

Czech University of Life Sciences Prague

Faculty of Economics and Management

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Diploma Thesis

**European Union and Cyber Diplomacy in context of the
Agri food sector: comparative analysis of selected
international organizations**

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Faculty of Economics and Management

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Thesis title

European Union and Cyber Diplomacy in context of the Agrifood sector: comparative analysis of selected international organizations

Objectives of thesis

The purpose of this diploma thesis is to analyse the increasingly important role of cyber diplomacy in international relations and its impact on selected thematic areas of international negotiation processes (including agriculture). Theoretically based in the "Soft Power Theory", and with special regard to the COVID-19 Pandemic and its implications for diplomacy and international relations in general, the goal of the thesis is to:

- a) investigate current/arising cyber diplomacy concept/s,
- b) to identify major cyber diplomacy tools,
- c) specify key players in the international arena,
- d) and finally, examine concrete reactions of relevant players (with main focus on International Organizations and the European Union in particular) on the cyber-security/diplomacy post-COVID-19 development.

Methodology

The theoretical part of the thesis builds on current literature review, identifying main trends and research questions of the issue. Primary and secondary data analysis will be carried out, relevant agreements, strategies, concepts and statistical sources will be analysed. In order to examine given research questions, the content analysis and comparative method approach will be used. Conclusions are based on the synthesis of the theoretical literature review in confrontation with the outcomes of the practical part of the diploma thesis.

The proposed extent of the thesis

60 – 80 str.

Keywords

cyber diplomacy, EU, international organizations

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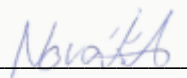
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Declaration

I declare that I have worked on my diploma thesis titled "European Union and Cyber Diplomacy in context of the Agrifood sector: comparative analysis of selected international organizations" by myself and I have used only the sources mentioned at the end of the thesis. As the author of the diploma thesis, I declare that the thesis does not break copyrights of any third person.

In Prague on

A handwritten signature in blue ink, appearing to read 'Nbratka', is written over a horizontal line.

Acknowledgement

I would like to whole-heartedly thank to all my friends and relatives, who supported me in my academic endeavour and cared about my psychical well-being. Special thanks go to PhDr. Blanka Wurst Hašová PhD., for being professional, supportive, and considerate while supervising my diploma thesis during such challenging times.

Evropská Unie a kybernetická diplomacie v kontextu potravinářského sektoru: srovnávací analýza vybraných mezinárodních organizací

Abstrakt

Hlavním cílem této diplomové práce je analyzovat roli kyber diplomacie v mezinárodních vztazích a v kontextu strategie Evropské Unie k vybraným entitám – Ukrajině a k Čínské lidové republice. Nejprve jsou definovány pojmy vztahující se k neoliberalní teorii a k měkké síle spolu s dokumentací rozhodujících institucí EU. Diplomová práce dále identifikuje klíčové trendy, koncepty a výzvy spojené s post-pandemickou kyber diplomacií a podrobně zkoumá strategie a mezinárodní smlouvy Evropské Unie s odpovídající entitou.

Klíčoví aktéři na poli kyber diplomacie jsou specifikováni v čele se Spojenými státy, Čínskou lidovou republikou, Evropskou Unií a Ruskou Federací, s tím, že první dva vyjmenovaní jsou považováni za nejvíce sofistikované z hlediska využití kyber diplomacie a kyberprostoru, zatímco v soukromém sektoru zauímají velké technologické firmy – Alphabet, Amazon, Facebook Apple. Práce se zabývá závazkem Evropské Unie k principům a myšlenkám, na kterých byla založena.

Klíčová slova: diplomacie, mezinárodní vztahy, kyber diplomacie, Evropská Unie

European Union and Cyber Diplomacy in context of the Agri food sector: comparative analysis of selected international organizations

Abstract

The aim of this diploma thesis is to analyse role of cyber-diplomacy in foreign relations and in context to European Union's strategy towards selected entities – Ukraine and People's Republic China. Firstly, terms related to neoliberal theory and soft power are defined along with documentation of decision-making institutions of the EU. Moreover, thesis identifies key trends, concepts, and challenges of post-COVID cyber-diplomacy and closely analyses strategies and agreements of the European Union towards and with respective entity.

Key players in field of cyber-diplomacy are specified with the United States and People's Republic China, the European Union, and the Russian Federation as the most influential, while first two being the most comprehensive regarding the utilization of cyber-diplomacy and cyberspace while big tech companies – Alphabet, Amazon, Facebook, and Apple playing main role from private sector. Thesis deals with commitment of the European Union to the principles and ideas on which it was founded.

Keywords: diplomacy, international relations, cyber diplomacy, European Union

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List of Used Abbreviations

AA - Association Agreement

AGRIFISH - The Agriculture and Fisheries Council

ASEAN - Association of South East Asian Nations

ASEM - Asia–Europe Meeting

CFSP – Common Foreign and Security Policy (of the European Union)

CSDP – Common Security and Defence policy

COVID-19 - Coronavirus Disease 2019

DCFTA – Deep and Comprehensive Free Trade Area

DG COMM – Directorate General for Communication

EC – European Commission

EDA – European Defence Agency

EEAS – European External Action Service

EEC – European Economic Community

ENISA – European Union Agency for Cybersecurity

ENP – European Neighbourhood Policy

EP – European Parliament

ESM – European Stability Mechanism

EU – European Union

FAC – Foreign Affairs Council

GAC – General Affair Council

GSC – General Secretariat of the Council

HR/VP – High Representative of the Union for Foreign Affairs and Security Policy

IMF – International Monetary Fund

ITC - Information and Communication Technologies

MFF – Multiannual Financial Framework (of the European union)

MEP – Member of European Parliament

PCA - Partnership and Co-operation Agreement

PRC – People’s Republic China

TEU – Treaty of European Union

TFEU – Treaty on the Functioning of European Union

USSR - Union of Soviet Socialist Republics

USD – United States Dollar

1 Introduction

New century of globalization represented unprecedented connection of human society via modern technologies but also highlighted risks of global challenges. In the end of 2019, a new challenge arose on the world stage in form of COVID-19 which soon started to spread from Chinese province of Wuhan to the rest of the world including member states of the European Union. In the first half of 2020 political, economic, and social climate changed tremendously, numerous trade and diplomatic meetings and negotiations were postponed, while main priorities were set to slow down and/or fully suppress further spread of the novel virus. In case of the European Union, soon after first member states had to make measures such as closing borders, it became clear that cyberspace could serve a safe intermediary for politicians, state officials, representatives and public to conduct discussion and continue their professional work, while respecting safety measures to at least some extent. However, the dependence of critical infrastructure and decision-making institutions on cyberspace had been to be jeopardized by various groups, both non-governmental and government affiliated, with hostile intentions of reaping benefits of platform with various levels regulation and under disguise of de facto anonymity.

Firstly, concept of diplomacy with focus on cyber-diplomacy of the European Union will be defined along with its ideological framework, where wide range of literature sources is available and should serve as sufficient groundwork for doing so. Thesis will further specify decision making bodies of the EU and the key players, regarding the field on international stage with concepts and tools they are implementing. Comparative analysis of EU's approach towards chosen entities of international relations will be conducted and implementation of strategies, partnerships, and agreements examined. While COVID-19 pandemic led towards wider utilization of the cyberspace, thesis is to analyse increasingly important role of cyber diplomacy in international relations and to track the specific reaction of key players relating to development of cyber-diplomacy and cyber security.

2 Objectives and Methodology

2.1 Objectives

The purpose of this diploma thesis is to analyse the increasingly important role of cyber diplomacy in international relations and its impact on selected thematic areas of international negotiation processes (including agriculture). Theoretically based in the neoliberal ideas and soft power theory, with special regard to the COVID-19 pandemic and its implications for diplomacy and international relations in general. In context to the main objective, it aims investigate the actual model of EU decision making bodies focusing on foreign and security policy and how it coordinates its response to current world challenges related to COVID-19 pandemics or wise usage of cyberspace both developing and hostile. Specifically, interinstitutional cooperation of decision-making bodies, based on usage of available powers to implement strategies and form international partnerships promoting interests, goals, and values of EU member states in cyberspace.

Following partial goals are set. 1) Investigation of current/arising cyber diplomacy concept/s. 2) Identification of major cyber diplomatic tools. 3) Specification of key players in international arena. 4) Examination of specific reaction of key players on cyber-diplomacy and cyber security in post-COVID-19 development.

2.2 Methodology

The theoretical part of the thesis is built on current literature review, identifying main trends and research questions of the issue. Primary and secondary data analysis will be carried out, relevant agreements, strategies, concepts, and statistical sources will be analysed. In order to examine given research questions, practical part includes the content analysis and comparative method approach will be used to examine concepts and strategies related to the field of EU cyber diplomacy towards chosen entities. Conclusion of the thesis are based on synthesis of the theoretical literature review in confrontation with the outcomes of practical part of the diploma thesis.

3 Literature review

To clearly understand the content and the conclusion of this thesis and to evaluate hypotheses, it is important to be familiar with terms linked to the very main topic. Therefore, literature review part has objective to clarify terms connected to the soft power theory, its relation to the European integration and EU decision making bodies.

3.1 Diplomatic theory

Firstly, it is important to clarify, which ideas and theories are influencing present European political climate the most. Furthermore, it is crucial to understand, what exactly those ideas represent in connection to international relations. Author finds focus on liberal-idealist tradition, neoliberal institutionalism, and soft power theory crucial and most relevant for the needs and purposes of this thesis.

Liberalism identifies war as key problem of international politics and comes with solution to this problem. First step towards solving this problem is democracy. States with elected leaders tend to be more peaceful and are less likely to go into war with other democratic states. Second step is represented by economic interdependence, which binds each of the connected parties closer together and thus to some extent uniting their interests, despite that any armed conflict appears much more costly, so further peaceful cooperation proves to be more benefiting from the long-term perspective. Nowadays, global interactions are filled with transnational phenomena in form of multinational businesses, nongovernmental organizations, scientific networks, international and/or supranational institutions. Those phenomena mainly open way for transnational interaction, which further improves conditions for cooperation in solving challenges on global level, distinguishing them traditional interstate interactions. (Gomichon, 2013)

3.1.1 Liberal idealist and neoliberal theory

Core principles of liberal idealist tradition in international relations can be defined in multiple ways. “The basic unifying feature of this tradition is idea about possibility for peace, prosperity and cooperation in international relations (faith in progress) and idea about crucial importance of institutions for development of such cooperation.” (Drulák,

2003) or as following “Liberalism is based on the moral argument that ensuring the right of an individual person to life, liberty and property is the highest goal of government. Consequently, liberals emphasise the wellbeing of the individual as the fundamental building block of a just political system.” (Meiser, 2018)

Liberal idealistic tradition represents idea that peace and prosperity can be achieved by international economic cooperation and by change of norms in international relations, which include decreasing of influence and power of each state in benefit of international institutions, national bodies, and businesses, all while promoting public opinion of individuals and thus calling clear separation of internal and foreign policy into question. “Its approaches emphasize the role of international institutions and business enterprises, non-governmental bodies which further question separation of domestic and foreign policy and therefore meaning of state itself.” (Drulák, 2003)

3.1.2 Transnational and trans-governmental relations

Liberal idealists do not see meaning of state as tool of accumulation of power and provider of security, on the contrary state is perceived as way towards effectiveness of economic and technological accumulation of wealth. The perception of international relations is no longer based mainly on the political security level but is balanced on the economic (international trade), normative (juridical), and technological levels as well, thus lifting importance of transnational relations into further relevance. (Drulák, 2003) Increased relevance of transnational relations, which occur mainly between multinational conglomerates formed by business enterprises, but also relations between citizens of various countries and non-governmental organisations leads individual states into confrontation with new challenges and loss of control which would normally allow to solve these challenges.

“We can become more specific by suggesting five major effects of transnational interactions and organizations, all with direct or indirect consequences for mutual sensitivity and thereby for interstate politic” (Nye, 1971) Mentioned effects include:

1) Attitude change – Face to face interactions between people of different nationalities may alter perceptions and opinions about other parties within specific national

societies. Such attitude change can happen even through distance interaction such as printed or electronically transmitted word. Less directly attitude change can be influenced by transnational transportation, finance, or trade. (Nye, 1971)

2) International pluralism – Linking national interest groups into transnational structures often involves transnational organization for purpose of coordination. Such organization can stimulate creation of national affiliates and this way contribute to internalization of domestic politics. Although transnational organizations are product of increasing specialization based in phenomena of modern communication, transportation, and travel. (Nye, 1971)

3) Increase in state constrains though dependence/interdependence – Effect, which is associated with international transportation and finance. Dependence can be perceived, when certain policies implemented by governments turns simply too costly because of integration into transnational system. For example, world monetary system can make attempts for autonomous monetary policy without drastic measures impossible. (Nye, 1971)

4) Better ability of governments to influence others – “Transnational organizations are particularly serviceable as instruments of governmental foreign policy whether through control or willing alliance... States which hold key positions in transnational resource systems are able, often with decisive advantage, to draw on, and to some degree mobilize, all the "funds" that the system encompass” (Nye, 1971)

5) Emergence of autonomous or private actors which oppose state policies – “The fifth effect of transnational relations on interstate politics depends on the presence of transnational organizations as autonomous or quasi-autonomous actors in world politics... while autonomous transnational organizations are potential and sometimes actual opponents of governmental policy in a wide variety of areas.

“Cooperation between individual states via trans-governmental relations is therefore necessary while main aspect is joint coordination in fields which all attending parties share certain level of interest.” (Keohane, Nye 1971) along with Keohane’s claim: “Place for transnational cooperation are so called governmental regimes, which are formal

or informal groups of states sharing principles, norms, rules and interest regulating their behaviour and expectation in certain fields of international relations.” (Keohane, Nye 1971) who identified and recognized importance of formal intergovernmental organization and defined it as capable monitoring activity with power to react and deliberately set up and designed by the states laid groundwork for neoliberal institutionalist idea. He further recognized three advantages of international institutions: lowering coordination costs, increasing costs of cheating and defusal of information. “Neoliberals believe that states are more concerned with absolute gains rather than relative gains. States conceive of their gains not in comparison with other states but looking towards the total gains, which enhances cooperation between them.” (Gomichon, 2013)

3.1.3 Absolute and relative gains

In context of international relations, we can distinguish two types of gains absolute and relative, neoliberal point of view can be specified by following claims “The absolute gains measure the total effect, comprising power, security, economic, and cultural effects of an action. Neoliberals are indifferent to relative gains. Referring to a non-zero-sum game, they suggest that all states can benefit peacefully and simultaneously by virtue of comparative advantages.” (Cai, 2011) another way to define the relationship “Neoliberal institutionalism assumes that states focus primarily on their individual absolute gains and are indifferent to the gains of others. Whether cooperation results in a relative gain or loss is not very important to a state in neoliberal institutionalism as long as it brings an absolute gain.” (Powell, 1994)

3.1.4 Neoliberal institutionalism and soft power

Effects of transnational and trans-governmental relations mentioned in previous paragraphs represent powerful tool to assert power to reach goals, promote principles and interests of parties involved in transnational and trans-governmental bodies opening soft power potential. “Soft power is the ability to affect others through the co-optive means of framing the agenda, persuading, and eliciting positive attraction in order to obtain preferred outcomes” (Keohane, Nye, Martin 1995). Relevance and potential of soft power grows with increasing level of effects of transnational relations and institutions. Such power is no longer based on war and finances like hard power is, on the contrary, it resides in concept

of attraction as Nye argues “Political leaders and philosophizers have long understood the power of attractive ideas or the ability to set the political agenda and determine the framework of debate in a way that shapes others' preferences. The ability to affect what other countries want tends to be associated with intangible power resources such as culture, ideology, and institutions.” (Nye 1990)

Keohane with Nye and Martin further argue that “Soft power, is the ability to get desired outcomes because others want what you want. It is the ability to achieve goals through attraction rather than coercion. It works by convincing others to follow or getting them to agree to norms and institutions that produce the desired behaviour.” (Keohane, Nye, Martin 1995). Desired behaviour leads toward shaping cultural or idealistic preferences of others, however its dependency in persuasiveness of free information that is to be transmitted. This way it is possible for states to establish network of institutions, encouraging others to define their interests compatibly thus rendering need for economic or military dominance unnecessary. (Keohane, Nye, Martin 1995). Concept of attraction is based on material success making culture and ideology itself attractive and thus emphasising possible military and economic failure leading to self-doubt and crises of identities in regimes which prefer such tradition.

