upward regulatory convergence, accessing key resources including data, creating a level playing field’.⁵² As for the values,

‘The Commission is convinced that international cooperation on AI matters must be based on an approach that promotes the respect of fundamental rights, including human dignity, pluralism, inclusion, non-discrimination and protection of privacy and personal data and it will strive to *export* its values across the world’.⁵³

In sum, EU policies on AI, marked by gradual regulatory progression over the past six years, led to the definition of a twofold approach based on achieving excellence by exploiting the AI advantages (ensuring competitiveness of its enterprises), and on building trust by promoting human-centric AI usages (exercising normative influence). External action aimed at each of these can be conceptualised along the three axes ‘cooperate, lead, export’.

4. Effects of AI regulation on EU diplomacy

The narrative developed in the previous section shows that, as suggested also by previous literature,⁵⁴ the EU’s regulation of AI is led by the European Commission (as opposed to the Council or the European External Action Service), and that it is premised on an internal market competence (as opposed to a trade or security and defence competence). It is therefore ‘internally’ focused, with the external, diplomatic, foreign policy dimension being accessory to the internal one. It also shows that the regulation of AI is considered very important by EU decision-makers across institutions (as well as outside the EU⁵⁵).

This appears to confirm our initial hypothesis. The EU leverages its internal market and its regulatory power for foreign policy purposes. The EU does not lead in technological advancement, but it can lead in regulation (in the hope that this will eventually result in

⁵⁰ European Parliament, ‘European Parliament Resolution of 3 May 2022 on Artificial Intelligence in a Digital Age (2020/2266(INI))’ para 8.

⁵¹ Thierry Breton, ‘Statement by Commissioner Breton’ (*European Commission - European Commission*, 8 December 2023) <https://ec.europa.eu/commission/presscorner/detail/en/STATEMENT_23_6471> accessed 28 June 2024.

⁵² European Commission, ‘White Paper On Artificial Intelligence - A European Approach to Excellence and Trust’ (n 5) 9.

⁵³ *Ibid*, emphasis added.

⁵⁴ Jozef Bátora, ‘The “Mitrailleuse Effect”: The EEAS as an Interstitial Organization and the Dynamics of Innovation in Diplomacy’ (2013) 51 *JCMS: Journal of Common Market Studies* 598.

⁵⁵ Nicolas Miaillhe, ‘Géopolitique de l’Intelligence Artificielle: Le Retour Des Empires?’ (2018) *Automne Politique étrangère* 105.

technological advancement). The capacity to regulate - that is, to adopt binding legislation for firms operating in (or wishing to operate in) one of the biggest markets in the world – is one of the EU’s greatest assets. Having a big market is of course not enough to lead on AI. The AI Act alone will not succeed in reducing Europe’s gap on AI compared to other global economies such as the US and China. As stated by Commissioner Breton, the ‘Act is not an end in itself; it’s the beginning of a new era in responsible and innovative AI development – fuelling growth and innovation for Europe’, to be complemented by further action.⁵⁶

This notwithstanding, the internal-external nexus cannot be seen uniquely as unidirectional. There may be alternative explanations for Brussels’s strategy, including looking closely at what Washington and Beijing are doing, and these are discussed below.

4.1. Normative influence

The first dimension of EU diplomacy on AI is that built around the area of normative influence. Building trust in AI systems does not only represent an internal policy objective, but it is seen as key for the EU to exert normative influence over global partners and third countries, reflecting and being guided by the values and principles central to the European project. Following the literature on Europe as ‘normative power’,⁵⁷ we consider ‘normative influence’ to refer both to the *ideational* capacity of the EU to ‘shape conceptions of “normal” in international relations’⁵⁸ and its *substantial* ability to promote the diffusion of its standards and/or the emulation of its legal acts.⁵⁹ In this scenario, alignment between European harmonized standards defining the application of the AI Act and global standards will be central. Based on these insights, we show how EU AI policy informs its external actions towards the exertion of normative influence.

