



LUNDS
UNIVERSITET

European Studies (MA)

EUHR 18

Master Thesis

Spring Term of 2021

The EU Way, or the Huawei?

A comparative study of the values projected onto
Europe's 5G network by the Chinese Communist
Party and the European Union

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Words: 16 402

Abstract

Title: The EU Way, or the Huawei? A comparative study of the values projected onto Europe's 5G network by the Chinese Communist Party and the European Union.

Seminar date: 21st of May.

Course: EUHR 18.

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Key words: Huawei, 5G, Document No. 9, A New Industrial Strategy for Europe, Universalistic vs Particularistic values, Human Rights vs Sovereignty, Analysis, The Chinese Communist Party (CCP), European Union, The Digital Silk Road (DSR).

Purpose: The purpose of this investigation is to look closer on the value-tension between the European Union and the Chinese Communist Party regarding which values are present in the official policies of these entities and how these values are projected on the new digital transition towards 5G.

Empirical foundation: The primary material which has been used is firstly Communiqué of the Current Situation Regarding the Ideological Area, also known as Document No. 9, produced by the Chinese Communist Party (CCP) in 2012. Document No. 9 contains seven “false ideological trends” accompanied by four recommendations, which the CCP-elite were no longer allowed to support. The second primary material used is the document A New Industrial Strategy for Europe produced in 2020, that outlines EU's new industrial strategy.

Theoretical framework: For the purpose of the investigation of this thesis two different theories which highlight the dichotomy between Europe and China in terms of what values are advocated and how these values are viewed have been selected. The first theory, provided by Karl-Heinz Pohl, describes a dichotomy where Europe and the European Union believes in universal values whereas China believes in particularistic values. The second theory, provided by Uwe Wissenbach, describes values as an issue of Human Rights for Europe and as an issue of sovereignty for China.

Methodology: The method used is Idea Analysis which is broadly applied with three main purposes: to describe, explain and take position. For the purpose of enabling a fair

categorization of the two selected documents forming the empirical foundation of this thesis, three different Ideal Types have been constructed: Values as expressed in relation to the world, to society and lastly to governance. The outcome of the comparison of each corresponding Ideal Type will highlight the contrasting antagonistic values expressed in the two selected primary materials.

Conclusion: There are two conclusions to draw from this thesis. The first being that the definitive goal for the EU is to become Strategically Autonomous in the 5G area and for the CCP it is to improve its internet management through the 5G network. The second conclusion is that particularistic values have been projected onto the 5G network by the CCP as the CCP view 5G as an issue of sovereignty, while the EU have projected universal values onto the 5G network. This is a result of the EU viewing 5G as a Human Rights issue or that the EU will view it as a Human Rights issue when value conflict arises as a consequence of the projected CCP values.

Contents

1. Introduction.....	1
1.1. Purpose and Framing of Question	1
1.2. Background.....	2
2. Primary Materials.....	5
2.1. Document No. 9	5
2.1.1. Reliability of Document No. 9's sources.....	9
2.2. A New Industrial Strategy.....	10
3. Previous Research	12
3.1. The European Union Perspective	12
3.2. The Chinese Communist Party/Huawei Perspective.....	13
4. Theory	16
4.1. The Chinese and Western Values (Theory No. 1).....	16
4.2. The EU and China (Theory No. 2)	18
4.3. How the Theories Will be Used in the Analysis.....	20
5. Idea Analysis as Method.....	21
5.1. Why and how this thesis will use Idea Analysis	21
5.2. Ideal Types as an Analytical Framework	21
5.3. What Ideal Types Will Be used in this Thesis	23
6. Analysis	25
6.1. How the Analysis will be Conducted	25
6.2. First Part of the Analysis – Making the Dichotomy Visible	28
6.2.1. Values expressed in Relation to Society.....	28
6.2.2. Values Expressed in Relation to Governance.....	29
6.2.3. Values Expressed in Relation to the World	30
6.3. Second Part of the Analysis – When a Value Conflict Arises.....	32
6.3.1. Universalistic VS Particularistic Values.....	32
6.3.2. An Issue of Sovereignty VS an issue of Human Rights?.....	35
7. Result	40
7.1. First Research Question	40
7.2. Second Research Question.....	41
8. Discussion	43
9. List of References	46
Appendix.....	49

1. Introduction

As a consequence of the global Covid-19 outbreak many persons have found themselves working remotely from home and this increase in remote digital work has sparked an interest from both policymakers and the inhabitants of Europe in the new digital transition, also known as the 5G networks. Huawei is seen as one important enabler for this great technological leap. The involvement of Huawei is viewed by some countries with suspicion and by others with great expectations. It could be asked if Huawei's involvement in Europe is a fantastic deal which is cheaper than any of its competitors or if Huawei's involvement is actually a blessing in disguise which in the long run will threaten Western democracy through competing values? In view of the fact that much of the world's communication and information will fly through the 5G. That is why it is of utmost interest to closely follow the development of EU's 5G network to find out which values will govern the build-out of 5G networks in the future Europe.