3.2 The European Union in context of neoliberal institutionalism

During cold war era ideas and principles of neoliberal institutionalism served as groundwork for European integration, which was represented by expansion of intensive cooperation started with Schuman Plan and creation of ECSC. European integration arises in the background of cold war as a tool for organization of relations between some members of western bloc. Its continuity even persists the end of cold war and results into present day European Union. (Drulák, 2003) “The uniqueness of European integration is built on principles of successful implementation of conception of supra-nationality where states, based on democratic processes, transmit significant part of their sovereign rights to the common bodies such as the European Commission or European Court of Justice and obey its decisions.” (Drulák, 2003)

After disintegration of Soviet Union and Eastern Bloc the European Union become a symbol of economic prosperity and political stability among Central and Eastern European countries. Common idea of “Return to the Europe” accompanied the collapse of most European totalitarian regimes and in many cases created a desire for integration with the rest of relatively integrated continent. At the same time European Union is going through phase of self-reflection about its future. At the turn of the millennia, it was clear that number of CEE countries will join the European Union. (Drulák, 2003) Such phenomena support neoliberal concept of attraction, where CEE societies perceive success of supranational institution and are attracted to join and reap benefits by joining the institution and transit parts of their sovereignty.

However, before new member states could gradually start to join the European Union, former members had to make the European Union ready for new members by approving and signing Treaty of Maastricht in 1993 and reinforced by Treaty of Amsterdam in 1997, which among other measures introduced post of High Representative for Common Foreign and Security Policy (HR/VP as top diplomatic post in the European Union. (Blahušiak, 2020) Thereby officially setting up supranational common foreign and security policy, its interests, and goals.

In December 2009 Lisbon Treaty came into force, the EU obtained status of legal entity, moreover the treaty clarified which powers belongs to member countries and which

are in competence of the European Union and its institutional framework. Furthermore, the post of High Representative for Common Foreign and Security Policy was transformed into High Representative of the Union for Common Foreign and Security Policy which acts as leader of EU's diplomacy with chair in European Commission and Foreign Affairs Council, while EEAS became diplomatic service at HR/VPs disposal as foreign and defence ministry of the EU. Treaty also laid down common principles of the EU on the foreign stage, such as democracy, legal state, inseparability and indivisibility of human rights and fundamental freedoms, human dignity, principles of equality as well as solidarity. (Blahušiak, 2020). Such formation happened on basis of neoliberal institutionalist principles and ideas was accompanied by corresponding effects. At this point EU evolved into its present-day form of supranational bloc of democratic states with common ideas, and goals while being interconnected through monetary union, customs unions, common foreign and security policy, thus becoming highly interdependent.

3.2.1 Institutions of the European Union

European Union represents one of the most important actors on global political scene, with huge potential for negotiation leverage based on factors as is its economy, culture, history, and technological advancements. EU as a unique supranational institution is based on complex network of decision-making bodies which enjoy different powers in creation, implementation, and control of domestic and foreign policies alike.

“The Union shall have an institutional framework which shall aim to promote its values, advance its objectives, serve its interests, those of its citizens and those of the Member States, and ensure the consistency, effectiveness and continuity of its policies and actions. “ (Lisbon Treaty, 2008, OJ C115/22)

Institutional framework of the European Union consists of seven institutions which defend and promote citizens interests, while contributing to cohesion and effectivity of the EU policies. Among those seven institutions several of them are responsible for creation and implementation of foreign policy of the European Union. Since their respective activities are closely entwined, it is important to understand tasks and objectives of respective policy making bodies. For needs of this thesis author finds utmost importance in clarifying chosen decision-making bodies dealing with common foreign and security

policy including policies and affairs connected to cyber diplomacy and cyberspace. Chosen bodies include: 1) European Parliament 2) The Council of European Union 3) European Commission

3.2.1.1 The European Parliament

Parliament represents backbone of any functioning democratic organization. As a consequence of Lisbon Treaty, the ability of European Parliament to act and deliver was increased by balancing powers over budget approval and by extending its full legislative powers over 40 new fields including agriculture or energy security. MEP have also controlling power over the Commission and the Council, giving them right to strike down international agreements which they perceive as threat to neoliberal principles on which the EU is based on. Such increase in power also promotes strength of individuals direct voice involved in democratic election.

“The expansion of the model of liberal democracy throughout the world also meant that parliamentarism as a means to legitimise complex government policies and initiatives has become widely accepted. In democratic societies, it is increasingly difficult to sustain the traditional notion that foreign policy is incompatible with democratic decision-making and scrutiny.” (Bajtai, 2015)

Role of the EP was further stipulated in context of external actions. Parliamentary approval is required for accession of new member to the EU, furthermore any agreement made between EU and third country must go through EP consent, which represents authoritative role in this domain although parliament is not entitled to further modify those agreements. Real impact of parliament towards foreign policy is difficult to measure due to absence of formal legislative powers in this field especially in assertion of hard power. “In most of these cases, the EP exerted moral force and provided the EU action with 'soft legitimacy'. Over the years, the Parliament has built up a reputation of guardian of European values and strong supporter of human rights worldwide. A promoter of democracy and the rule of law, it is a driving force for political conditionality in EU foreign policy” (Bajtai, 2015) European Parliament acts in regard to common foreign and security policy through Committee on Foreign Affairs which also includes subcommittee for security and defence and subcommittee for human rights. It has controlling power over

EEAS, and thus enjoying power over shaping and implementation of CFSP. (Blahušiak, 2020)

Parliament has rights to be informed and consult in fields of CFSP and CSDP, which are defined as follows:

- a) Increased importance of common consultations and negotiations which enables chosen MEP to meet with counterparts of Political and Security committee and European Commission to consult preparation of civil mission in CSDP.
- b) Confirmation of right to access confidential information connected to CFSP and CSDP.
- c) Exchange of opinions with leaders of missions and delegations as well as with high officials of the EU through meetings and hearings of parliamentary committees.
- d) Committees are further obliged to step forward to the parliament at least twice a year and submit a report about present situation of CFSP and CSDP and answer eventual questions. (Blahušiak, 2020)

3.2.1.2 The European Council

“The European Council shall provide the Union with the necessary impetus for its development and shall define the general political directions and priorities thereof. It shall not exercise legislative functions.” (Lisbon Treaty, 2008, OJ C115/22)

The European Council consists of heads of states of governments of the member countries, meeting at least four times a year, together with its President and President of the Commission having a chair. President of the European Council is elected by a qualified majority, for two-and-a-half-year term with possible re-election for second term. The European Council makes independent decisions and, in most cases, do not require Commissions or parliamentary initiative or involvement however, Council is linked to the Commission via HR/VP and President of the Commission who are attend the Council

meetings as non-voting members. Though presence of those high-ranking officials, Commission and Parliament can assert certain informal influence. European Council regularly asks Commission for reports in preparation for its meetings while President of the European Council submits its report to the Parliament after each Council meeting is over. (Blahušiak, 2020)

The European Council has powers in following fields:

- 1) **Institutional** – The European Council decides by qualified majority on formation of the Council and rotation of presidencies in addition to creating impetus for development and general political directions. (DG COMM, 2020)
- 2) **Foreign and security policy matters** – Principles and general guidelines for CFSP and its common strategies for its implementation are defined by the European Council which also unanimously decides whether Member States should be recommended towards a progressive framing of common EU defence policy. (DG COMM, 2020)
- 3) **Economic governance and multiannual financial framework** – By issuing policy orientation on fiscal, structural and macroeconomic reforms and growth supportive policies by endorsement of recommendations resulting from National Reform Programmes assessment the European Council plays important role. Furthermore, it is involved in negotiation of the MFF, where it has crucial role in reaching of political agreement critical points of MFF regulation such as its limits or funds distribution. (DG COMM, 2020)

3.2.1.3 The Council of the European Union

“Council of the European Union represents interests of member states and operates on intergovernmental principle. It is legislative and executive body, which decides about all integration related matters.” (Blahušiak, 2020)

Formerly known as Council of the EEC, the Council was established in 1958 with headquarters in Brussels, Belgium. The Council of the European Union consists of 27 members each representing its respective member country. Presidency over council

switches every six months. Council formal meetings mostly take place in Brussels or Luxembourg while some informal meetings can be held in presidential member country. Together with the Commission and the Parliament, the Council represents institution which adopts EU legislation through directives and regulations while also preparing decisions and non-binding recommendations. Acts and decisions requiring the Council's approval can be taken either by a simple majority, a qualified majority or unanimously depending on legal basis of specific issue. The Council of the European Union has following tasks:

- 1) **Exercising of legislative function** – Based on proposals submitted by the European Commission which are adopted by the Council in form of directives and regulations, in most situations jointly with the European Parliament following ordinary legislative procedure or by following Parliament consultation. Council also issues resolutions, individual decisions and with Parliament it has competency to establish general governing and exercising rules of the implementing powers which are to be conferred either to the Council itself or to the Commission. The Council also appoints members of Court of Auditors and members of the European Economic and Social Committee and of Committee of the Regions by qualified majority. (DG COMM, 2020)
- 2) **Exercising of budgetary function** – The Council represents one pillar of budgetary authority which adopts the EU budget, while second pillar being the Parliament. Council's budgetary function also represents unanimous adoption of decisions which lay down the provisions applying to the EU's resource system and Multiannual Financial Framework that also must be approved by the Parliament. After amendment of Article 136 TFEU legal basis for monetary stability mechanism was set. One of such mechanisms is ESM which represents association of Eurozone members and serves as tool for providing financial aid to stabilizing unstable economies of member countries and leveraging them into making reforms leading to further stabilization. (DG COMM, 2020)
- 3) **Coordination of economic policy of member countries** – Economic policies of member states are a matter of common concern and are coordinated through the Council while it makes decisions in the monetary field. Moreover, members of the Eurogroup elect president for two-and-a-half-year term. The Council is also

responsible for carrying out numerous economic governance functions such as country-specific recommendations for Eurozone based on annual growth survey which are later adopted after their endorsement by the European Council. (DG COMM, 2020)

4) Signing treaties between the EU and other countries – According to Article 216 TFEU the Council, in most cases with Parliament's approval, concludes the European Union's international agreements negotiated in collaboration with third countries by the Commission. (DG COMM, 2020)

5) Development of the EU common foreign and security policies – Since Lisbon treaty came into force the EU acquired legal personality, furthermore justice and home affairs became integrated policy areas in which legislative procedure in most cases applies. However foreign policy and security policy are still subjected to the special rules when it comes to adopting common positions or implementing joint measures and actions. (DG COMM, 2020)

Due to wide range of policies with crucial differences in agendas, 9 configurations of the Council were established as a result of its meeting in Seville in 2002. This establishment was overruled by Lisbon Treaty dividing General and Foreign Affairs Council into two separate councils: General Affairs Council and Foreign Affairs Council thus making final number of 10 configurations, each composed of relevant representatives at ministerial level from governing administration of member countries. (Blahušiak, 2020)

General Affairs Council – Is assembly of ministers and secretaries for European affairs from respective member states meeting at least once a month. The Commission's representation on GAC meetings is depending on issues discussed, however it is usually entrusted to the hands of Commissioner for interinstitutional relations. (Blahušiak, 2020)

GAC ensures cohesion among every formation of the Council. By collaboration with the president of the European Council and the Commission it provides continuity of its work. Configuration is also addressing issues which operates with more than one of the EU policies like extension of the EU. (GSC, 2020)

Foreign Affairs Council – Ministers for foreign affairs of member countries have a seat at the FAC table with HR/VP as a chairman however, if the matters discussed are related to common commercial policies the role of the chairman is transferred to the representative of member state currently occupying presidential role of the Council, same as in the rest of the Council formations. Meetings occur at least once per month. (Blahušiak, 2020)

FAC coordinates Unions external actions according to guidelines set by the European Council and ensures the coherence of those external policies. This mainly includes common foreign and security policies, common commercial policies and common development policies. It also defines and implements foreign and security policy of the EU by the instruction of the European Council moreover, FAC can also adopt measures crucial for implementation of foreign policy and security policy such as economic sanctions. The Council approves measures for implementing common commercial policy of the EU together with Parliament. While in trade policy, the Commission is responsible for managing and negotiating trade agreements, the Council mandates the Commission to open such negotiations while providing negotiating directives. (GSC, 2020)

Agriculture and Fisheries Council – “The AGRIFISH Council brings together ministers from each EU member state. Most member states are represented by a single minister for both sectors, although some send two ministers - one for agriculture and another for fisheries. The European Commissioner for agriculture and rural development, the European Commissioner for health and food safety, or the European Commissioner for maritime affairs and fisheries also take part in meetings. Meeting usually take place once a month” (GSC, 2020)

3.2.1.4 The European Commission

“The European Commission represents the supranational principle of the EU, respectively it is promoting principles and interests of the EU as a whole and countermeasures the influence of member states. Commission servers as guardian of the treaties, legislative initiator and executive organ of the Union.” (Blahušiak, 2020)

Serving term of five years, the European Commission consists of 27 commissioner seats, distributed equally among member states, even though number of seats could possibly be lower according to the Lisbon Treaty. President-Elect of the Commission is chosen by the European Council while taking results of the European election into account. Such decision is taken by qualified majority and results into proposal of candidate for President of the Commission to the European Parliament which must further approve the candidate by majority of its component members. Commissioners must be completely independent in their duties and fulfil then in the general interest of the Union while having no other occupation. (DG COMM, 2020)