Cooperate

Normative influence is predicated upon the openness to working in cooperation with the EU’s partners when needed. This should not come as a surprise when considering the EU’s quest for digital sovereignty on AI since strategic autonomy is the ‘capacity to act autonomously when and where necessary and with partners wherever possible’.⁶⁰ Thus, the AI Act ensures that the standards adopted by the EU ‘are also largely consistent with other international recommendations and principles, which ensures that the proposed AI framework is compatible

⁵⁶ Breton (n 62).

⁵⁷ Manners (n 21); Niemann (n 21); Staeger (n 21).

⁵⁸ Manners (n 21) 239.

⁵⁹ Bradford, *The Brussels Effect* (n 11); Renda (n 3).

⁶⁰ Josep Borrell, ‘Why European Strategic Autonomy Matters’ (*EEAS Website*, 3 October 2020) <https://www.eeas.europa.eu/eeas/why-european-strategic-autonomy-matters_en> accessed 24 April 2022; Mavluda Sattorova, ‘EU Investment Law at a Crossroads: Open Strategic Autonomy in Times of Heightened Security Concerns’ (2023) 60 *Common Market Law Review* 701.

with those adopted by the EU's international trade partners';⁶¹ and that those standards are consistent with the EU's international commitments (recitals 13 and 27 of the Commission's proposal): restriction on certain AI systems may imply limitation to free movement, which, in principle, require a justification under EU and international law. This need to cooperate derives from the very subject matter: since technology evolves quickly and drastically, technical standards might not be future-proof and, in turn, can become irrelevant in a few years. This is why countries leading technological developments will be in a position of advantage to set new standards in the future.⁶² There is a considerable and consequential discrepancy between the longer time needed to develop regulations (and technical standards), and the shorter time needed for technological innovations to rise. The fast ascent of GenAI, which caused legislators working on the AI Act to review many of its aspects during the negotiation phase, is a good example of it. This entails that the EU (and any regulator) will have an incentive to work on coalition building, since its own rules will hardly be able to impose themselves on technological advances.

At the bilateral level, cooperation among the EU and U.S. on AI grew considerably during the Biden administration. Initiatives like the EU-US Trade and Technology Council (TTC) highlight the shared commitment to responsible AI. Within the TTC, the EU and U.S. work on aligning international standards on AI (within Working Group 1 on 'Technology Standards Cooperation'), affirming the commitment to trustworthy AI, and coordinating contributions to international initiatives. During the Sixth Ministerial Meetings (April 2024), the Commission and the U.S. Government agreed to enhance their cooperation on joint research on AI applications able to address global challenges such as climate change.⁶³ As the Report states, 'EU-U.S. scientific cooperation in AI is channelled to foster innovative research that can set the groundwork to advance societal well-being'.⁶⁴ The Commission's leading role within the TTC format (as compared to Member States or Parliament) reinforces the strategic consistency among external and internal aspects of AI policy which, as seen above, is also guided by the EU's executive. It is unclear whether and how this format will exist during the Trump administration.

In addition, the AI act does not apply to relationships with third countries or international organisations with whom the EU has already in place a framework for information sharing in the context of judicial cooperation. This is done 'to take into account existing arrangements and special needs for cooperation with foreign partners with whom information and evidence is exchanged' (recital 11 and Article 2(4) of the Commission's proposal).

⁶¹ European Commission, 'Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions. Fostering a European Approach to Artificial Intelligence' (n 55) 13.

⁶² Andrea Calderaro and Stella Blumfelde, 'Artificial Intelligence and EU Security: The False Promise of Digital Sovereignty' (2022) 31 *European Security* 415; Renda (n 3).

⁶³ EU-US Trade and Technology Council, 'Joint Statement EU-US Trade and Technology Council' (*European Commission* - *European Commission*, 2024) <https://ec.europa.eu/commission/presscorner/detail/en/statement_24_1828> accessed 28 June 2024.

⁶⁴ EU-US Trade and Technology Council, 'AI for Public Good: EU-U.S. Research Alliance in AI for the Public Good' (2024).

