EUROPE 23.04.2020 | Jens Zimmermann

Corona in 5G

A lesson to be learnt from the current crisis is that Europe needs to avoid being dependent in sensitive areas of production

Read this article in German.

In the context of the current coronavirus pandemic, the discussion about the expansion of future 5G technology is being pushed down the agenda. But both have more to do with each other than one may think at first. 5G is a real buzzword. It denotes the standard for mobile internet and mobile telephony – so basically the next level of our 4G network. 5G offers considerably better performance than its predecessors. It is regarded as the basis for the economy of the future, for the technical meshing of production processes and supply chains and digital exchanges between machines.

It may well be that coronavirus is currently front and centre stage. But the questions that we are discussing in the context of the pandemic are not very different from the ones that we also need to ask for the 5G upgrade. Which freedoms and basic rights are key for our society?

The Chinese response to this question is different than the European one. This is a mirror image of Chinese interests and values: completely renouncing the private sphere, the dominance of the state over technologies and new possibilities for totalitarian surveillance. That is hard to reconcile with our European values, with liberal democracy and human rights.

The 5G security questions

5G will be the central infrastructure in all areas of the future economy. To organise these securely must be one of our highest priorities. At the same time, the full security of technology systems can never be completely guaranteed. Technological progress is too fast and core and peripheral networks too interwoven. Even with the highest security standards, it is practically impossible to avoid there being back door entry points for

espionage and, above all, for sabotage.

If security cannot be guaranteed, the issue of confidence in the integrity of the producer and in the legal system of the producer's country becomes all the more important. Even if we could trust Chinese companies, who can guarantee that they are not being forced, in an autocratic system, to cooperate with secret services and the military?

Upgrading European digital infrastructure with Chinese technology is very much in China's interest.

Meanwhile, the debate also has an effect on transatlantic relations. As several media have reported, a spokesperson from the US embassy in Berlin last year threatened that cooperation and information exchange between the secret services may be jeopardised if Germany were to use 'unreliable' partners for the 5G upgrade. The US itself has already ruled out using Chinese IT manufacturers.

At the same time, China has warned Germany that it will not simply sit and do nothing if Chinese firms are excluded. After all, trade volumes between Germany and China amount to €200bn. Between the long planned EU-China summit during the German EU presidency in the second half of the year, the independence of our export and import business from the Chinese economy and the position between rival global players, it seems that European interests are occasionally left behind.

Settle on European producers

Great Britain came up with a compromise solution: the core elements of the network must not be extended with Chinese technology but parts of the peripheral network can be. In total, the share of hardware technology cannot come to over 35 per cent. It is a decision that has not been received positively in the US. One solution could be to settle for European providers, such as Nokia and Ericsson. No doubt that would be the most European solution.

And yet the very companies that are doing the upgrading, such as Vodafone or Deutsche Telekom, are lobbying in Berlin and Brussels for Chinese producers. The Chinese technology only costs a fraction of what European producers could offer. According to companies like Vodafone or Deutsche Telekom, Chinese technology is more economical and more cost-efficient. But the fact that Chinese producers can only offer these favourable prices because of state subsidies has largely been omitted.

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very much in China's interest. Here, I would recall the hype around photovoltaics, when Chinese producers took over the market at lightning speed. And the result: today, there are no longer any competitive European producers in the photovoltaics industry.

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If we do not now settle on European producers, the discussion about American, European and Chinese technology producers will be superfluous in ten years. Because then there won't be any more European producers – and thus no European influence on technology standards either. What do we want things to look like in ten years? We need to take this decision now, with care.

European independence

But we shouldn't disregard the fact that Germany is taking on a pioneering role in Europe. It would not be the first time that a German decision turns into a European decision. As the most populous country in the European Union, our decision packs a punch, which can determine how our European infrastructure is organised. So we need to make sure that the most critical infrastructure of our future is based on trustworthy technology.

The current developments in the coronavirus crisis again underline the necessity of having a discussion about European capabilities. The preservation and further development of technological knowhow, engineering capacities and production facilities within the EU is crucial so as not to end up in unwanted dependency in times of crisis. In the context of the coronavirus, this is currently being demonstrated for example in dependence on production capacities for antibiotics and other medicines in India and China.

Europe now needs to strengthen its internal solidarity through more external resilience. The logic of competition on the European single market must also be discussed here. From single market perspectives, it was logical to prohibit the merger of Alstom and Siemens in the area of high speed trains (TGV and ICE). However, because of this decision, the opportunity to position a strong European player – comparable to Airbus in aeroplane construction – against Chinese world market leading players, was lost. Protectionism won't help Europe; but it is worth challenging the old neoliberal faith in the market and to define clear European interests that stand above it. This is an approach that self-conscious global players such as the US and China have long since

chosen.



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