The 5G network has become an arena where the EU and China, acting mainly through the Chinese Communist Party (henceforth the CCP), are safeguarding which values they want to present in the new digital transition. This tension in values is what this thesis will try to examine through the question of whether there will be a harmonic relationship between the Chinese Communist party and the EU in terms of 5G or if there will be a scramble for projecting different values in the 5G area as the world embarks on its new digital transition. Will the EU withstand the full force of the Far East in terms of values in the 5G area or will there be a harmonic relationship where both entities want the same thing in terms of values in the 5G area?

1.1. Purpose and Framing of Question

It is no secret that the EU and China have different values and represent different approaches to how things in general should be done. This possible conflict of contradictory values sparked an interest in me of examining how the debated 5G networks will be formed in Europe with two such different entities as the EU and the CCP. The purpose and focus of this thesis is therefore to look closer on the tension in regard to what values are

present and represents the new digital transition in the shape of the 5G network.

To fulfil the purpose of this thesis two different research questions have been formulated in the following way:

Firstly, what values has been projected on Europe's 5G networks by the EU and the Chinese Communist Party?

Secondly, what antagonistic values will be set against one another when value-conflict arises?

The procedure for examining the research questions is to compare the two selected primary materials, which is the Chinese Communist Party Bulletin Document No. 9 and the EU's new Industrial Strategy as these two documents will represent what values have been projected in the 5G area. Both documents have been selected seeing that they both formulate the entities intentions with the 5G network and their projected values in relation to the 5G network. The comparative study will be done by using the method of Ideal Types since the method will be ideal for finding out what values are encapsulated within the two separate texts. The method will also be ideal when giving answer to the first research questions.

The two theories which will be used are produced by Karl Heinz Pohl and Uwe Wissenbach. The theories both focus on the tension between European and Chinese values and will guide this thesis discussion when answering the second research question.

The analysis will then be done as a two-part analysis where the first research question will represent the different values projected on the 5G network by the EU and the CCP. The second research question will represent what values have been set against one another by the EU and the CCP.

1.2. Background

It is appropriate to give a background as to why Chinese involvement in the 5G area might be a concern to the EU. Following on the next page is a summary of an investigative report

from the U.S House of Representatives from 2012 outlining the potential dangers to allow Huawei into the U.S telecommunication market. The report is also a brief background to what features 5G will enable in the future and why it is of importance to both the EU and the CCP to project the values they want to be present in the 5G area. Moreover, the report also serves as a background as to why this subject is highly actualized today and why it is of importance that the academia should closely follow the development of what values are present in the 5G network.

The investigative report concluded that the risks associated with Huawei and ZTE's (another Chinese telecommunications provider) provisions of equipment to critical U.S infrastructure could undermine core U.S national-security interests. What the U.S House of Representatives base this conclusion on is that Huawei and ZTE were not forthcoming about their formal relationship or regular interaction with Chinese authorities, the precise role of the Chinese Communist Party Committee and neither company provided detailed information about its operations in the United States. Huawei in particular failed to provide information about corporate structure, history, ownership, financial structure and management. Again, Huawei in particular may be violating the legal standards of United States business behaviour. Lastly, neither company provided sufficient internal documents or other evidence to support the limited answers they provided to the Committee of investigators. However, what has been mentioned above does not prove wrongdoing by Huawei or ZTE, according to the investigative report. The recommendation provided by the investigation was that the U.S should view the continued penetration of the U.S telecommunications market by Chinese companies with suspicion.¹ Although, Huawei officials were quick to argue that the investigative report must be called for what it is according to them, protectionism and not security.²

5G is an enabler for ground-breaking research and inventions involving speed, capacity, security and reliability.³ The 5G network is critical as it will be the platform to realize the full potential of frontier technologies, such as artificial intelligence.⁴ This potential makes it all more critical that the 5G network is built with adequate security protections in mind

¹ Rogers, Mike. Ruppertsberger, Dutch. "Investigative Report on the U.S. National Security Issues Posed Chinese Telecommunications Companies Huawei and ZTE." p iv – vii.

² Anderson C. Eric, *Sinophobia – The Huawei Story*. p 341.

³ Kania B. Elsa, "Securing our 5G Future." p 6.

⁴ Ibid. p 22.

in terms of values.⁵ There are people and politicians in Europe who have raised their voices in regards to Huawei and 5G, however Huawei is becoming increasingly leading on infrastructure - so much that they are becoming technically irreplaceable in the 5G network and could for this reason decide undisturbed what values they want to infuse to the 5G network.⁶

⁵ Rogers, Mike. Ruppertsberger, Dutch. "Investigative Report on the U.S. National Security Issues Posed Chinese Telecommunications Companies Huawei and ZTE." p 1-2.

⁶ Godement, Francois. Vasselier, Abigael. "China at the Gates." p 46.

2. Primary Materials

In this chapter the two different selected primary materials will be given account for, starting with Document No. 9 and later-on the New Industrial Strategy. The purpose of this chapter is to give account for the primary materials. Both primary materials have been selected as a consequence of the documents being governing strategies that relates to the 5G area.