Lead

While upholding the principle of international cooperation, EU strategic documents are also calling on Europe to lead international policy discussions and standard-setting activities on AI. This will be crucial, first, to guarantee that the EU human-centric approach to trustworthy AI can translate into a global AI standard. Second, leading on AI regulation is central to the EU's technological sovereignty and economic security, as remarked in the Communication on a European Economic Security Strategy, which included AI among the four technology areas most crucial to Europe's geopolitical leadership and economic security. The privileged tool enabling the EU to lead on AI regulation at the international level are technical standards. In practice, this means working 'on European standards and towards congruent international standards together with partners'.⁶⁵

Therefore, in parallel to the development of European AI standards, EU institutions consider it essential to engage in, and lead, all relevant global formats dedicated to the definition of international AI standards. As shown in section 3, the text of the AI Act explicitly considers the new Regulation as a means supporting the EU's ability to lead international standard-setting efforts towards a model most resembling the European human-centric framework. This case seems to prove our hypothesis, because here the AI Act (and internal policy) functions as the basis for external action. However, more than an objective in itself, 'leading' represents more a means through which achieving the actual goal of exporting values, norms, and interests.

Export

As part of the explanation of the background of the AI Act, the European Commission writes that '[i]t is in the Union interest to preserve the EU's technological leadership and to ensure that Europeans can benefit from new technologies developed and functioning according to Union values, fundamental rights and principles'.⁶⁶

The literature is already drawing attention to how technical AI standards can in fact be value laden, and therefore coalition building is particularly important to ensure that if the technicalities give in fact expressions to values, these are values the EU shares.⁶⁷ Pouget and Zuhdi argue that AI standards often present choices as purely technical, ignoring the inherent value-laden decisions they entail. This approach can reduce complex ethical considerations to mere technicalities, which risks trivialising moral reasoning, where compliance with standards can lead to 'ethics washing' and be mistaken for ethical behaviour. This is especially important

⁶⁵ European Commission and High Representative, 'European Economic Security Strategy' (2023).

⁶⁶ European Commission, 'Proposal for a Regulation of the European Parliament and of the Council Laying Down Harmonised Rules on Artificial Intelligence (Artificial Intelligence Act) and Amending Certain Union Legislative Acts {SEC(2021) 167 Final} - {SWD(2021) 84 Final} - {SWD(2021) 85 Final}' 1.

⁶⁷ Hadrien Pouget and Ranj Zuhdi, 'AI and Product Safety Standards Under the EU AI Act' (Carnegie Endowment for International Peace 2024) <<https://carnegieendowment.org/research/2024/03/ai-and-product-safety-standards-under-the-eu-ai-act?lang=en>> accessed 22 June 2024.

in the context of fundamental rights, as setting international standards for fundamental rights protections in AI is challenging and potentially undesirable. In fact, while technical standards are effective for ensuring product safety, they are not suitable for certifying compliance with fundamental rights due to the context-specific nature of rights violations.⁶⁸ In its judgement in *Public.Resource.Org*, the Court of Justice of the European Union has in fact confirmed the right of access to public documents extends also to harmonised technical standards (in that case, not pertaining to AI). This is partly because ‘a harmonised standard may specify the rights conferred on individuals as well as their obligations and those specifications may be necessary for them to verify whether a given product or service actually complies with the requirements’, and partly because ‘to ensure that the administration enjoys greater legitimacy and is more effective and more accountable to the citizen in a democratic system’.⁶⁹

4.2. Competitiveness

Normative influence is great, but the Union’s economic competitiveness hinges on its companies not just researching about AI and knowing the rules about its uses, but leading in its development and application. AI tools can support operations across several sectors, including agriculture, education, healthcare, energy, and transport.⁷⁰ AI applications can be especially useful to cut emissions and support the objectives and targets of the European Green Deal.⁷¹

Yet, while the EU’s capacity to produce world-class research output on AI is strong, it struggles to translate this into economic and industrial terms. This is reflected both in the lack of a European company that can be considered a global AI leader and in the very little use of AI in commercial and industrial applications in Europe, compared to other developed countries.⁷²

The objective of strengthening European competitiveness on AI industrial uptake, commercialisation, and innovation has several implications for EU foreign policy. The salience of AI can be found in several sectors, from research & development (R&D), to investment and trade. Again, EU focus on standardisation is key not only to exert normative influence, but also to provide European companies with a competitive advantage based on trust.