“The Commission has a Secretariat-General consisting of 33 directorates-general, which develop, manage and implement EU policy, law and funding. In addition, there are also 20 special departments (services and agencies), which deal with ad hoc or horizontal issues. These include the European Anti-Fraud Office, the Legal Service, the Historical Archives, the Publications Office, the European Political Strategy Centre, and the Taskforce on Article 50 negotiations with the United Kingdom. There are also six executive agencies, such as the Research Executive Agency, which perform tasks delegated to them by the Commission, but which have their own legal personality. Barring a few exceptions, the Commission acts by a majority of its members” (DG COMM, 2020)

The European Commission works under leadership of its President who decides about matters of internal organization, such as allocation of the responsibility to the commissioners for a specific policy sectors and/or authority over the administrative department. Meeting of the Commission take place every week, addressing politically sensitive issues, coming up with and adopting proposals. While measures relating to administration of management can be adopted through system of empowerment, whereby members delegate authority to one of its members to take decision on Commission’s behalf, it can also go through sub-delegation, where decisions and measures are delegated to the Directors-General. (DG COMM, 2020)

The Commissions powers can be separated into following categories:

- 1) **Power of initiative** – Commission has monopoly in regards of initiative in EU law-making. It draws and proposes acts and legislative proposals for regulations or

directives needed for implementation of treaties, which are to be approved by Parliament and by the Council. (DG COMM, 2020)

According to Article 188C of the Lisbon Treaty, in case of Councils given mandate, Commission is responsible for negotiation international agreements while consulting its work with special committee appointed by the Council. Both those bodies must ensure that agreements negotiated are compatible with internal Union rules and policies. Regarding foreign and security policy, HR/VP oversees agreement negotiation. (DG COMM, 2020)

- 2) **Power to monitor the implementation of Union law** – Commission is sworn to guard, implement and properly enforce treaties. This power is mostly exercised by applied procedure to specific Member State failing to fulfil an obligation on which it agreed through the treaties. (DG COMM, 2020)
- 3) **Implementing powers** – Treaties reserve the right for the Commission on implementing the budget adopted previous year. Budget is composed by payments of each Member States in form of monthly contributions which are deposited to the European Commission's bank account at national ministry of finances or to the central bank. Commission is responsible for handling of funds raised to guarantee Union budget. It can also change voting unanimity to qualified majority concerning the ESM which could otherwise cripple euro area. (DG COMM, 2020)
- 4) **Regulatory and consultative powers** – “The Treaties seldom give the Commission full regulatory powers. One exception to that rule is Article 106 TFEU, which empowers the Commission to enforce Union rules on public undertakings and undertakings operating services of general economic interest and, where necessary, to address appropriate directives or decisions to Member States.” (DG COMM, 2020)

Treaties are providing Commission with power to make recommendations, reports and deliver opinions in many instances, such as decisions addressing the admission of new Member State to the Union. Commission is also consulted about changes in EUs institutional framework statutes. (DG COMM, 2020)

3.3 Foreign policy of the European Union

To understand principles, goals, and interests of foreign and security policy of the EU, it is important to pay attention to definition of terms such as diplomacy and foreign policy itself. In the field of international relations diplomacy can be defined in numerous ways, simply as “...the attempt to adjust conflicting interests by negotiation and compromise.” or latter “Diplomacy is the established method of influencing the decisions and behaviour of foreign governments and peoples through dialogue, negotiation, and other measures short of war or violence.” (Britannica, 2020) It is conducted through various means “Diplomacy in international relations is the daily interaction between states often through the use of negotiations and discussions. International diplomacy takes place in the world system, and through a number of events, conversations, communications” (Petrovsky, 1998)

“Diplomacy can be defined as a process between actors (diplomats, usually representing a state) who exist within a system (international relations) and engage in private and public dialogue (diplomacy) to pursue their objectives (foreign policy) in a peaceful manner.” (McGlinchey, 2017). Definitions also sets role of diplomats as officials for conducting diplomacy on behalf of states and international institutions. In case of the EU leadership role is entrusted to the hands of The High Representative of the Union for Foreign Affairs and Security Policy based of Articles 23-46 TEU. Furthermore, is it important to perceive diplomacy as an instrument for implementation and promotion of international foreign policy.

“Foreign policy, general objectives that guide the activities and relationships of one state in its interactions with other states. The development of foreign policy is influenced by domestic considerations, the policies or behaviour of other states, or plans to advance specific geopolitical designs.” (Britannica, 2020) From the perspective of specific countries and/or institutions it consists of self-interested strategies set to safeguard its interests and to achieve its goals in various fields through international relations by deploying diplomats as officials to interact with other countries and institutions. Currently, foreign policy encompasses trade, finance, human rights, environmental, and cultural

issues. All of these issues, in some way, impact how countries interact with one another and how they pursue their national interests worldwide.

3.3.1 Foreign policy of the European Union

As stated on previous pages, the European Union is based in principles of neoliberal institutionalism, which are projected in the form and goals set in its foreign policy. Joint foreign and security policy of the EU is designed to resolve conflicts and cultivate international understanding. It is built on diplomacy and respect of international rules, promoting development of cooperation in fields of trade, humanitarian aid while also influencing perception of the Union's role on international stage. (European Commission, 2020)

Article 21 sets following long-term goals EU's external action, and thus goals of foreign and security policy:

- 1) Preservation of peace.
- 2) Strengthening of international security.
- 3) Promotion of international cooperation.
- 4) Development and consolidation of democracy, the rule of law and respect for human rights and fundamental freedoms.

To reach its goals the EU maintains relationships with the world key players, including emerging powers and regional groups through work of European External Action Service as a specialized diplomatic service, while seeking relations based on mutual interests and benefits. Relations are legally based on trade deals, agreements and associations between the EU and other stakeholders. Military means are rarely used since EU has no standing army and so military and peacekeeping participation is based predominantly on member state forces when necessary. "The EU has legal personality and is therefore a subject of international law which is capable of negotiating and concluding international agreements on its own behalf, i.e. it has competences (or powers) in this field conferred on it by the treaties." (European Commission, 2020) Punitive tools of EU foreign policy relies on interdependence of transnational society and enforces sanctions towards

stakeholders supporting and implementing unwanted policies which are opposing foreign policy of the EU.

3.3.2 Common Foreign and Security Policy

Article 21 specifies key points on which goals of external action and thus goals of CFSP of EU are based on. Those points include:

- 1) Safeguarding its values, fundamental interests, security, independence, and integrity.
- 2) Consolidation of democratic principles, rule of law, human right and international law.
- 3) Preserving peace, prevention conflicts and strengthening international security.

According to Articles 21-46 of TEU principles on, which EU's external action is based, covers 6 domains. For the goals of this thesis author finds domain of Common foreign and security policy as the most crucial. While HR/VP is being responsible for carrying out the common foreign and security policy and common security and defence policy, he/she also contributes to their development through proposals and ensures implementation of decisions adopted by the European Council and the Council. The European External Action Service supports the HR/VP in the fulfilment of duties of his/her mandate. (European Commission, 2015)

Domain of the Common foreign and security policy is furthermore, included in EU Global Strategy which set interests, priorities, and principles for EU in more complexly connected and contested political world climate, which made European unity and support for multilateralism more vital. Unity in vision and action allows EU to withstand threats, challenges, and seize opportunities to change the present world towards desired form.

CFSP is subject to concrete rules and procedures, where decision making is based on European council which identifies strategic interests of the EU and determines its objectives. The Council of the EU votes on actions and positions to be taken in relation to CFSP. (European Commission, 2020)

3.3.3 Common Security and Defence policy

“Common Security Defence Policy creates a framework for the military and defence aspects of EU policy. Created when the Treaty of Lisbon was signed in 2009, the CSDP replaces and enlarges the former European Security and Defence Policy (ESDP). The aim of the policy is the establishment of a common European defence capability.” CSDP is integral part of CFSP and includes in particular framing of common EU defence policy, which leads to common defence in case that European Council unanimously decides. The policy respects the obligations of certain EU member countries to NATO. Furthermore, under the Treaty of Lisbon, mutual defence clause came into force which nowadays present crucial element of this policy.

In field of CSDP, European Defence Agency plays along with The European Union Agency for Cybersecurity irreplaceable role. EDA sets common objectives for EU countries while introducing programmes to achieve them, furthermore it manages defence technology research activities to strengthen technological base of defence sector. Policy further shapes attitude and norms towards politically contested cyberspace which made room for phenomena of infiltration, espionage, and cybercrimes. On the other hand, ENISA works cybersecurity by providing support to other EU institutions, member states and businesses in key areas such as implementation of directives connected. Moreover, it focuses on raising citizens awareness of cybersecurity and potential cyber threats, and thus providing guidance and promoting safe online behaviour, therefore contributing on public safety in cyber space. Its role was further strengthened by Cybersecurity Act in 2019 so it contributes to cooperation and crisis management across the EU. (European Commission, 2020)

3.3.4 European External Action service

Lisbon treaty set the EEAS as the diplomatic service of the EU, managed by Secretary-General. It supports HR/VP in effort concerning the implementation of CSDP and CFSP while also assisting the General-Secretariat of the Council, the Commission and the diplomatic services of member countries, thus ensuring consistency and unity of external action of the EU and its member states. Furthermore, support of Commission in

effort of preparing and implementing programmes and financial instruments related to external actions of the EU. (European Commission 2020)

Based on article 221 TFEU activity of EEAS is also represented by diplomatic EU delegations to non-EU countries and international organizations while each delegation is directed by Head of Delegation under the authority of HR/VP. Various delegations cooperate and share information with public services of member countries. (European Commission, 2018)

3.4 Cyber diplomacy

Term of Cyber diplomacy must be defined and separated from terms such as e-diplomacy or digital diplomacy for purposes of this thesis. In the new digital era scholars of international relations have begun the exploration of cyberspace which was already acting as a channel for espionage, cyber-attack and hacktivism, therefore cyberspace became gradually more and more contested political space of differing interests, values and norms and thus making way for diplomatic activity. Way to do so is defining cyber-diplomacy as “Use of diplomatic resources and the performance of diplomatic functions to secure national interests with regard to the cyberspace.” (Barrinha & Renard 2017) or also by “Cyber-diplomacy refers to use of diplomatic tools, of state and non-state actors, and their diplomatic mindset to resolve issues arising in cyberspace.” (Riordan, 2016)

Speaking of interests in cyberspace, they are usually identified in national cyberspace and cybersecurity strategies which are predominantly referencing diplomatic idea of specific actors. Issues most closely related to cyber-diplomacy include cybersecurity, cybercrime, confidence-building, internet governance and freedom. “In general, states agree that international law and certain norms of behaviour apply to cyberspace. That includes, for instance, not interfering with each other’s critical infrastructure or abstaining from targeting each other’s computer emergency response teams – the equivalent of fire brigades in cyberspace. The problems start, however, when the discussion approaches to potential punishment for states deemed responsible for a perceived misdemeanour” (Moret & Pawlak, 2016)

3.4.1 Rise of cyber diplomacy

When considering why and how cyber diplomacy emerged, it is first important to understand what stands behind logic of cooperation in this domain. Cyberspace represent and framework for vast number of diplomatic engagements among stakeholders. It quickly became a global domain, a global common connecting citizens, nations, and institutions worldwide in numerous manners, to which everyone has legal access. “Cyberspace is then comparable to other global commons such as the high seas, airspace and outer space. As such, it is considered that a minimum of rules and regulations are required, in order to ensure access to all and avoid conflict, which can only result from diplomatic negotiations.” (Barrinha & Renard 2017) While perceiving cyberspace in similar way as high seas of outer space, it is important to notify few other characteristics such as difficulty in attribution of cyber-attacks and intrusion which complicates possible retaliation, next characteristic is clear advantage in offence over defence in such dimension, all above reinforces potential for some kind of diplomatic grey zone.

Infrastructures of countries were integrated to the cyberspace in developed countries quite quickly, including flow of goods and services, support of critical infrastructure such as energy, even healthcare and military systems were connected. Paradoxically, at that time malicious activity in cyberspace became much more frequent that even talks about “cyber-Pearl Harbour” scenario appeared along with warnings of possible destruction of those infrastructures out of nowhere. Therefore, international cooperation in cyberspace was not a given choice but a must that had to face as those new challenges arisen. (Nye, 2017)

Over time as governments became more involved cyberspace got more regulated and number of meetings of various governmental technical experts from line of ministries convened to discuss a range of cyber issues, from network security to online criminality. Those meetings became structured in the context of international organizations, notably the UN, which organized a World Summit on the Information Society in 2003. Later it served as impetus for regional institutions such as EU where it resulted in release of Cyber Security Strategy for the European Union in 2013 and adoption of Cyber Defence Framework in 2014 which aims to promote civil-military cooperation with relevant EU institutions and agencies as well as with private sector and other international partners.

And finally, “The European Union’s member states adopted Council Conclusions on Cyber Diplomacy in 2015 – the first time the term “cyber-diplomacy” was used as such in an official government document” (Barrinha & Renard 2017) In 2020 European Commission reformed strategy into EU Cybersecurity Strategy

3.4.2 Cyber diplomacy of the European Union

“The European Union and its Member States are firm promoters of an open, stable and secure cyberspace, respectful of human rights, fundamental freedoms and the rule of law” Cyber diplomacy became one of the integral parts of the CFSP and CSDP, thus in competence of EEAS and EDA, specifically based on pillar of Cyber Diplomacy Toolbox (European Commission, 2020)

Cyber Diplomacy Toolbox is part of EU’s approach to cyber diplomacy which has goals of conflict prevention, mitigation of cybersecurity threats such as data leaks, thus supporting stability in international relations. It strengthens rule-based order in cyberspace including application of laws and norms of responsible state behaviour and furthermore, encourages cooperation and facilitates mitigation of threats while influencing behaviour from long term perspective. In the end it enables full power of the EU and its member states to leverage EU policies, including necessary restrictive measures to keep stable, open and secure cyberspace. (Moret & Pawlak, 2016)

EU Security Strategy – “Covers the security of essential services such as hospitals, energy grids and railways and ever-increasing number of connected objects in our homes, offices and factories, building collective capabilities to respond to major cyberattacks and working with partners around the world to ensure international security and stability in cyberspace. It outlines how a Joint Cyber Unit can ensure the most effective response to cyber threats using the collective resources and expertise available to the EU and Member States.” (European Commission, 2020)

Cybersecurity Act – “The EU Cybersecurity Act introduces for the first time an EU-wide cybersecurity certification framework for ICT products, services and processes. Companies doing business in the EU will benefit from having to certify their ICT products, processes and services only once and see their certificates recognised across the European

Union.” Power over setting up and maintaining European cybersecurity certification framework was entrusted into hands of ENISA, while also giving it a mandate to increase operational cooperation at EU level, helping Member States who would request assistance handling cybersecurity incidents such as cyber-attacks. (European Commission, 2020)

Europe Fit for Digital Age – “It presents a European society powered by digital solutions that put people first and simultaneously open up new opportunities for businesses. Furthermore, this initiative will boost the development of trustworthy technology to foster an open and democratic society and a vibrant and sustainable economy.” Focus of the initiative envisages wider use of AI in sectors such as healthcare, communication, transport, agriculture, and/or education and it is built with aim on three objectives:

- 1) Technology that works for people – every citizen should benefit from digital society e.g., stronger digital skills, trusted digital identity,
- 2) Fair and competitive economy – more environmentally friendly agriculture, support of innovation for European SME’s ranging from tech start-ups to traditional crafts.
- 3) Democratic, open, and sustainable society – more environmentally friendly agriculture, fight against online disinformation. (European Commission 2021)

COVID-19 pandemic stressed out the importance of digitalization and thus financial aid to support SMEs in member states during the pandemic further strengthen the progress of digitalization in those businesses, so they stayed competitive and innovate during the pandemic.

