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What does technological sovereignty mean for Europe?

Europe needs a coherent understanding of technological sovereignty based on the values, rights and freedoms of its people

I was on a public Zoom call last week with senior Conservative MPs who have decided to get tough on China. Until last year the default Tory position on China was 'it's a market, fill your boots'. The soul-searching started when it became clear that the UK was overdependent on Huawei's 5G technology — and in 2020 the Covid-19 outbreak, the declaration of systemic rivalry between China and the United States and the Hong Kong crisis have each given it added impetus.

There were few dissenters on the call from the US State Department's accusation, on 20 May, that Beijing had fallen short of its commitments on 'trade and investment; freedoms of expression and belief; political interference; freedoms of navigation and overflight; cyber and other types of espionage and theft; weapons proliferation; environmental protection; and global health'. The only problem is what to do about it — above all in the arena of technology.

China's stated strategy is to achieve 'technological sovereignty'. In response, the president of the European Commission, Ursula von der Leyen, this year spelt out her ambition for Europe to do likewise. The US, of course, already has technological sovereignty—in the shape of Silicon Valley and a world-beating military research-and-development industry.

But when I asked the assembled British China hawks how the UK intended to achieve technological sovereignty, in the face of the perceived Chinese threat, there was a stony silence (although thanks to Zoom I could see the point was taken).

UK predicament

The interchange demonstrates the UK's predicament. It has chosen to leave the European Union and become a one-country campaign for a global trading system based on World Trade Organization rules alone. But in the meantime the geopolitical system has changed.

The US has adopted a form of neoliberal nationalism — in *Clear Bright Future* I labelled it, in a wry nod to Joseph Stalin, as 'Thatcherism in one country'. China has broken out of its self-imposed regional straightjacket and is *en route* to becoming a global superpower. Meanwhile, among the policy elites of Europe there is — rhetorically at least — recognition that the union must itself respond by strengthening its own sovereignty (though the internal obstacles to this are large). Each trend has been intensified during the pandemic and will be exacerbated during the slump that follows.

So the UK is trapped. It can only achieve freedom of action against the EU — on trade, food standards and technology regulation — to the extent that it subordinates its sovereignty to that of the US. The idea that post-Brexit Britain could achieve its own technological sovereignty is so preposterous that no Tory MP wants to talk about it.

'Federated' network

But Europe could. The General Data Protection Regulation was a start. The Gaia-X project, launched last year between Paris and Berlin, represents a next step — the creation of a 'federated' physical computing network with specific European security standards.

Beyond that, Europe's path towards technological sovereignty remains an aspiration. The French president, Emmanuel Macron, has spelt out what technological sovereignty means for the Elysée. 'If we don't build our own champions in all areas — digital, artificial intelligence,' he said in a radio interview, 'our choices will be dictated by others.'

To move forward, the EU needs a political discussion about what technological sovereignty means.

France has launched a €5.5bn artificial-intelligence start-up fund. The critical challenge is not however the creation of rivals to Facebook and Amazon but the achievement of 'data sovereignty' against them.

During the past 20 years the American technology giants have boosted their profits and valuations by collecting the behavioural data of millions of people who use their software. When your phone predicts what you

are trying to write, it does so because its maker has access to the writings of millions of other people.

In the race to develop commercialised AI, access to the behavioural data of identifiable people is the motherlode. As one executive put it to me, 'If I can crunch the anonymised data of 15 million hospital patients I can predict patterns in the onset of liver disease. If I get access to the identification registry I can predict and mitigate the diseases Paul Mason is going to get.'

Citizens' rights

This demand for access to the ID registry already runs counter to citizens' rights under the GDPR — hence the generalised waivers we are required to sign to use the basic technologies on our smartphones.

The European response, spelt out most thoroughly in a report by Cedric Villani for the French government, is to pool anonymised user data, removing it from the clutches of American technology firms by classifying it as a 'common good'. The problem is that while the governments of Europe can nominate national champions, hand out money and propose nation-centric industrial strategies, the EU itself faces many structural obstacles in doing so.

And the US technology industry, well aware of the weakness in practice of European regulation, is mounting a fightback. In a report for ECIPE, a free-market European think tank aligned with the Hayekian right in the US, Matthias Bauer and Fredrik Erixon outline a strategy of divide and conquer.

Any attempt to achieve technological sovereignty in rivalry with the US, they argue, will harm the small nations of eastern Europe and Scandinavia. Better to attempt a 'joint' approach with America, they say, because — despite having 450 million citizens — Europe does not have the scale to achieve leadership in innovation nor true autonomy.

Political discussion

To move forward, the EU needs a political discussion about what technological sovereignty means. For Margrethe Vestager, the competition commissioner, its implicit purpose is to ensure the EU can regulate effectively: 'being able to control what we are doing … in order to maintain our regulatory sovereignty'.

For Macron, however, it is about creating EU-specific technology champions to rival Google, Apple, Amazon and the like as they move into the space of AI, biotechnology, digital currencies and so on. That requires a change in competition law to allow states (and the EU itself) to promote major companies and, as Macron's junior digital minister, Cédric O, has hinted, to break up the US-based technology giants.

For von der Leyen it has been more about protecting European culture and values — the 'sovereignty of individuals … ensuring they have full control over their own data'. Meanwhile the left — through initiatives like the Barcelona-based DECODE.eu project — has tended to pose sovereignty, at a more granular level, as individual sovereignty for cities and citizens.

The new 'game' is the creation of continent-wide spaces where technology operates according to the social values of powerful elites.

The problem, as always in the EU, is that reality is developing faster than thinking and policy-making.

China's concept of technological sovereignty arose out of the determination not to allow the US 'military-industrial complex' to colonise its digital space during its economic development. As the internet emerged, it then needed to erect an information firewall around its heavily repressed society, which became a standards-and-competition firewall, allowing the emergence of its own national champions: Baidu, Alibaba, Tencent and Xiaomi (known collectively as BATX).

Now however it has moved from defence to offence. It is using technological soft power — Huawei's 5G, for example — to place some western states, and many developing countries, in a position of reliance.

Reframing the issue

If Europe is to achieve technological sovereignty, in a situation where China and the US are engaged in a battle for strategic dominance, it has to reframe the issue. Europe's problem is not just that its own technology industry cannot produce global leaders, nor that its citizens are being exploited in a one-sided process by US corporations nor that its regulatory regime can't operate properly.

The new 'game' is the creation of continent-wide spaces where technology operates according to the social values of powerful elites. The

US stock market is heavy with companies using technology to seek economic rents; the Chinese technology space is shaped by its essential role in suppressing freedom of speech, controlling behaviour and surveying the population.

Europe has to be in the same global game — but with a concept of technological sovereignty based on the values, rights and freedoms of its people. It is, thus, a geopolitical and moral challenge, not an economic one.

As for the UK, it is not even in the game. The abysmal collapse of its home-grown Covid-19 track-and-trace app was followed by the revelation that it had invested in unproven satellite technology, in an attempt to replicate the Galileo global positioning system — the shape of things to come.

This means that, even after Brexit, the citizens of the UK will be more reliant on Brussels than Westminster to defend their information freedoms. The standards Europe imposes and the champions Berlin and Paris sponsor will have greater impact on my life post-Brexit than anything the prime minister, Boris Johnson, says or does — because in this situation the UK has very little freedom of action.

But then Brexit was never really about British 'sovereignty' — rather, fantasies of regulatory freedom and a neo-mercantilist empire, in a world that had disappeared.

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