Cooperate

Cooperation on AI in multilateral fora and with like-minded countries is crucial to support the EU’s strategy to overcome its lack of leadership in the AI industry with the promotion of ideas,

⁶⁸ Mélanie Gornet and Winston Maxwell, ‘The European Approach to Regulating AI through Technical Standards’ (HAL, 8 May 2024) <<https://hal.science/hal-04254949v2>>.

⁶⁹ European Court of Justice, Case C-588/21 P *Public.Resource.Org* ECLI:EU:C:2024:201 para 82 and 83.

⁷⁰ Ana Correia and Irina Reyes, ‘AI Research and Innovation: Europe Paving Its Own Way’ (European Commission 2018) Working Paper 2020/15.

⁷¹ Arnold Verbeek and Maria Lundqvist, ‘Artificial Intelligence, Blockchain and the Future of Europe: How Disruptive Technologies Create Opportunities for a Green and Digital Economy’ (European Investment Bank 2021).

⁷² Calderaro and Blumfelde (n 76).

norms and regulations. This follows not only from the integrated approach called for by the European Council in 2023, but it is also recognised in the literature.⁷³ The EU is participating in various international forums for AI governance, such as the Global Partnership on Artificial Intelligence (GPAI) – an international, multistakeholder initiative to guide the responsible development and use of AI consistent with human rights, fundamental freedoms, and shared democratic values – and the Council of Europe’s Committee on Artificial Intelligence – which has negotiated a first, binding international framework on AI. However, the proliferation of ethical principles and new platforms for AI positions the EU as a participant rather than a pioneer.⁷⁴

The EU has also established bilateral digital partnerships (with countries such as Japan, the Republic of Korea, Singapore, and Canada). By collaborating on digital technologies (which include not only AI but also 5G, semiconductors, and so on), the EU aims to strengthen bilateral ties but also to improve its competitiveness.

Cooperation is not only a matter of relations with third countries but also, and increasingly so, of cooperation with the private sector. The empowerment of the private sector, especially big tech firms, raises issues such as the state having less influence on the direction of research beneficial to society and the rising influence of big tech on shaping politics.⁷⁵ However, the rise of the private sector requires public institutions to increase their cooperation with tech companies. The EU is particularly attracted by transnational governance initiatives with large numbers of states, international governmental organisations, and companies, leading together with the World Bank in terms of transnational governance participations.⁷⁶ The relevance of technical standards in defining regulatory frameworks in the digital domain, including AI, requires public institutions to step up their collaboration with private enterprises, who have traditionally led the standardisation process. This is particularly true for developers of high-risk AI tools who, based on the AI Act, can commercialise their products by relying on standards adopted by the European Standardisation Organizations, where industry stakeholders have a strong presence and leadership.⁷⁷

Lead

Fostering international collaboration and leading global efforts in AI research and development (R&D) is a key objective of the Commission, aimed at boosting domestic AI systems and ensuring their diffusion across various sectors and regions. In accordance with the EU’s open and collaborative approach to trustworthy AI, international cooperation on R&D is necessary

⁷³ *ibid.*

⁷⁴ Renda (n 3).

⁷⁵ Ulrike Franke, ‘Artificial Intelligence Diplomacy. Artificial Intelligence Governance as a New European Union External Policy Tool’ (European Parliament special committee on Artificial Intelligence in a Digital Age 2021).

⁷⁶ Oliver Westerwinter, ‘Transnational Governance as Strategy? Mapping and Explaining the European Union’s Participation in Transnational Public-Private Governance Initiatives’ (2022) 44 *Journal of European Integration* 695.