3.4.3 Challenges of post-COVID cyber diplomacy

The COVID-19 pandemics gripped society in numerous ways, fundamental rights were limited and many aspects of everyday life unprecedentedly started to take place in cyberspace including professional activity. “The COVID-19 pandemic has had a striking effect on our society, with more of our everyday life moving online. There has been a

sharp increase in the use of digital services, from online learning and teleworking, to essential services like banking and healthcare.” (Toth & Ramus, 2020)

“Pandemic has highlighted the interconnectedness of states and societies around the world. Ideally, the pandemic should have roused states from their deep geopolitical bitterness and nationalistic insularity. In reality, the pandemic has fanned the flames of distrust and suspicions that underlie geopolitical rivalries.” (Barrinha & Renard, 2020)

Growing crisis-induced cyberspace dependence created an even more fertile field for cybercrime and cyber espionage, which, represented serious threat even before pandemic. Related incidents, such as criminal ransomware attacks on health facilities and cyber espionage against vaccine research and development efforts quickly highlighted ineffectiveness of pre-pandemic efforts, most importantly in fight with disinformation which damaged effectiveness of pandemic response strategies based on science and timely information of the public, therefore it became even more relevant issue.

“There are four major mechanisms to reduce and prevent adverse actions in cyberspace: threat of punishment, denial by defence, entanglement, and normative taboos. For purists who object to “concept-stretching,” only the first (or first two) constitute deterrence, but the latter two mechanisms are also important in preventing hostile acts.” (Nye, 2017)

According to Freedom house, internet freedom globally declined in 2019. (Freedom house, 2019) The pandemic further accelerated this process as governments restricted access to online information, spread disinformation and engaged in censorship and surveillance thus embracing cyber sovereignty and officially contesting freedom cyberspace. Furthermore, wide commercial shift to the 5G tech started to represent another challenge, where big firm providers such as Huawei indisputably revealed their connection to corresponding government and promoting their cyberspace principles, strategies, and goals thus making their services into cyber diplomatic tools.

“With the pandemic driving more activities online, this microbial crisis fed into contentious discussions about regulating the tech industry through anti-trust law, new privacy rules, and limiting tech company immunity” Specifically, several issues related to

tech industry can be identified such as usage of big data and its collection. (Fidler, 2020) Moreover, big data collection and utilization also applies in government sphere, specifically in cases such as Chinese Social Credit Score, which is built on big data collected by government agencies and private companies. System is determining specific benefits such as housing discounts on the one hand, and limitations such as travel restrictions on the other, based on the wanted or unwanted behaviour of specific Chinese citizen.

Data collection issue, most importantly by so called “Big Tech” or Great Four – Alphabet, Amazon, Facebook and Apple, comes hand in hand with cyberspace privacy and security of collected data, since cyberspace became a place where private data such as health records along circulate and transaction occur, therefore are threatened by theft and potential abuse. As was expected, and even happened the amount of data in circulation via cyberspace is amplified by ongoing pandemics, where it represents a safe way of legal data exchange. Nowadays, so-called National Cyber Power Index became one of the possible indicators about how well does specific country fare in field of cyber power in comparison to others. “National Cyber Power index is based on following:

1. Surveillance and Monitoring Domestic Groups.
2. Strengthening and Enhancing National Cyber Defences.
3. Controlling and Manipulating the Information Environment.
4. Foreign Intelligence Collection for National Security.
5. Commercial Gain or Enhancing Domestic Industry Growth.
6. Destroying or Disabling an Adversary’s Infrastructure and Capabilities
7. Defining International Cyber Norms and Technical Standards.” (Voo & co., 2020)

4 Practical part

Practical part of this thesis focuses on specific aspects in field of cyber diplomatic efforts of the European Union in framework of external actions, based on analysis of relevant documents such as strategies, directives, concepts, agreements, and statistical sources which apply to this field. In order to examine previously stated research questions, the content analysis of including cyber and agricultural policies towards chosen international relations subjects will be performed as well as analysis of economic and political indicators. Finally, from the results of stated content analysis, comparative analysis of chosen subjects will be performed.

For purposes of this thesis author perceives selection of People's Republic of China and Ukraine as appropriate entities for conducting analyses, firstly because of the uniqueness of respective partnerships and overall relations they are enjoying with the EU. Secondly both country's GDP contain significant share generated by agricultural sector, in additional both subjects are representing countries of different position in cyber space and global affairs. To envision current state of affairs between respective entity and the European Union, it is important to have a grasp over political and economical background of each one as well as their existing agreements, to distinguish and understand specific principles, directions and goals which are driving them in connection to the international relations they are promoting.

4.1 Ukraine

Soon after disintegration of the Soviet Union, independent Ukraine set and pursued its goal to become a new member state of the European Union, which gradually became Ukraine's largest trading partner, most notably interested in imports of grain and natural gas. While concurrently, the country aimed towards increase in investments and exports by benefiting from free trade with the EU. Nevertheless, Ukraine still had close economic and cultural ties to the Russian federation, for example through Commonwealth of Independent States, created after dissolution of USSR. However, process for potential start of the accession to the bloc was stalled by the revolution in 2014 or so-called Euromaidan revolution, which started by governments decision to suspend signing of association agreement (AA) with the EU, thus making 180 degree turn in foreign policy promoted since early days after establishment of independent state. Later in 2014, post-revolution government decided to sign Ukraine–European Union Association Agreement, which officially came into force in 2017, consequently granting Ukraine a status of country participating in Deep and Comprehensive Free Trade Area. Such partnership represents peak of relations between Ukraine and the EU and opening way forward for Ukrainian accession to the EU as regular member state.

4.1.1 Economic background

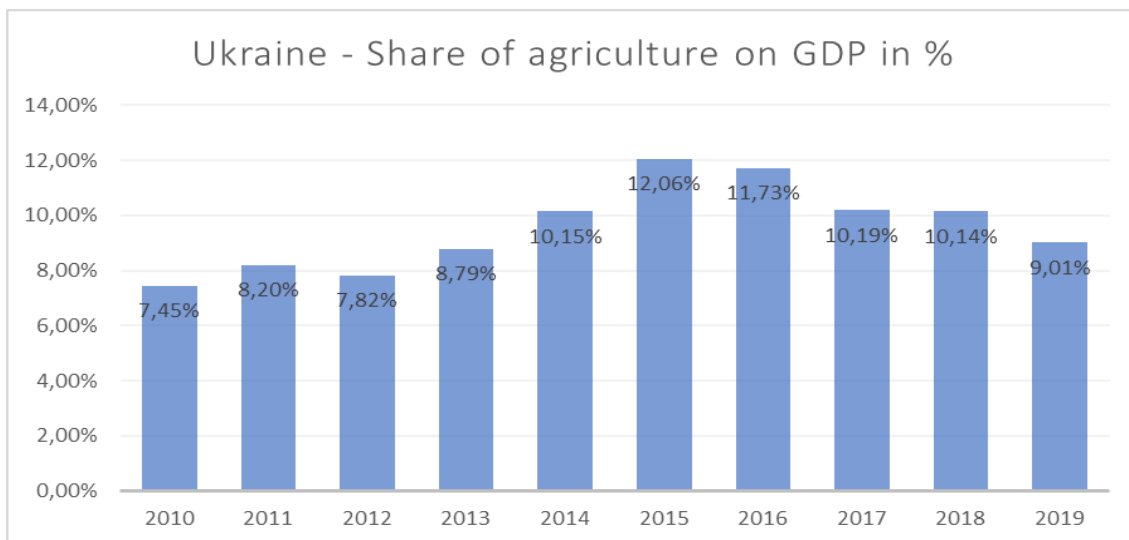
Economy of Ukraine is based on free market system. During the last decade economy of Ukraine was accompanied by dramatic events with dire consequences, including revolution, civil war and annexation of strategic Crimean Peninsula by Russian Federation, which resulted into decline of GDP growth that plummeted to negative values in 2014 and 2015. Following the dramatic years of Ukrainian crisis, country agreed to four-year loan program with IMF which was conditioned with reforms to rebuild and stabilise the economy thus, securing continuation of previous economic growth as can be seen from graph 1. At the turn of the decade the Ukrainian economy was hit by COVID-19 pandemic such as the rest of the world was, prediction expected 4,5% decrease in GDP. (Macrotrends, 2021)

Graph 1 Ukraine annual GDP growth



Source: own creation, (Macrotrends, 2021).

Due to its geography, Ukraine is considered to hold about 25% of fertile black soil world reserves, therefore having ideal conditions for its strong domestic agricultural sector, operating on 41,5 mil. hectares (70% of country size) of agricultural land from which crop farming (most notably corn, wheat and/or barley) represents 73% of agricultural output and thus dominating the agricultural sector. From standpoint of total GDP, agricultural sector in Ukraine generated 12% of total its GPD in 2015 followed by gradual decline to 9% of total GPD in 2019 as can be observed from graph 2. (The World Bank, 2021)



Source: own elaboration, (The World Bank, 2021)

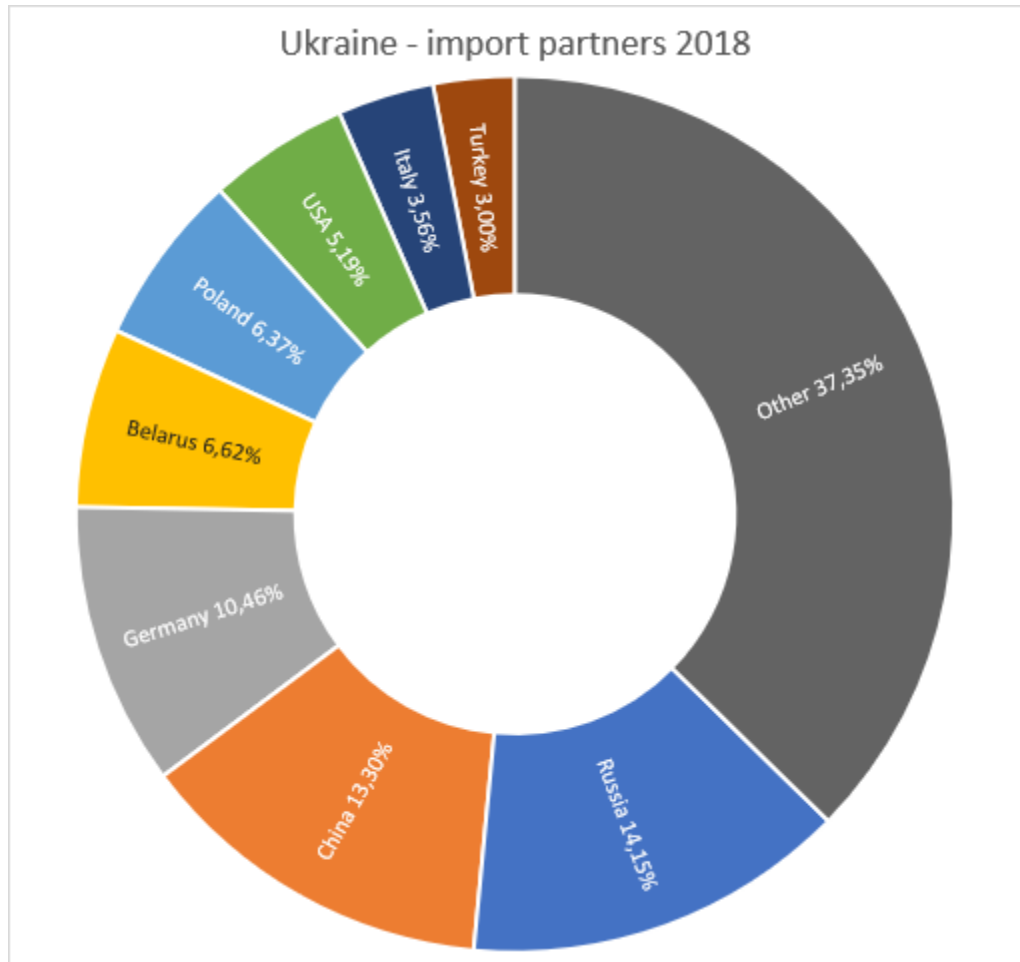
Eventhough, total share on GDP decreased in few recent years the share of agricultural export revenues increased from 26% in 2012 to 44,3% in 2019 which equals to 22,2 billion USD predominantly based on raw materials such as corn, soybeans and rapeseeds, however, commodities like sunflower oil or feed crops are also reaching high export volumes. According to OEC, total Ukrainian goods exports reached 51,2 billion USD (42,2 bn. €) while imported goods worth of 61,7 billion USD (50,9 bn. €) in 2018. Largest trading partner being the European Union as a whole bloc, followed by Russian Federation with other notable partners such as Belarus and China. In graphs 3 and 4, share of Ukrainian most notable export and import partners can be observed, while taking individual EU member countries into consideration. (The World Bank, 2021)

Graph 2 Ukraine most notable export partners



Source: own elaboration. (World Integrated Trade Solution, 2021)

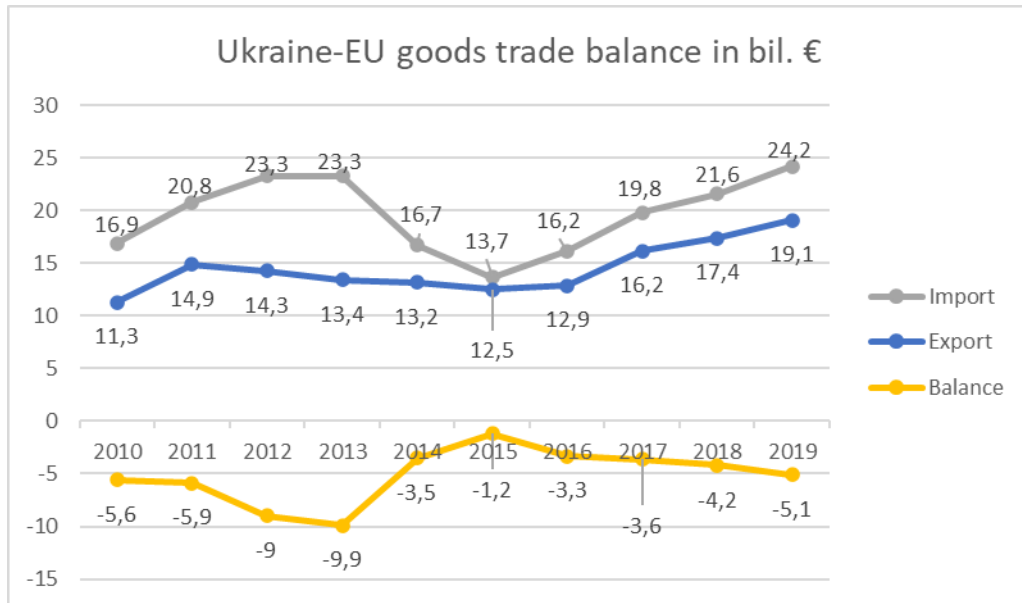
Graph 3 Ukraine, most notable import partners



Source: own elaboration. (World Integrated Trade Solutions, 2021)

Regarding the EU, as can be seen in graph 5, in last decade trade balance of Ukraine towards the EU was recording deficits amounting between 10 and 1 billion € in 2013 and 2015 respectively. European Commission stated that in 2019 Ukraine exports to the EU reached 19,1 bn € while among most exported goods to the EU were raw materials such as iron, steel, mining, and agricultural products, but also machinery. That represents 48,5% growth from 2016. Imports, which most notably included manufactured goods, machinery, transport equipment and chemical from the EU, experienced dramatic 48% increase between 2016 and 2019 totalling 24,2 bn. €. (Eurostat, 2021)

Graph 4 Ukraine-EU trade balance



Source: own elaboration, (Eurostat, 2021)

Dramatic increases in volume of exported and imported goods can be partly attributed to Ukrainian accession to the Deep and Comprehensive Free Trade Area stated in previous chapter. On the other hand, certain share of growth is simply the result of rebuilding of Ukrainian economy after turmoil it experienced in 2014, which serves as an amplifier in the growth of import/export volume between two entities.

