



A Geopolitical, 5G Europe? Brussels needs to go big, or go home

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Perhaps, when the history of European integration in the early 21st century is written, 5G will be viewed as the beginning of Europe's geopolitical renaissance. Although, that currently seems very unlikely. Be-cause it's hard to escape the overwhelming feeling in Brussels that a greying, slowing Europe is now stuck in a technological blind spot behind the two global superpowers of the United States and China.

5G sums up the EU's ability to constantly punch below its weight on a geopolitical level. It also symbolises how Brussels has totally failed to leverage its significant (and often underestimated) economic strength to project its wider political priorities.

Honesty is clearly needed in Brussels because advocating for greater subsidiarity within the EU while simultaneously calling for a more geopolitical Europe is resulting in a clear dilemma. You simply can't be a global power if there are 27 (or more) potential veto's sitting around the table. What is required is not a universal abandonment of the EU's competition or industrial legislation, but rather a more agile, more nuanced understanding that in select, geopolitically important areas, Europe must work together if it is to protect its interests on the global stage.

Europe's toolbox on 5G remains woefully incapable of repairing fractured digital markets.

Many European states (both inside and outside the

EU), now profess themselves dependent on Huawei to build out their 5G networks. This situation has partially arisen because Europe's digital landscape re-mains pockmarked by national markets, protected silos and a far from complete Digital Single Market. Such an environment depresses investment and restricts the required scale through which companies can create truly pan-European digital networks.

The perceived dependence on Huawei also exposes Europe's inability to strategically plan for new and emerging technologies. For all the talk – and European Commission policy documents – Europe's Digital Single Market remains a pale shadow of the more integrated digital landscapes now evidenced in the United States, China and most other leading global economies.

Europe is subsequently stuck in a bind of its own making. Countries, who above all else, fear being left behind in this new technological race are thus prioritising completing their 5G networks regardless of concerns over their suppliers' origins or motives. A situation which threatens Europe's security given Huawei's responsibility to provide Chinese authorities with 5G data if requested under existing Chinese National Security laws.

This in turn increases the risks of further fracturing the EU's digital markets. A division is emerging between those who favour faster (and cheaper) network completion and those more willing to take a longer-term view on national security and budgetary issues. It is even leading to the laughable situation

where Huawei is, in some states, restricted to working on “non-core” elements of the 5G network. This is a sub-optimal situation. It exacerbates, not lessens, the underlying political and economic fissures because it neither satisfies those seeking a complete ban on Huawei nor those advocating for a completely open network.

5G isn't just about China or the United States. It's also about transforming Europe into a credible global economy.

The first thing European policymakers need to be clear on is that 5G isn't about China, Huawei or succumbing to American pressure. 5G is about building a stronger, more economically coherent Europe. A Europe where 5G – and emerging technologies generally – are viewed as an economic and societal priority.

The recent European Commission [White Paper](#) on Artificial Intelligence (AI) highlights that Europe has a long way to go in developing real economic tools to meet its oft stated global aspirations.

Rather, the EU needs to understand that a defensive policy posture on 5G is partially responsible for Europe's strategic drift. Instead of framing Europe's anxiety in terms of American pressure or Chinese market dominance, the EU should seek to lay down a clear marker on 5G. A line in the sand which would underscore Europe's determination to carve out a global leadership role in the design, implementation and application of 5G technology in the decades ahead.

It's time to make a geopolitical statement – a European, Nokia-Ericsson 5G

If the European Commission and the EU's member states are serious about creating a geopolitical Europe then a clear political statement is required on 5G. Rather than simply leaving it to member states to address potential security concerns, an overarching (and binding) European approach is required.

Europe should remember that industrial and 5G leadership starts at home. Two European companies – Nokia and Ericsson – remain in the top 3 of global 5G providers. This in itself is a remarkable achievement given that China's domestic 5G market remains almost totally inaccessible for European vendors.

A real European geopolitical strategy will result in a unified 5G European provider. A combined Nokia-Ericsson company of such a scale as to become a major global player. A provider, which in a European context, will act as a key unifying force in bridging the gap between fragmented national markets. A scaled up European 5G provider, backed at a geopolitical and legislative level by the EU, will create a unified European digital single market and break down tightly held national silos.

An “offensive-defensive” 5G Strategy

This approach is an offensive global strategy designed with geopolitical realities in mind. It is also a strategy which would seek to level the global playing field having regard to China's use of state aid to penetrate very lucrative foreign markets.

This strategy implies not just the creation of a European 5G global player - it must also be complemented by a more realistic approach to protecting the economic benefits of the European Single Market. This should include a significant strengthening of foreign investment screening and a more robust approach in allowing reciprocal market access.

In terms of 5G this means a combined Nokia-Ericsson entity building a European network supported by policy frameworks at both EU and national levels. More than anything else, this would send a clear message that Brussels is intent on becoming a serious geopolitical player at the global level.

Europe should be patient and accept higher short-term economic costs for longer term strategic benefits

Developing a global leading European 5G entity will mean accepting higher costs in the short term. Facilitating a European built network might also result in delays in the completion of existing and planned infrastructural investment.

These potential higher costs feed into the narrative that rapid action is urgently required no matter what the longer-term implications. While these fears are understandable, they inhibit strategic thinking and have had the result of forcing Europe to accept short-term fixes which are detrimental to wider, more strategic goals.

In this context, it is important that Europe prioritises its longer-term strategic objective. A geopolitical vision of Europe which should outweigh any shorter-term economic costs. Although technology is almost always portrayed as a straight winner takes all scenario, the reality is much more complex. What is truly important is building a reliable, secure European 5G network – not rushing to complete a network that will be subject to security or operability concerns from the very moment it is completed.

A European 5G is about more than EU Competition Policy. It requires political leadership and a long term, strategic vision.

It can be argued that the recent (and very welcome) focus on a new industrial policy for Europe must also mean a fundamental reworking of the EU's competition rulebook. However, this is not necessarily the case.

As has been highlighted above (and [elsewhere](#)) this issue requires action across a wide range of policy areas including, but not limited to, Industrial Policy, the Single Market, digital infrastructure investment and many more.

The time for half measures on 5G in Europe is over. Brussels needs to show flexibility in defining 5G as the core geopolitical priority of the von der Leyen Commission. Creativity is needed in order for Europe to challenge its nimbler (and speedier) competitors in the United States and China.

Europe should respect, but not be enslaved by existing EU competition rules. Airbus was initially formed on the basis of bilateral agreements and subsequently emerged as a *Groupement d'Intérêt Économique* (Economic Interest Group). The concept of "Important Projects of Common European Interest", although specifically provided for in the European Treaties, remains largely stuck in a barely moving development quagmire.

But what these instruments show is that it is not competition law or industrial policy that underpins Europe's ongoing 5G fiasco. It is the lack of political courage (at both the EU and national levels) and the inability to place long term strategic objectives ahead of apparent short-term gains.

What is required is combined action at both EU and national levels. A concerted approach that places 5G as the key European geopolitical priority of the next decade.

That is why when it comes to the development of a geopolitical, 5G Europe, Brussels needs to go big or go home.

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