⁷⁷ Graeme Auld and others, ‘Governing AI through Ethical Standards: Learning from the Experiences of Other Private Governance Initiatives’ (2022) 29 *Journal of European Public Policy* 1822.

since research is complex and resource-intensive. Therefore, exploiting scale and comparative advantages for mutual benefits can maximise results. However, this strategy involves not only cooperation but also a leadership role in bringing international partners under the human-centric framework established by the AI Act.

A key role in EU AI policy on R&D is played by Horizon Europe, the EU's key (and world largest) funding programme for research and innovation.⁷⁸ This programme has important implications for external policy, as the EU can sign agreements with international partners to make them 'associated countries' to Horizon Europe, meaning that researchers from such countries can enjoy the same conditions as those from Member States, in exchange for financial contribution to the programme.

Throughout its science and technology diplomacy, the EU strengthens its influence and fosters collaboration, ensuring that its standards and practices are adopted more widely, thereby bolstering its competitiveness in the global AI landscape. Despite these efforts, the EU faces significant challenges in the global AI race, particularly when compared to the U.S. and China.⁷⁹ The EU struggles with retaining AI talent, providing the necessary infrastructure, securing sufficient funding, and building robust ecosystems; regulatory and linguistic barriers also create fragmentation on data collection.⁸⁰ However, the EU is working to overcome these challenges through initiatives like the Trade and Technology Council, which aims to bridge transatlantic differences and establish common standards with the U.S.. By positioning itself between the AI giants, the EU leverages its ethical approach to AI and strategic partnerships to reinforce its economic competitiveness and assert its role in the global AI arena.

Export

The EU strategically aims at exporting its AI policy to enhance the competitiveness of European businesses on a global scale. The advancement of 'trustworthy AI' passes through international partnerships, such as the EU-Australia Digital Dialogue, which serves as a platform for the EU to share its experience of drafting the AI Act in an effort to influence Australia's regulatory framework.

The EU's activities are based both on investment and the definition of global standards. On the one hand, the EU seeks to promote foreign investments and internal cooperation on AI research to support its technological base. The EU-India TTC provides an example of this partnership. On the other hand, the EU views establishing a global standard through the AI Act as a pivotal objective not only for normative influence purposes, but also for the sake of its economic competitiveness, as mentioned earlier. But, as recalled above, Europe faces challenges in setting a gold standard for AI regulation and maintaining a technological edge.

⁷⁸ Raffaele Guerini, 'And the Winners Are: Horizon Europe Funding for Artificial Intelligence Is Surging, a Science' (2024) <<https://sciencebusiness.net/news/ai/and-winners-are-horizon-europe-funding-artificial-intelligence-surging-sciencebusiness>> accessed 28 June 2024.

⁷⁹ Csernatoni (n 22).

⁸⁰ Franke (n 91).

The literature on the Brussels Effect also confirms our hypothesis. The phenomenon refers to the EU's unilateral capacity to regulate products and processes in global markets, especially in the digital realm, in order to influence global innovation. What moves the spread of EU regulations worldwide is the size and attractiveness of its internal market. The externalisation of the EU's regulatory agenda seems to be a protectionist strategy for its domestic economic goals.⁸¹ The EU's strategic advantage in AI resides in its market and regulatory power, as shown by the worldwide effect of the General Data Protection Regulation (GDPR).⁸² However, the Brussels Effect caused by the AI Act might not be as considerable as hoped by EU policy-makers, or as witnessed in other cases.

4.3. Alternative explanations

The AI diplomacy of the Union is also the result of purely geopolitical considerations, and not just an external manifestation of international action. The realisation that Europe is lagging behind in the global competition for AI dominance, especially if compared to the U.S. and China, is one example: this is evident since the first Strategy on AI ('amid fierce global competition, a solid European framework is needed'⁸³). Shaping global norms is not, in and of itself, enough to win the race: competitiveness must also be ensured. These are foreign policy considerations.