4.1.2 Foreign relations of Ukraine and political background

Annexation of Crimea and Euromaidan represented breaking point in direction of foreign relations of Ukraine. On the eastern front, relations with Russian Federation are deteriorating due to the mentioned annexation and Russian involvement in conflict with separatists in Donbas region, bringing conflict to Europe for the first time since dissolution of Yugoslavia. Considering previous Ukrainian involvement in Commonwealth of Independent States, events of 2014 figured as final dealbreaker and end to future pursuit of country's interests and goals through this organization, when government decided to cease its participation within.

Events which led to deterioration in eastern relations created politically volatile environment which had enabled, till that time, unprecedented phenomena of hybrid and

cyber warfare, where Ukraine became a test zone for Kremlin-affiliated hacker groups. In 2014 Central Election Commission of Ukraine was hacked twice during presidential campaign, according to International Foundation of Electoral Systems funded by the U.S. and U.K., hack was done with use of advanced cyberespionage malware which disabled in first instance disabled parts of the network. Second cyber-attack shut down Central Election Commission's website. In 2015 large scale cyber-attack was made on Ukrainian power grid and was able to destroy parts of it, which resulted into inaccessibility to power for 230 000 citizens. Year later hackers were able to turn the lights in large parts of Ukrainian capital. Ultimately, the attack in "NotPetya" which is attributed to billions USD of losses worldwide had wide impact on Ukraine, when ministries, banks, airports and metro systems were crippled, went offline and were held for ransom, including radiation monitoring system at Chernobyl Nuclear Power Plant. (Cerulus, 2019) Furthermore, in 2021 Ukrainian Minister of Internal Affairs stated: "In general, cybercrime in the world grows by 30-40 percent a year. In Ukraine, the number of cybercrime offences has increased 2.5-fold over the past five years." (Avakov, 2021)

On the other hand, on the west, revolution enabled Ukraine to pursue its desired partnerships and thus to further integrate itself with the rest of the continent as was its main strategic goals since declaring independence in 1991.

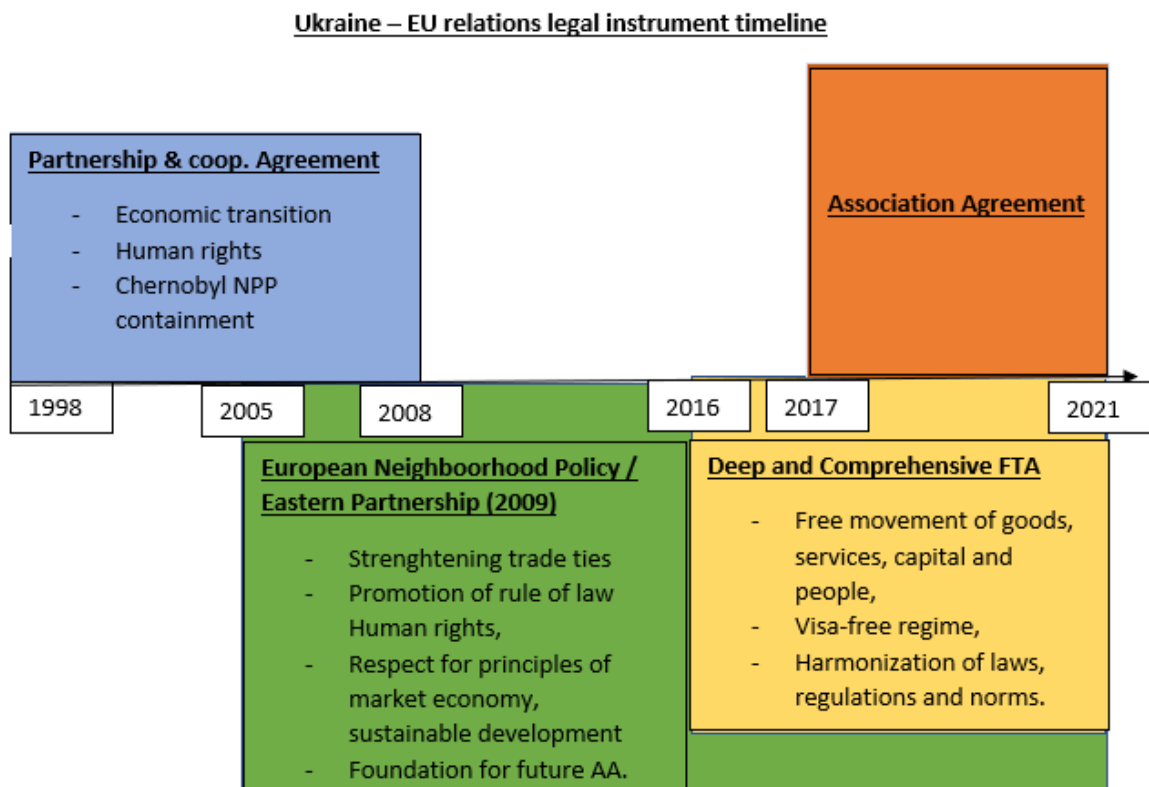
4.1.3 EU-Ukraine relations

As was stated in previous paragraphs, since its independence, Ukraine seeks to strengthen its relations with the EU. Previously, relations between the European Union and Ukraine were mostly based on Partnership and Co-operation Agreement (PCA), which came into force in 1998. Relations improvement process continued and deepened, with the admission of Ukraine to the WTO, in 2008, when the EU-Ukraine Association Agreement (AA), which included Ukrainian accession to the DCFTA, started to be negotiated and was expected to become the successor document of the PCA.

Ukraine is also figuring as subject of European Neighbourhood Policy (ENP), which serves as in diplomatic instrument of the EU's foreign relations with its neighbourhood countries, excluding the Russian Federation, United Kingdom and countries taking part in European Free Trade Association. In context of ENP the Ukraine

has role in Eastern Partnership, which is initiative of EEAS and serves as platform for discussing topics of trade, economic strategy and travel agreements. As a result of mentioned agreements, the EU supports Ukraine in implementing of agreed agenda of AA in form of expertise, advice, sharing information and know-how. In the period 2007 - 2013, the EU also committed € 1.01 billion for bilateral assistance to Ukraine.

Figure 1 Timeline of legal instruments



Source: own elaboration

4.1.3.1 EU-Ukraine Association Agreement

As was already stated before, the AA with Ukraine was not signed until the end of Euromaidan in 2014 and it represents current cooperation framework regarding the common interests and goals, which became main aims of further political dialogue. The

progress of implementation of the AA is managed by EU-Ukraine Association Council, and its scope includes following areas (while important ones being further specified):

1) Short-term Priorities for Action – Firstly, this field is mainly focused towards the constitutional reform which should aim towards decentralization of judiciary power. Secondly, it aims to harmonise the electoral system through reforms of political parties financing, including state finances and furthermore, to prevent and combat corruption by adopting comprehensive anticorruption laws. Among priorities mentioned in connection to this area are for example, taxation and energy sector reforms, as well as public procurement and/or public administration reform which should concentrate on application of European principles in local self-government bodies. (European External Action Service, 2015)

2) Political Dialogue – Political dialogue represents extensive agenda which includes compliance of neoliberal values such as democracy, human and fundamental rights by strengthening stability, independence and effectiveness of institutions which guarantee and supervise those principles. Next, the field of political dialogue aims towards ensuring impartiality and independence of the judiciary and prosecution as well as law enforcement forces, which should be incorrupt through further connected measures. Such measures include development of accessible, accountable, efficient, and transparent law enforcement, which introduces rights-based approach in utilization of intelligence-led policing, fighting crime and cyber-crime. Furthermore, the AA in field of political dialogue, expresses its focus on freedom of expression, assembly, and association and/or respect for children's and trade union rights. (European External Action Service, 2015)

Most importantly, this area includes dealing with international issues such as, collaboration on foreign and security policy, weapons of mass destruction non-proliferation and disarmament, conflict prevention and crisis management. The area of CFSP is enhanced by cooperation including consultation and coordination of actions on bilateral and/or multilateral level in framework of international effort towards finding common sustainable and beneficial solution. Through the dialogue, consultation, it is expected that further strengthening of cooperation on regional and international issues, conflict prevention and crisis management should take place. (European External Action Service, 2015)

3) Co-operation on justice, freedom, and security – Several points are being contained in this area, including data protection which is expected to be improved by strengthening of Ukrainian system of Protection of Personal Data and by implementing of legislative framework ensuring data protection. Next issues being related to this area is legal cooperation, which is to be backed by implementation of multilateral conventions such as Conventions of the Hague Conference on Private International Law. (European External Action Service, 2015)

Furthermore, co-operation on justice, freedom, and security is focused towards cooperation on border management, migration and asylum, that should be supported by strengthening of border checks, development and implementation of common risk analysis methodology, intelligence management, and data flow, which is further connected to pursuing collaboration in fighting against organized crime including human trafficking, war on drugs, money laundering and cybercrime by promoting international coordination while conducting joint operations, information and practices exchange. (European External Action Service, 2015)

4) Economic cooperation – Economic cooperation is based on premise of fully functioning market economy on Ukraine and gradual rapprochement of its policies towards the policies of the European Union in accordance with principles of macroeconomic stability, sustainable payments balance and sound public finances. In particular, through implementation of fiscal and expenditure reforms, reinforcement of budgetary planning, and furthermore by ensuring independence of National Bank of Ukraine. (European External Action Service, 2015)

5) Trade and trade related matters – The Association Agreement provides framework for continuation of process of reformation and modernisation with aim of necessary improvement of Ukrainian business climate by consultation with business community. The AA counts with preparation and implementation of “National Treatment and Market Access for Goods”, development of technical regulations on industrial products, and gradual approximation of the Ukrainian sanitary and phytosanitary measures for food, health as well as animal health and welfare. (European External Action Service, 2015)

Agreement also states the importance of dialogue between parties on capital movements and payments, competition, and intellectual property. Regarding the intellectual property, Ukraine is expected to implement and comply with Enforcement Directive 2004/48/EC and the regulation No 608/2013 dealing with customs enforcement of intellectual property rights in addition to measures against counterfeiting and piracy, which enforcement options should be improved by increase in resources dedicated. (European External Action Service, 2015)

6) Energy co-operation including nuclear issues – Field connected to continuation regarding the implementation of EU-Ukraine Memorandum of Understanding on energy cooperation. Area mostly pays attention on firstly, integration of energy markets and secondly, to the energy security by adopting measures recommended by the EU based on 2014 stress test report. Finally, it deals with creating framework for energy efficiency, renewable energy and environmental aspects by implementing directives under Energy Community Treaty and the decisions of the Council of Ministers of the Community Treaty, and also creation of National Emission Reduction Plan and cooperation on its enforcement under treaty mentioned. (European External Action Service, 2015)

6) Other Sectorial issues – Other sectorial issues include wide range of fields, where cooperation should be deepened according to AA. Such fields include for example: financial internal and external audits and controls, taxation, consumer protection, transport and aviation, environmental policies and/or cooperation in agriculture and rural development, which is specifically focused on development and implementation of new Action Plan, that should aim towards bringing both parties sectors closer together through facilitation of transparent agricultural land market and increase in scientific cooperation to further promote use of biotechnologies in agriculture. Action plan should also include training of central and local administration, to get a grasp over new models of rural development. (European External Action Service, 2015)

4.1.3.2 Recent relations

As was stated in previous paragraphs, over the years cooperation between European Union and Ukraine has developed and nowadays include many fields, while making way for addressing specific issues such as coordination of political peace dialogue over Donbas

region. In this specific issue EU supported Ukrainian territorial integrity and conclusion of Minsk agreements which idea was to pave way for further negotiations between both sides of the conflict. The cybersecurity of Ukraine was also supported in 2019, by joint project called CyberEast, that was initiated by European Union and the Council of Europe with focus on states included in European Neighbourhood East. The main goal of CyberEast is to support neighbourhood countries with adoption of legislative policy framework, which are based on Budapest Convention on Cybercrime, thus broaden judicial and law enforcing capabilities in the region and reinforce international cooperation. Furthermore, the Union also provided humanitarian aid to the affected people especially to those who were in non-government-controlled areas or those along the contact line. In 2020 the EU provided additional €13 million aimed for humanitarian purposes.

Another challenge which tested strength of EU-Ukraine bond was COVID-19 pandemic, where the EU provided € 200 million to the Ukraine which were committed to crucial needs that had to contribute to the tackling of the pandemic, for example obtaining medical materials including protective equipment, medicine. However financial aid was aimed to support of Ukrainian SME's including farms in transformation to the digital form, thus allowing them to operate even under circumstances of restrictive measures which were imposed by the national government. However, scale and tool of the pandemic proved to be larger and unbearable, therefore another wave of financial aid was needed to preserve economy and keep it at least a little smoother and so another € 600 million, which are aimed to be utilized towards the limitation of COVID-19 economic fallout, thus contributing to stabilization of Ukrainian economy and mitigation of severe economic and social consequences of the pandemic. (European Commission, 2020)

Regarding the content of previous chapters, emphasis on political direction of Ukraine towards further integration with the rest of the continent can be observed, which can in the future ultimately lead to EU member state status of the Ukraine.

