Day 23: 5G Is Where China and the West Finally Diverge

Wednesday, December 2, 2020 9:08 PM

Clipped from: https://www.theatlantic.com/ideas/archive/2020/01/5g-where-china-and-west-finally-diverge/604309/

The rollout of speedy new cellular networks is a geopolitical turning point, but neither Trump nor the public yet recognizes this.

January 5, 2020

Lindsay Gorman

Fellow at the Alliance for Securing Democracy

2 more free articles this month Already a subscriber? Sign in

Thank you for reading The Atlantic.

Thank you for reading The Atlantic.

Enjoy unlimited access for less than $1 per week.

Subscribe Now

Amid this much public indifference, 5G may seem like an unlikely battleground between China and the West. Yet the transition to 5G may mark the point, after decades of Chinese integration into a globalized economy, when Beijing's interests diverge irreconcilably from those of the United States, the European Union, and their democratic peers. Because of a failure of imagination, Western powers risk capitulating in what has become a critical geopolitical arena. Simply put, neither the American nor the European public seems to view the networks that supply Snapchat clips and Uber cars as anything close to a security threat.

Some of the world's leading telecom-equipment manufacturers, including Huawei and ZTE, are Chinese companies with murky ownership structures and close ties to China's authoritarian one-party government. Many in the U.S. national-security establishment rightly fear that equipment made by these companies could allow Beijing to siphon off sensitive personal or corporate data. Or it could use well-concealed kill switches to cripple Western telecom systems during an active war. The mere threat of this activity would endow China's leadership with geopolitical leverage at all times.

This is why Secretary of State Mike Pompeo recently exhorted EU allies not to "trust Chinese firms with critical networks." China has fought back, threatening to scuttle a trade deal with Denmark's Faroe Islands and, more recently, to retaliate against the German auto industry should European

officials bar the use of Huawei equipment in 5G networks.

Reihan Salam: The age of 'Chimerica' is coming to an end

The framing of 5G primarily as a consumer-technology matter works to China's benefit. "Choose 5G," proclaimed one ad in the Brussels airport—part of a campaign that presents a false choice between Huawei and the 4G status quo. A focus on tech alone would also suit U.S. and EU telecom operators eager to deliver faster speeds while minimizing their own costs. The Huawei equipment they buy is typically cheaper than the gear produced by the three suppliers based in democratic countries—the European firms Ericsson and Nokia and South Korea's Samsung.

Meanwhile, policymakers on both sides of the Atlantic, from European economics ministers to President Donald Trump, have viewed the 5G dispute first as a trade issue. Even as the Trump administration has taken steps, as *The New York Times* has described it, to "block China's national telecommunications champion, Huawei, from operating in the United States and starve it of American technology as it builds networks around the globe," the president has also hinted at a willingness to waive restrictions in exchange for economic concessions from China. In 2018, Trump backed down from national-security sanctions against ZTE as a sweetener in his trade negotiations with Xi Jinping.

Against these attitudes, Pompeo and others sounding alarms about Huawei can be perfunctorily dismissed as protectionists, xenophobes, or military hawks. The American secretary of state has become a particular target of criticism in China, where government officials and the media have described him as a font of "lies and fallacies" and a "Cold War warrior."

Yet the West has ample reason for caution about Chinese 5G suppliers. For one, the recent Chinese National Intelligence Law requires these companies to comply with Communist Party demands to turn over data or otherwise engage in snooping or network-disruption activities. Party-backed actors in China's public and private sectors also have a long record of cyberattacks on the West, including stealing intellectual property from companies and sensitive personal information on citizens.

The case against Huawei isn't just guilt by association. The company itself is suspected of committing blatant corporate espionage: A Justice Department indictment from early 2019 cited highly specific demands by Huawei headquarters in China for information from engineers embedded in T-Mobile's facility in Bellevue, Washington. An email exchange exposed Huawei's pressure on employees in the field to steal even guarded equipment and trade secrets; according to the Justice Department, a bonus program offered rewards for the most valuable information stolen. One Huawei employee, the U.S. government alleges, literally walked out the door with a proprietary robotic arm in his bag.

And recent revelations about how China's ruling party exploits the full

panoply of personal information it has amassed about its citizens—facial-recognition images, mandatory DNA samples, 24-hour GPS coordinates, and search-history and online-activity tracking, as well as plain old eavesdropping—to quash religious freedom and basic rights should give major pause to Western governments and wireless carriers alike.

While Pompeo's State Department has been pressing its case at one international forum to the next, his message has been met with some skepticism in Europe. Simply to acknowledge 5G as a security threat invites headaches that EU governments and telecom carriers would rather not contemplate. Ripping out Chinese gear would be a massive financial and logistical undertaking.

European regulators are used to viewing the American tech industry as a rival, and they bristle today at taking direction from Washington. And despite the fact that two 5G suppliers are European, and EU officials have argued for "technological sovereignty"—a term most reasonably construed to mean technological independence from the United States—member nations have not yet settled on a joint policy.

On top of that, the EU single market prides itself on principles of fair competition and an unwillingness to favor or reject a company because of its national origin, especially when its products are competitive, as Huawei's are, on metrics such as price. The irony in this approach, of course, is that the Chinese state has subsidized efforts by Huawei to undercut its European and South Korean competitors, not least because of the possibility of obtaining geopolitical leverage. *The Wall Street Journal* estimated recently that as much as $75 billion in state support fueled Huawei's rise. The failure to see 5G beyond the consumer lens is also a failure to understand Chinese companies as implements of state power as much as private entities in their own right.

The dispute over 5G isn't the first time in recent history that economic infrastructure matters have overlapped with geopolitics in unhealthy ways. Nor is it the first time that overlap has caused problems for the transatlantic relationship. The European energy sector has long relied on cheap natural gas piped in from Russia, and deregulation has allowed Russia's state-owned gas company, Gazprom, to buy or build a large share of the infrastructure used to transport and distribute it. American policymakers have implored European leaders to diversify their energy sources, for fear of increased dependence on an authoritarian Russia. These warnings are often dismissed as self-serving, since American energy firms compete with Gazprom for European business.

Read: The Huawei drama is a gift to U.S. tech companies

The Trump administration's mixed messaging on 5G lends credence to the cynical view that the United States is not serious about China as a national-security threat but regards it mostly as an economic competitor. (Never mind that U.S. telecom firms do not compete with Huawei on 5G

equipment.) And the president's trade threats against Europe—targeting products as varied as cheese, whiskey, and airplane fuselages—are not helping. Such positions prioritize trade conflicts over common security interests and alienate allies that the United States needs.

Even as Pompeo and others in the Trump administration warn against Huawei, European policymakers don't know if Trump is serious about 5G as a national-security problem or planning to trade away the issue in exchange for the reduction in Chinese tariffs against U.S. farm products. But they do think he is serious about tariffs on them. They see trade as the one issue on which Trump has been consistent from the start of his presidential campaign.

The United States can work with its European partners to reduce geopolitical dependence on China and protect privacy and human rights in a data-centered age. But that will require Western policymakers and the public alike to conceive of 5G as something more than a consumer issue or a trade issue and devise a shared solution to protect the networks whose importance in our lives will only grow.

We want to hear what you think about this article. Submit a letter to the editor or write to letters@theatlantic.com.

Lindsay Gorman is the fellow for Emerging Technologies at the Alliance for Securing Democracy.