In addition, the external environment could also exert influence on the internal through a second, related dynamics. The EU's urge to regulate AI through binding legislation has often been justified on the ground that 'the first to establish rules has a first-mover advantage in setting the global standard'.⁸⁴ In other words, internal regulation addresses the lack of comprehensive regulatory frameworks in foreign jurisdictions.

Brussels's policy is also influenced by the pursuit of the EU's strategic autonomy. It should be noted that both the internal and external ramifications of EU AI policy contribute to the achievement of the Union's digital (or technological, the two terms are often used equivalently by EU institutions) sovereignty. Digital sovereignty is a dimension of strategic autonomy.⁸⁵ Defined by President von der Leyen as Europe's 'mastery and ownership of key technologies',

⁸¹ Anu Bradford, 'Exporting Standards: The Externalization of the EU's Regulatory Power via Markets' (2015) 42 *International Review of Law and Economics* 158.

⁸² Raluca Csernaton and Chantal Lavallée, 'Drones and Artificial Intelligence: The EU's Smart Governance in Emerging Technologies' in Antonio Calgara, Raluca Csernaton and Chantal Lavallée (eds), *Emerging security technologies and EU governance: actors, practices and processes* (Routledge/Taylor & Francis Group 2020).

⁸³ European Commission, 'Communication from the Commission to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the Regions. Artificial Intelligence for Europe' (n 52) 2–3.

⁸⁴ Breton (n 62).

⁸⁵ Communication COM(2020) 67 final from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions of 18 February 2020 on 'Shaping Europe's Digital Future', 2; Communication COM (2020) 102 from the Commission of 10 March 2020 on 'A new industrial strategy for Europe', 6.

including AI,⁸⁶ digital sovereignty is pursued through a number of internal measures to address the EU technological gap in various areas of the EU's competence, including those in the field of the internal market,⁸⁷ as well as trade and defence.

5. Conclusion

This article has shown that the European Union's approach to AI regulation is both comprehensive and ambitious, aiming to position the EU as a global leader in AI governance. Through the adoption of the AI Act, the EU seeks to establish a robust regulatory framework that promotes trustworthy and human-centric AI. We placed this initiative in the context of the literature highlighting the EU's broader strategy to leverage the EU's market, trade, and regulatory power to influence global politics.

The analysis of the foreign policy dimension of AI policy shows that the EU's internal regulation of AI significantly influences its external posture. The key hypothesis is largely confirmed: the salience of *internal* AI governance shapes the EU's *external* policies, as seen in its efforts to lead, to cooperate, and to export. Yet, the EU's observation of its weak positioning in the global race for AI and its perception of an external regulatory void to fill provide more nuances and complexity to our hypothesis, hinting at a feedback loop between the internal and external environments.

In practice, the EU's position in the global AI landscape is weaker than that of the U.S. and China, both of which dominate AI research and development, with EU companies (the French Mistral AI, the Italian Altimetor) being few and far between in this race. Current narratives in mainstream media reinforce this perception of European AI falling behind. The EU is hoping that another crucial dimension, regulatory power, would be equally important. The analysis of the foreign policy dimension of AI policy shows that while the EU may not lead in AI technological development, it actively strives to shape global AI norms and rules. Is shaping rules on the use of a technology as important as having the technology, or is it merely wishful thinking? Only time can tell for sure: for the moment, it is not working as the EU would like. But the EU is doing what it does best, that is, to regulate and to foster competition, in the hope that the market will do the rest.

⁸⁶ Ursula von der Leyen, 'Speech by President-elect von der Leyen in the EP' <https://ec.europa.eu/commission/presscorner/detail/es/speech_19_6408> accessed 26 May 2022.

⁸⁷ see for a legal perspective Sara Poli, 'Reinforcing Europe's Technological Sovereignty Through Trade Measures: The EU and Member States' Shared Sovereignty' (2023) 2023 8 European Papers - A Journal on Law and Integration 429445; Frank Hoffmeister, 'Strategic Autonomy in the European Union's External Relations Law' (2023) 60 Common Market Law Review 667; and for a policy perspective Calderaro and Blumfelde (n 76).