4.2 China

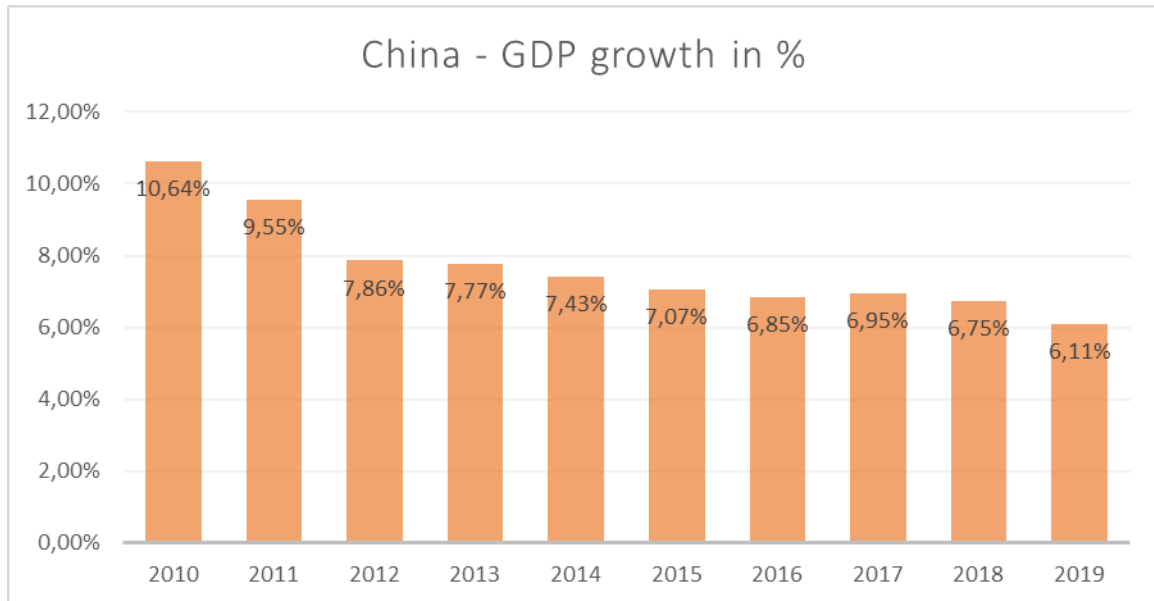
In the last few decades People's Republic China established itself as one of the superpowers on the multipolar world stage, while its relations with the EU were somewhat oscillating. On the one hand, because of consequences of various events such as Tiananmen square protests, meetings of European political representatives with representatives of the Tibet government in exile, and in most recent time, alleged cyberattacks during COVID-19 pandemic, abuse of human rights, specifically in Hong Kong and towards Uyghur minority, being the most notable issues. On the other hand, despite all the disputes, trade volume between EU and China soared and PRC became EU's largest trading partner. Negotiation and ratification of partnership agreement, which started to be negotiated in 2007, is reaching its finale and may pave way to new chapter in EU-PRC relations.

4.2.1 Economic background

Firstly, author finds important to stress out the fact that, Chinese economy is mixed socialist market economy, which is distinguishing for its composition of both state enterprises (generating about 40% of Chinese GDP in 2020), domestic and foreign private enterprises as well, while implementing five-year economic planning subjected to Chinese Communist Party.

The turn of the millennium marked the beginning of a new era for the Chinese economy because of its accession to the WTO, which was conditioned by liberalization of economy, however, in many fields such as transparency, progress was stalled and numerous economists suspect, that practice of cooking of numbers is used to some extent. (Sparshott, 2015)

Graph 5 China annual GDP growth

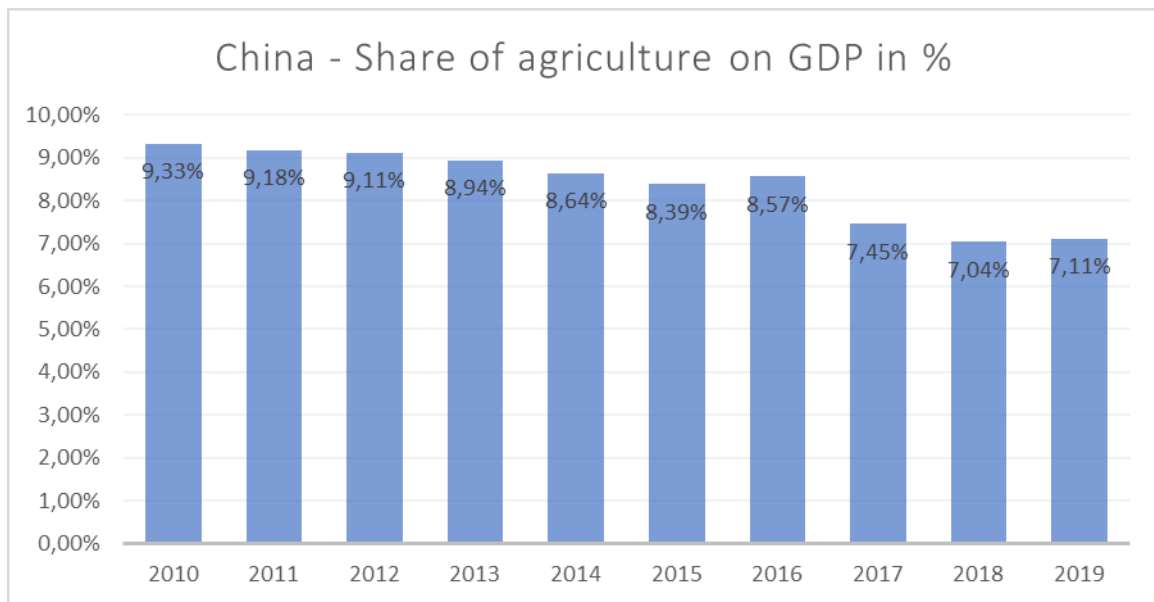


Source: own elaboration, (Macrotrends, 2021)

In context of world economy, Chinese economy is perceived to be the “engine”, which is powering economic growth in the rest of the world. According to Macrotrends, from a long-term perspective, China was able to sustain its GDP growth even during the great recession, which otherwise crippled the rest of the world in 2008 and in following years, however, the annual percentage growth is slowing down and it might not be sufficient for sustainable development of the economy in the long term. As can be observed in graph 6, trend of slowing economic growth gradually continued during the last decade. Still, it is estimated that the size of Chinese economy will overgrow the economy of the US, even though it is debatable how long will it take. *(Macrotrends, 2021)*

Historically, agriculture was a backbone of Chinese economy, supporting and feeding the largest world population, generating 41% of total GDP in 1968 which was year when share marked its peak value. In 1990 it decreased to 26% which was result of transformation of economy with more significant focus on goods processing. As can be seen in graph 7, decline of agriculture share on total GDP continued and in last few years settled at 7%, as country became more developed and focused on secondary and tertiary sector. *(The World Bank, 2021)*

Graph 6 Agriculture share in total GDP



Source: own elaboration, (The World Bank, 2021)

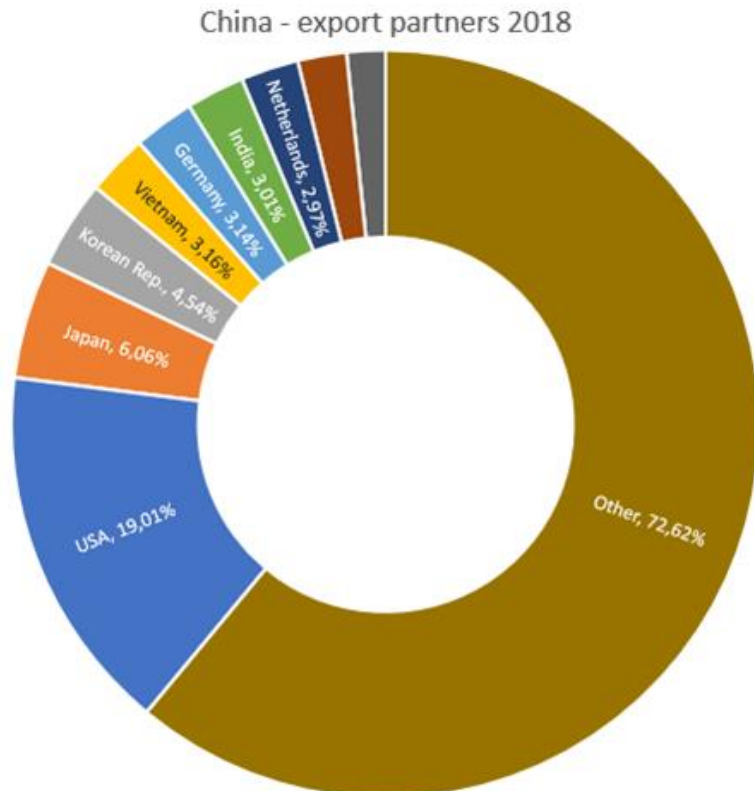
That being said, China figures as the world's largest consumer and producer of agricultural products and goods, while holding primacy in production of for example rice, maize, potatoes, soybeans, tea, fish and/or pork, using about 7% of world arable land. However, such relying on high performance of agriculture (considering total GDP) brings numerous risks into play, such as floods, animal diseases and ocean overfishing, which all already affected the country.

- I) China is faces regular flood seasons, eventhough it is trying to control the situation by building enourmous dam systems, it still represents a constant threat for population and agriculture in certain areas.
- II) Chinese are large consumers of pork meat, which requires huge pig population to satisfy the demand. In 2018 african swine fever spead throughout the China and as a result more than 100 million of pigs had to be put down due to risk of further disease spead, which drove up the world pork price.
- III) Chinese fishing fleet is the largest in the world, however is abusing fishing limits and fishing in foreing waters.

Being such a high producer, considering both the agricultural and industrial sector presents an opportunity for high exports volumes, which has doubled in last decade according to Statista, from 1,2 tn USD in 2009 to 2,5 tn USD in 2019. In the graph 8, most notable export partners of China in 2018 can be seen, while EU member states are being assessed individually, with USA in the lead, followed by Japan according to Worldbank. However, under conditions where the EU member states would be considered as one partner, the EU would take the second place in share of exported Chinese goods value. Among the most exported goods are following refined petroleum, tea, cotton but also processed goods such as computers, telephones and other electronics. (*The World Bank, 2021*)

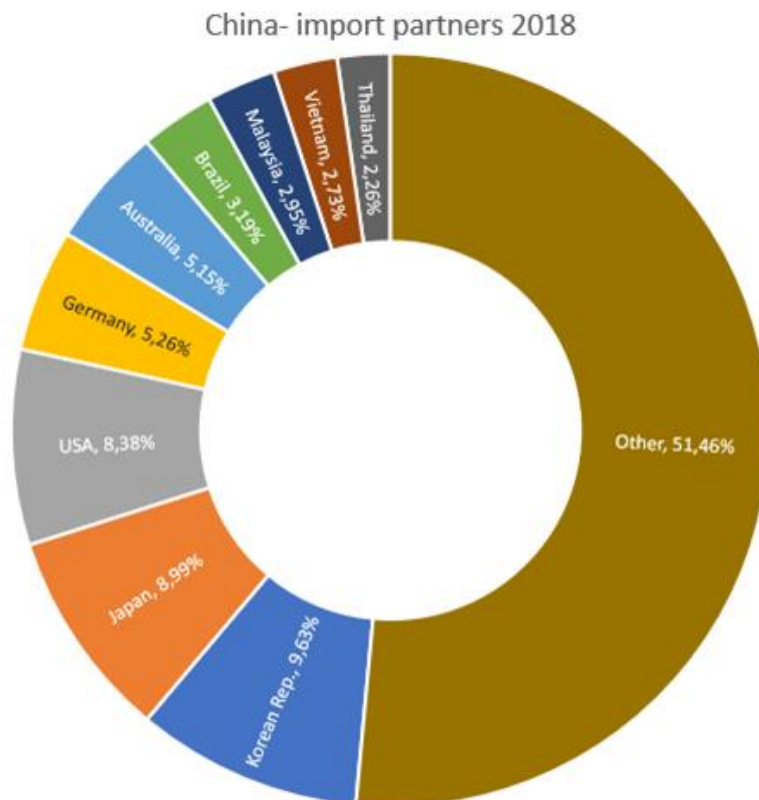
Regarding the specific import partners, in graph 9 the leading role of South Korea, followed by Japan, USA and Germany in 2018 can be observed, nevertheless, same rule as for export partners applies – the EU member states combined export volumes to China surpasses other individual countries mentioned. Overall, China imports vast quantity of crude petroleum, which it further refines, among others iron, soybeans and/or cars. (*The World Bank, 2021*)

Graph 7 China, most notable export partners



Source: own elaboration, (World Integrated Trade Solutions, 2021)

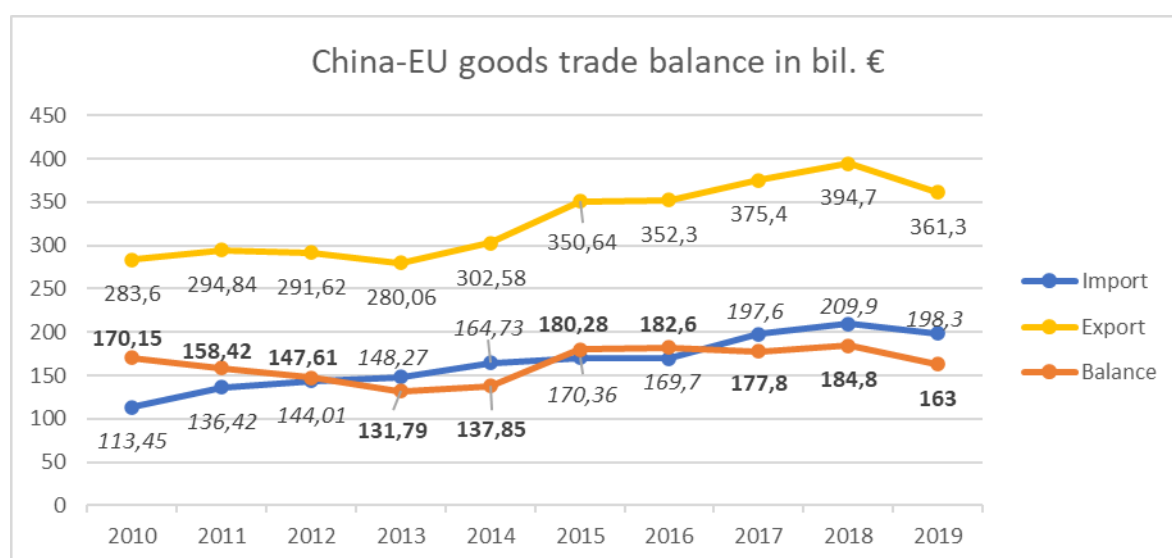
Graph 8 China, most notable import partners



Source: own elaboration, (World Integrated Trade Solutions, 2021)

Graph 10 describes China-EU trade balance development in during the last decade, according to data gathered by Eurostat. At its start, the aftermath of the Great recession can be observed, where imports from EU are steadily rising from its lowest value in recorded period in 2010, however total value of imports is far from value of goods exported from China, thus China is maintaining continual trade surplus with the EU. According to European Commission, China is the EU’s largest source of imports and it’s second largest export market, while most notable of the Union’s imports from China include consumer goods, machinery and clothing, on the contrary main exports to China are motor vehicles, aircraft and chemicals. (European Commission, 2020)

Graph 9 China-EU trade balance



Source: own elaboration, (Eurostat, 2021)

4.2.2 Foreign relations of China and political background

As an emerging superpower, China is holding somewhat special position during last two decades, from which was able to disrupt US single polar supremacy, that was present since the end of the Cold War. China was able to integrate itself and became member of various world institutions like WTO, furthermore it also became crucial part of world economy and its own economy is expected to outgrow economy of the United States, thus becoming the largest worldwide. While the interdependency of the West and China is already in its full effect, the political system did not loosen its stance on Western liberal

values and principles such as human rights, democracy, rule of law, and respect for minorities, as was initially expected and in certain fields to certain extent agreed upon, and therefore it paved way into deterioration of mutual relations.

These phenomena could have been observed during recent years in several situations. Firstly, in Hong Kong, which is enjoying much larger autonomy due to its history in comparison, to other provinces the PRC. Hong Kong status of Special Administrative Region is based on Sino-British Joint Declaration, where transfer of peninsula from United Kingdom's sovereignty to China, under "One nation, two systems" policy which determined that socialist system would not be practised. Constitutional documents of Hong Kong states following "The socialist system and policies shall not be practiced in the Hong Kong Special Administrative Region, and the previous capitalist system and way of life shall remain unchanged for 50 years." However, autonomy status which maintained separate administrative, legal, and juridical system, was disrupted in 2019, when extradition laws were basically bonded to those of mainland China, and that became a reason for protests, against which excessive force was used. (Parker and co. 2021)

Secondly, rights of minorities are greatly alarming subject. Testimonies of persecution of Uyghur minority, which is reportedly detained in labour camps and its cultural sites are being destroyed by the Chinese regime citing separatism as a reason for these measures. Furthermore, Mongolian minority is suffering from replacement of their native language by mandarin in schools, another issue is cultural autonomy of Tibet and religious autonomy of Muslims. (Quin, 2020)

Next, the China's approach to the intellectual property is at least questionable. "China has institutionalized a system that combines legal and illegal means of technology acquisition from abroad," (Magnuson, 2019) Possible technological drain threatens companies interested to do business in China, however, there are also shady methods like espionage using Chinese students abroad or systematic, government-affiliated cyberespionage, which utilizes cyber-attacks on foreign organizations such as agencies, companies or universities with aim to steal their intellectual property. Regarding the cyberspace, the PRC is nowadays considered as one of the most cyber comprehensive powers, the rule of the CCP was further strengthened using it in surveillance of domestic

groups, enhancing its cyber defence, manipulating information, collection of intelligence or disabling foreign infrastructure. Such competency allows China to have a great influence on defining international cyber laws, norms and technical standards. (Voo & co., 2020)

Another recent and possible problem could be seen in potential of so-called “COVID-19 coverup” by Chinese government, which is accused of disruption and deletion of key evidence in WHO investigation of COVID-19 pandemic which crippled the world in unprecedented manner. With all being stated – violations of international treaties, abuse of minorities and non-cooperation with international bodies and others are clear signals from China how seriously it perceives and approaches to neoliberal values and cyberspace freedom.

Overall, Western liberal countries are uncertain and to some extent divided into two groups which are promoting different approach towards China. With group promoting idea of free trade to pursue benefits such as investments and/or other business opportunities, which large market such as Chinese can offer, while on the other hand, we can also register group which calls for greater emphasis on human rights.

4.2.3 Sino-European relations

As was mentioned before, China represents crucial trade partner of the European Union regarding imports and exports alike. Future of relations and cooperation is based on EU-China Summit which is held annually. Relations between both entities are primarily based on China-EC Trade and Cooperation Agreement. Later in 2003 cooperation was broadened into Comprehensive Strategic Partnership which represented a milestone in Sino-European relation. “The creation of the EU-China Comprehensive Strategic Partnership in 2003 has deepened and broadened cooperation in a wide range of areas, and the EU and China have become highly interdependent as a result.” (EU-China 2020 Strategic Agenda for Cooperation, 2013)

Subsequently, partnership entered another stage in 2013, when EU-China Strategic Agenda for Cooperation was adopted and called for cooperation in areas of peace, prosperity, people exchange and sustainable development. Agenda also contained

reaffirmation of China's support for EU integration, while on the other hand, the European Union reaffirmed sovereignty and territorial integrity of the PRC. In 2016 the EU adopted Joint Communication to The European Parliament and The Council proposing "Elements for a new EU strategy on China" to give certain priority to the its interests, and thus, forming present European strategy towards China. Mentioned strategy is running in parallel with the EU-China Strategic Agenda for Cooperation 2020. Both documents are playing their respective role regarding the EU-China relations, while another document called "EU-China Comprehensive Agreement on Investment" was negotiated by the Commission and representatives of the People's Republic China and is awaiting approval of the European Parliament. Although EU and China both pledged to cooperate in various fields, the unprecedented growth of China pressured the EU into declaration of PRC as its "systematic rival" during the Comprehensive Agreement on Investment negotiations. (Von Der Burchard, 2019)

4.2.3.1 EU-China Strategic Agenda for Cooperation 2020

Document is stressing out the importance of consolidation and development of strategic partnership in benefit of both parties involved based on equality, respect, and trust. In total, there are four areas included in the agenda and goes as following: Peace and Security, Prosperity, Sustainable Development, People-to-people Exchanges.

- 1) **Peace and Security** – Both the European Union and People's Republic China, represent important actors in multipolar world and both parties commit to enhance cooperation and dialogue to meet regional and global challenges together. Such cooperation should take place on multinational, regional and trans-regional fora such as UN, G20 and/or, ASEM and ARF to contribute on sustainable development in neighbourhood of respective parties. Regarding, the straightening of cooperation under framework of the UN, document stresses out the importance of collaboration on issues such as transnational crime, illegal migration, cyber-crime, human trafficking, and consultation of anti-terrorism. Cooperation should also be supported by regular dialogues in areas such as defence and security issues including training exchanges to progress towards more practical level. (EU-China 2020 Strategic Agenda for Cooperation, 2013)

2) **Prosperity** – “Their (China’s and EU’s) trade and investment exchanges have become a major engine driving their respective economic development and innovation. Both sides share responsibility for ensuring that their economies remain key drivers for global economic growth and providing prosperity for all.” (EU-China 2020 Strategic Agenda for Cooperation, 2013) Area of prosperity includes four key initiatives – Firstly, Trade and Investment initiative reaffirms importance of High-Level Economic and Trade Dialogue as essential forum for conducting planning and guiding the development of bilateral trade relations for example by negotiating of EU-China Investment Agreement, which is expected to provide progressive liberalization of investment, elimination barriers for investors to respective markets under secure legal framework. Strategic Agenda also mentions Reinforcement of Intellectual Property mechanisms to combat counterfeiting and piracy, or exchange of practices in e-commerce.

Secondly, initiative of Industry and information deals with reinforcing dialogue on information technology, informatization, telecommunication and conducting exchanges of practices, policies, regulations, and strategies related. Otherwise, initiative strives to enhance industrial dialogue mainly regarding the energy efficiency and automobile industry. (EU-China 2020 Strategic Agenda for Cooperation, 2013)

Next, initiative concerns agriculture. it specifies cooperation in fields of sustainable agricultural production, rural development and research based on designing of specific projects ensuring food safety and security, and coordination of rural and urban development with aim to protect consumer health, social welfare, and economic development. Area also involves fisheries management and fight against illegal, unregulated, and unreported fishing activities. Last initiative of Prosperity area deals with transportation and infrastructure. (EU-China 2020 Strategic Agenda for Cooperation, 2013)

3) **Sustainable Development** – “The EU and China face the common task of achieving innovative, inclusive and sustainable development. Addressing climate change, protecting the environment, promoting transparent international

energy markets and facilitating resource-efficient, far-reaching, socially inclusive and low-carbon development policies are high on the international action list...The EU and China have a common responsibility for advancing global development.” (EU-China 2020 Strategic Agenda for Cooperation, 2013) Like previous area of Prosperity, area of Sustainable Development, also has several key initiatives, most important for this thesis analysed in detail bellow.

First key initiative deals is called science, technology and innovation and mainly lies in reinforcement of cooperation in respective fields involving industry, research institutes and universities, thus deliver results in areas of technology, financing, exploitation of research findings, skills and human resources. Such process should be supported by establishing of EU-China cluster cooperation initiative in strategic fields while joint innovation and research initiatives and implementation of results, in particular in agriculture, sustainable urbanization, energy efficient technologies, water, health and ICT should be pursued and further supported.

Secondly, the initiative on social progress focuses on promotion of social security and cohesion, quality employment and aims towards challenges of social welfare social assistance, migration flows and cross-country mobility. Challenges are addressed by implementation of EU-China Social Protection Reform project and EU-China Occupational Safety and Health Project in High Risk Industries, furthermore by cooperation with international labour organizations to promote agenda of decent work. Initiative also calls for expanded dialogue and exchange connected to the rights of workers and/or people with disabilities.

Finally, the area of sustainable development includes other key initiatives addressing issues such as climate change and environmental protection, urbanization, space and aerospace, and/or public policy. (EU-China 2020 Strategic Agenda for Cooperation, 2013)

- 4) **People-to-People Exchanges** – aims towards fostering of common understanding and cross-fertilization between societies. Last area is mainly,

focuses on culture, education and youth and the implementation of P2P exchanges itself. Those goals are expected to be achieved by encouragement of language education, establishment of cultural centres and promotion of exchange programmes in educational and proficient environment, thus boosting cooperation between communities in both parties. (EU-China 2020 Strategic Agenda for Cooperation, 2013)

4.2.3.2 Elements for a new EU strategy on China

“The EU-China 2020 Strategic Agenda for Cooperation fulfils an important role as the highest-level joint document guiding the EU-China Comprehensive Strategic Partnership. But the EU needs its own strategy, one which puts its own interests at the forefront in the new relationship, which promotes universal values” (Elements for a new EU strategy on China, 2016) In context of “Elements for a new EU strategy” the EU addresses number of emerging strategic trends in connection to China, and must make sure it has plan to tackle them, most importantly:

- 1) China’s growing connection to capital markets can generate benefits provided that its functioning under right framework, it’s “going global” policy presents interesting opportunities for EU businesses to trade and invest.
- 2) Growing global governance of PRC and demand for greater influence in global economic governance, plus increasing assertiveness in its region.
- 3) Structural slowdown of the economy and transition to more sustainable model of development.
- 4) Unequal treatment and levelling of playing field for foreign operators in China, which face unfair restrictions under legal framework.
- 5) China’s authoritarian response to domestic unrest and undermining of efforts to establish rule of law. (Elements for a new EU strategy on China, 2016)

Document brings principles of engagement of the EU, but also its individual member countries, with China into detail. Those principles are based on strong, clear, and unified voice in its approach to China and lays borders for conducting of bilateral relations as respective countries or relations based on platforms similar to 16+1 format. Under such circumstances, cooperation with the European External Action Service and the European Commission is expected from states involved in such negotiations. Furthermore, it reaffirms basis of EU's external action on principles of democracy, human rights, rule of law, respect for UN Charter and international law, and it is further stressing position of those principles as core-factor in EU-China engagement. "The EU and its Member States will continue to work with China and its people to promote human rights and to foster the rule of law, civil society, political accountability and freedom of expression, association and religion" (Elements for a new EU strategy on China, 2016) Same as in Strategic Agenda for Cooperation the EU confirms "One China" policy.

Next, Elements for a new EU strategy on China emphasises importance of Comprehensive Agreement on Investment to rebalance and deepen relationship with China, with aim towards pushing PRC into liberalisation of economy with possible prospect of more ambitious cooperation such as free trade agreement. Other issues addressed are Geographical Indication for the protection of food names based on international standards, cooperation on the digital economy that would harness growth through common standards, including data protection rights in China and insistence on respect to the EU data protection rights in all personal data exchanges. Document also highlights the cruciality of protection and enforcement of intellectual property rights, representing channel for promotion of innovation. Dialogue connected to this matter should be intensified while addressing more and more prevalent challenges such as piracy and counter-feigning. Furthermore, involvement of the European Union on Chinese "One Belt, One Road" initiative should be conditioned by China's fulfilment of declared aims, most importantly adherence to market rules and international norms. (Elements for a new EU strategy on China, 2016)

Regarding the foreign and security policy, EU recognizes China's increasing role in international relations, which should be connected to greater adherents towards international standards and rules. The European Union is to closely observe PRC's

involvement in countries included in EU's Eastern and Southern neighbourhoods, such as Ukraine, where rules-based governance and regional security should be ensured. Document also stresses out the importance of cooperation on the issues of counterterrorism, by addressing root causes and cutting off finance channels of terrorist organizations. (Elements for a new EU strategy on China, 2016)

While China's approach to cyberspace governance is restrictive as opposed to EU's policy based on openness and freedom. "The EU should continue to urge China to make a greater contribution to developing responsible norms of behaviour and applying existing international law in cyberspace, including promoting further global agreement on protecting critical cyber assets." (Elements for a new EU strategy on China, 2016)

Document also takes into regard the sphere of global governance and multilateralism; it advises to grab the opportunity and use China's interest in global governance and promote multilateralism and encourage China to respect international order and support global standards and institutions. This could be done on level of the UN where China holds permanent seat in Human Rights Council and has duty to support human rights, peace and security, and development, while EU should pursue compliance on common goals such as support for reform of the UN framework which could bring larger benefits to the international community. Another dialogue should be conducted on the level of G20 and WTO, with focus on PRC's engagement on multilateral and plurilateral trade and investment initiatives as well as its push for reform of international investment rules, importantly the work on creating a multilateral investment court. (Elements for a new EU strategy on China, 2016)

"The environment is now a top Chinese policy priority, as recognised by the latest Five-Year Plan. The EU should build on this to create a positive common agenda in areas such as tackling air, water and soil pollution, the circular economy, sustainable management of ocean resources, and fighting threats to habitats and biodiversity." (Elements for a new EU strategy on China, 2016)

Firstly, author finds important to stress out the fact that at the time this thesis was being written, the CAI was at the stage where it has been negotiated and signed by the European Commission, however it was not approved by the European Parliament, therefore it is not in force. Nevertheless, still it represents result of 7 year-long negotiation process and thus can put the direction of EU strategy to China into perspective.

The Comprehensive Agreement's on Investment aim is to press China to liberalize investment environment by making conditions of market access clear and independent of China's domestic policies for EU companies. Furthermore, existing commitments such as joint ventures, technology transfers and equity gaps are to be eliminated, while setting dispute resolution mechanism of the CAI in place to oversee the implementation of agreement. Mentioned obstacles were primarily eliminated in industries such as manufacturing, automotive sector, financial services, health and/or telecommunication. Agreement also deals with problematics of state-owned enterprises, which are crucial part of PRC economy and enjoying various advantages. CAI seeks to change their behaviour by binding to act in accordance with commercial considerations and not to further discriminate in their purchases and sales of goods or services. China is also obliged to provide information required for assessment of specific state-owned enterprise complies with agreements set obligations.

In the end, European businesses would get full access to the Chinese market under CAI and could have much better position than for example companies based in the US, however it is followed by criticism from allies and various powerholders in the European Union – MEPs and member states politicians alike, for not respecting present day political climate and rather focusing solely on trade and neglecting the founding principle of human rights.

According to Renew Europe MEP tweet from January 2021 Guy Verhofstadt stated following "The European Parliament will never ratify the China Comprehensive Agreement on Investment without commitments and proof that the human rights of Hong Kongers, Uyghurs & Tibetans improve" (Politico, 2021)

Socialists and Democrats released joint statement addressing CAI “Europe needs to trade with China, but our values and standards go first. We stand by our principles and we will defend our principles. To win our backing for the investment deal, China will need to present a clear roadmap on the implementation of International Labour Organisation conventions against forced labour, and on improving the human rights situation in the country. China must show signs of a change in the human rights situation and commit to a road map of changes.” (van Brempt & Rodríguez-Piñero, 2021)

4.2.3.4 Recent diplomacy

Nowadays, the Comprehensive Investment Agreement represents the pivotal document in future development of relations between the European Union and China, which has potential to have impact in next few decades. However, since the end of the negotiation the agreement already became cause of political problems and tool for leverage in upcoming events. Firstly, the EU decided to impose sanctions on China citing abuse of human rights of Uyghur minority in Xinjian province and China promptly responded with sanctions on several members of the European Parliament which are mainly connected to subcommittee for Human Rights. This sanction exchange was already addressed by numerous representatives as exemplary obstacle in any further development in cooperation between the European Union and China.

“The lifting of sanctions against MEPs is a pre-condition for us to enter into talks with the Chinese government on the investment deal. We will not be intimidated; we will not be silenced” (van Brempt & Rodríguez-Piñero, 2021)

Ongoing COVID-19 pandemic plays huge role in present day EU-China political climate. China is considered ground-zero of the pandemic and whistle-blowers were pointing out months before along with EU countries such as Germany, but also from other regions, for example Australia, however the observers from international organizations were invited and their assistance and cooperation used. In the meantime, PRC was able to hoard the medical supplies by decreasing exports and dramatically increase imports. Later, disease was already global problem, that was hard to tackle, and made way for “medical diplomacy”, where medical supplies, equipment and capacities to produce them became leverage point. China was able to use this as a way to legitimize its activities in the

perspective of various states. Moreover, the cyberspace did not remain unused. The European Medicines Agency became a target of multiple, reportedly government-affiliated, cyberattacks in 2020 and 2021, attempting to disrupt its activities and thus making the situation overall more difficult for the EU.

As was stated above, present day political dialogue between the EU and China is marked by various events which are undermining China's position of reliable partner for serious long-term cooperation. Most importantly the ideologic difference which places different emphasis on importance of human rights, rule of law, right of self-determination, respect for international agreements became a major obstacle to development of cooperation in various fields.

5 Results and Discussion

5.1 Cyber-diplomacy concepts

Regarding the materials examined, two prevailing diplomatic concepts can be observed and identified, with possibility of entity leaning towards one side or the other side of liberal-authoritarian spectrum.

- 1) **Liberal** – Concept connected to liberal principles and freedoms. Liberal cyber-diplomacy strives to protect those principles and freedoms in cyberspace, among most important - free access to information, freedom of expression, protection of intellectual property and personal information. Concept is further based on cooperation in tackling cyber-security challenges such as cyber-attacks, piracy, disinformation, and data protection.
- 2) **Authoritarian** – concept which sees cyber-diplomacy and cyberspace more as a control tool and opportunity to gain upper hand over political rivals. It is recognizable by certain degree of repression in fields of free expression and access to information, while intellectual property and personal information are being abused for economical and suppressing purposes. Furthermore, cyberspace perceived as a domain and front for hybrid warfare using practices of organized disinformation, data theft and cyber-attack on critical infrastructure.

5.2 Key players and cyber-diplomatic tools

In theoretical and practical part several key players on different levels with different powers were identified. Firstly, as was stated National Cyber Power Index describes comprehensiveness of cyberspace utilization. The US and China are contending for status of most cyber-comprehensive country with high National Cyber Power Index of 50,2 and 41,5 respectively. Such position is secured by for example effective usage of cyberspace in connection to surveillance and monitoring domestic groups, strengthening national cyber defence, foreign intelligence collection, commercial gain. Regarding other key players, Russia, United Kingdom, Japan, and several EU member countries such as Netherlands, France and Germany rank as cyber-powerful/influential. Secondly, there is group of

companies so-called “Tech Giants” or “Big Five” – Alphabet, Amazon, Facebook and Apple, which are leading the development and implementations of novel technological innovations in their business ventures and therefore having a great influence and opportunity to lobby for their interests in regulating Cyberspace.

The European Union made several measures towards improving its cyber competencies, such as strengthening of ENISA via Cybersecurity Act, or Cyber Diplomacy Toolbox. Another measure is Europe fit for Digital Age, which beside education and adoption of modern technologies, represents initiative aiming at creating cyber space standards rather than succumb to those made by foreign powers, whether it is promoted by state or private company.

5.3 Comparative analysis results

5.3.1 Ukraine

The specific results of the agreements made between the EU and Ukraine can be observed in ongoing diplomatic dialogue between the two parties. Due to the recent events and connected challenges, that have affected the world including Ukraine and the EU, specifically rise of the importance of cyberspace and threat of COVID-19 pandemic, deeper cooperation became crucial to tackle those challenges.

Regarding the cyberspace regulation and utilization, it was already stated in previous paragraphs that Ukraine became a testing field for hostile cyber activities, such as disinformation campaigns, cyber-attacks on crucial infrastructure and electoral meddling. As a result of similar activities, the EU released joint project in cooperation with Council of Europe called CyberEast in 2019, which is focused on Eastern Partnership countries and aims at adoption of legislative policy framework compliant to Budapest Convention on Cybercrime, and is based on reinforcing judicial and law enforcement authorities by cooperation on international level of agencies involved in respective countries as well as education through various workshops and seminars dealing with cybercrime and challenges it presents.

In connection to COVID-19 pandemic, the EU mobilised over € 980 million to support Eastern Partnership countries, while package to Ukraine was worth over € 200

million committed to short-term needs such as obtaining medical materials, protective equipment, medicine but also to support of Ukrainian SME's and farms in moving their business online, therefore enabling them to continue in their endeavours. However, mentioned aid was extended by supporting contributions towards the macro-financial assistance programme by another € 600 million, which should be utilized towards the limitation of COVID-19 economic fallout, thus contributing to stabilization of Ukrainian economy and mitigation of severe economic and social consequences of the pandemic.

Moreover, due to association more than 3 million Ukrainian citizens were able to make visa-free visit to the EU since 2017, while bilateral trade soared by 49% since beginning of 2016. Furthermore, the EU was able to donate humanitarian aid to people who were affected by conflict in eastern Ukraine.

5.3.2 China

Whereas both of the parties (China, EU) are built on completely different principles, the cooperation is accompanied by uncertainty, including challenges of cyberspace and COVID-19 pandemic. Regarding the pandemic, PRC in a role of zero-ground country attempted to hush-up the outbreak, consequently failed to bring international organizations such as WHO into play, while later China implemented its “medical-diplomacy” aiming the individual countries of the EU. With that being stated, certain violation of obligation set in agreements can be observed.

In connection to cyberspace China has ambition to become leading power, utilizing cyberspace to control its population via censorship and surveillance and social credit system. PRC is not hesitating to exploit cyberspace to pursue and damage its rivals, such phenomena could have been observed in Chinese based cyber-attacks in European Medicines Agency in 2020 and 2021, while it represented crucial institution during the pandemic, which violates cyberspace commitments made between both parties.

Even though, CAI could represent milestone in EU-China relations its future is at stake. Since it resulted from long-term negotiations the political climate changed dramatically over the years, and thus the document is criticized for being too much trade oriented and too little human-rights oriented, which is factor creating great division in

European Parliament and member states parliaments alike. Furthermore, certain degree non-compliance can be expected from China's side, due to the earlier experience world stage has. The trend was confirmed by recent imposition of EU-China sanctions exchange over human rights abuse of Uyghur minority.

5.3.3 Analysis conclusion

Two kinds of relations emerged from EU-Ukraine cooperation and EU-China cooperation with many differences. Even though Ukraine gone through challenging decade she did not turn away from goal of accession to the European bloc. Slow but steady build-up of strategic partnership based on clear intentions, principles and ideas of human rights, rule of law and free trade can be observed. The European Union dedicated financial resources and material to support Ukraine's numerous endeavours and reforms in pursuing such goals and is gradually providing more benefits through accession to DCFTA, negotiation of Association Agreement and/or policies such as European Neighbourhood Policy and CyberEast. Gradual improvements in relations are conditioned by further progress in promotion and implementation of reforms supporting mentioned ideas and principles, which represent the very foundation of the European Union, therefore exemplary use of soft power concept is taking place in this bilateral relation and may lead towards Ukraine's clear and definitive affiliation to the rest of the continent.

On the other hand, there is whole different relation between China and the European Union, where ideologic principles tremendously differ. Considering the domestic and foreign activities of PRC it simply does not give clear impression of respecting the rules and obligations which both parties agreed on. Rather than gaining trust of the West, China focuses on self-enrichment, authoritative control, economic and technological, above universal values while calming the other party through rather vain commitments and agreements, that are partially fulfilled or fully neglected. However, still China represents crucial part of world economy and powerful player on the world political stage, interdependency reached high level, thus any intervention in form of broad economic sanctions could, given the circumstances, dramatically influence both parties and could lead to further deterioration of their relations.

5.3.4 Final discussion

Overall, focus on neoliberal principles in foreign and security policies of the European Union can be distinguished, specifically in form of political dialogue the EU is coordinating, goals it pursues and principles it promotes and defends. It is active in several levels – bilateral such as those discussed above but also transnational based on cooperation with international organizations like the United Nations via its subordinate institutions, and Organization for Economic Co-operation and Development. On the other hand, a certain lack of unity in setting of priorities can be identified on level of respective decision-making bodies of the European Union. Division in how the European Union should be perceived, whether it should or should not primarily be a trade bloc or whether its focus should or should not be primarily be defender and promoter of human rights is evergreen of discussion in European politics. Nowadays, this clash of opinions is main factor in further direction which China-EU relation will follow and may serve as key determinant of Comprehensive Investment Agreement fate.

Regarding the cyberspace, after evaluation of the policies and agreements the EU is implementing and negotiating, principle-based approach can be identified, and author sees classification of the EU as significantly leaning towards liberal side of the spectrum mentioned above, as corresponding evaluation considering its actions. The European Union is promoting implementation of joint framework for regulation of cyberspace to limit ongoing hostile cyber-activities, which are increasingly frequent and poses major threat to crucial infrastructure, personal data, and intellectual property.

With all being state, it important to stress out that bilateral relations and agreements discussed in the analysis in connection to China and Ukraine are making a part of larger whole considering mutual relations, which are also represented by extensive network of international agreements, and negotiations taking place on the grounds of the United Nations or in other emerging initiatives. Mapping this network require greater effort and could shed more light on the problematics and phenomena discussed from even closer and global perspective, while even taking neoliberal principles like in this thesis into account or from perspective of realist tradition in international relations.

In the end author finds following questions suitable for further research and recommendations which could help tackling present day challenges.

- I) Future direction of the European Union – Whether the European Union should pursue economic interests with greater emphasis or whether it should give priority to its founding values and principles.
- II) Possible reformation of EU decision making process – Decision making process and bodies are preserving coherence between member countries (number of commissioners, member countries veto right), however to some extent it is significantly complicated and may act slowly for those reasons which author find inappropriate for addressing fast developing world scene.
- III) Further EU integration and global cooperation – COVID-19 pandemic highlighted that in certain areas such as healthcare the EU integration and common stance on crisis management and response isn't integrated at all or only to certain extend. Whether, or whether not would common approach on EU level led to better results is question that remain to be answered. Same thing applies to the international cooperation, where more extensive aftermath could follow in case of neglect of international agreements that could represent more reliable tool of deterrence.

6 Conclusion

The aim of the diploma thesis was to analyse importance of cyber diplomacy in international relations with focus on attitude and position of European Union in this context. Firstly, terms related to diplomacy and cyber diplomacy were defined and decision-making bodies and process of the EU were examined, in order to understand basis and framework of the researched issues. Next, the identification of key players influencing the cyberspace was carried out and possible cyber-diplomacy concepts they hold, and tools they use to implement them were described. Finally, the main research question whether or not, the EU is committed to its founding ideological principles while conducting cyber-diplomacy towards chosen entities was answered.

Author decided to choose this specific topic due growing rise in use of cyberspace and its growing importance as crucial infrastructure on which human society depends on by great extent in various fields - from everyday affairs such as shopping, obtaining information to strategic matters of security and/or functioning of critical infrastructure like hospitals or traffic. Cyberspace dependency became furthermore amplified by COVID-19 pandemic which challenged society and so did the cyber-crime and that caught international organization off guard and thus larger involvement and pressure on future regulation is to be expected. Another reason for selection of this topic was growing importance of larger and stronger organizations, which provide the opportunity for better position at the negotiation table.

Research and consecutive analysis of diploma thesis, was focused on specific aspects in field of cyber diplomatic efforts of the European Union in framework of external actions, based on analysis of relevant documents such as strategies, directives initiatives, agreements, and statistical sources which apply to selected field, with Ukraine and People Republic China being chosen as subjects of those documents. In case of Ukraine the Association Agreement represents present day framework for cooperation between both parties with EU-Ukraine Association Council as body coordinating and controlling the implementation of the agreement. In latter case, the cooperation and relation of the European Union and China is based on EU-China Strategic Agenda for Cooperation 2020 with Comprehensive Investment Agreement negotiated and expected to be implemented,

but still not approved by the European Parliament. Existence of CAI is also threatened by present day political dialogue, which led to sanction exchange between both parties over human rights of Uyghur minority in China.

While current cyber diplomatic concepts were projected on the created Liberal-Authoritarian spectrum the answer to the further research question is not exactly clear and straightforward, on the one hand there is clear development of cooperation in various fields that is conditioned by adherence of neoliberal principles in EU-Ukraine dialogue, however in case of China certain doubts over level of current interdependence, and Chinese political direction are in place, and will play important role in further development of mutual relations, including problem solving procedure regarding the challenges, which emerged from wide utilization of cyberspace and COVID-19 pandemic.

Conclusion is that European Union adheres to its founding principles while conducting negotiations or other forms of political dialogue, however addressing numerous issues in this manner is taking a long time and the resulting procedures may end up obsolete in comparison to current political, economic or social climate. Thus, reformation of decision-making bodies and process overall may prove as an effective mean focusing on creation of more flexible model, which will be able to readily address present issues including those fields, in which nowadays have little or no authority even though at the cost of sovereignty of member states.

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8 Appendix