2.1. Document No. 9

The first selected primary material is a document that possesses some common traits with a spy novel. First and foremost, its official name is: Communique of the Current Situation Regarding the Ideological Area. Its less official name is (which this thesis will be using) is Document No. 9. Document No. 9. was dispatched as a document only for internal circulation within the Chinese Communist Party in April 2013. In the document seven “false ideological trends” were listed accompanied by four recommendations for Chinese Communist Party elites (CCP). Since the document was only meant for internal circulation within the CCP, the official document, per se, cannot be found. However, its content can be found on several websites and in some books.⁷

The procedure for how this thesis accounts for its first primary material is as follows: The thesis will first explain and list these seven “false ideological trends”, including the four CCP recommendations. Subsequently, a discussion will be held on the reliability of the primary material as the official document cannot be found, unless you are a high-ranking member of the Chinese Communist Party.

As stated above, the document contains seven false ideological trends, which members of the Chinese Communist Party were no longer allowed to support. These trends were: Western constitutional democracy; “universal values”; the civil society; neoliberalism; western journalistic principles; historic nihilism; and the questioning of the socialist

⁷ Hamilton, Clive. Ohlberg, Mareike. *Den dolda handen: Hur Kinas kommunistiska parti underminerar västliga demokratier och omformar världen.* p 348.

character of a socialism with Chinese features. Document No. 9 was the initiation of the renewed attempt to completely eradicate ideas which the Chinese Communist Party regarded as a threat to their grip of power.⁸ What follows below is an in-depth explanation of the seven false ideological trends and Document No. 9's four different recommendations.

Point No. 1: The point of publicly proclaiming that Western constitutional democracy's key points are to oppose the party's leadership and implementation of the constitution and laws. Their [westerners] goal is to use Western constitutional democracy to undermine the Party's leadership, abolish the people's democracy, negate our country's [China's] constitution as well as our [China's] established system and principles, and bring about a change of allegiance by bringing Western political systems to China. Some people [political opposition] still use the phrase "constitutional dream" to distort the Chinese dream of the great rejuvenation of the Chinese nation, saying things like "constitutional democracy is the only way out" and "China should catch up with the rest of the world's trend toward constitutional governance".

Point No. 2: The goal of espousing "universal values" is to claim that the West's value system defies time and space, transcends nation and class, and applies to all humanity. This is mainly expressed in the following ways: [The people who espouse universal values] believe Western freedom, democracy, and human rights are universal and eternal. This is evident in their distortion of the Party's own promotion of democracy, freedom, equality, justice, rule of law, and other such values; their claim that the CCP's acceptance of universal values is a victory for universal values," that "the West's values are the prevailing norm for all human civilization," The goal (of No. 2) is to obscure the essential differences between the West's value system and the value system we [China] advocate, ultimately using West's value system to supplant the core values of Socialism.

Point No. 3: Civil society is a socio-political theory that originated in the West. It holds that in the social sphere, individual rights are paramount and ought to be immune to obstruction by the state. For the past few years, the idea of civil society has been adopted by Western anti-China forces and used as a political tool. Additionally, some people with

⁸ Ibid. p 17.

ulterior motives within China have begun to promote these ideas. Advocates of civil society wants to squeeze the Party [CCP] out of leadership of the masses at the local level, even setting the Party against the masses, to the point that the advocacy is becoming a serious form of political opposition.

Point No. 4: Neo-liberalization advocates unrestrained economic liberalization, complete privatization, and total marketization and it opposes any kind of interference or regulation by the state. These arguments aim to change our country's basic economic infrastructure and weaken the government's control of the national economy. Western countries, led by the United States, carry out their neoliberal agenda under the guise of "globalization", visiting catastrophic consequences upon Latin America, the Soviet Union, and Eastern Europe, and have also dragged themselves into the international financial crisis (of 2008) from which they have yet to recover.

Point No. 5: Defining the media as "society's public instrument", attacking the Marxist view of news and promote the "free flow of information on the Internet"; slandering our county's [China's] efforts to improve Internet management by calling them a crackdown on the Internet; claiming that the media is not governed by the rule of law but by the arbitrary will of the leadership [of CCP]; and calling for China to promulgate a Media Law based on Western Principles. Some even claim that China restricts freedom of the press and banter on about abolishing propaganda departments. The ultimate goal of advocating the West's view of the media is to hawk the principle of abstract and absolute freedom of the press, oppose the Party's [CCP] leadership in the media and gouge an opening through which to infiltrate our ideology.

Point No. 6: Rejecting the revolution; claiming that the revolution led by the Chinese Communist Party resulted only in destruction; denying the historical inevitability in China's choice of the Socialist road, calling it the wrong path, and the party's CCP] and new China's history a "continuous series of mistakes"; rejecting the accepted conclusions on historical events and figures, disparaging our Revolutionary precursors, and vilifying the Party leaders. Recently, some people [political opposition] took advantage of Comrade Mao Zedong's 120th birthday in order to deny the scientific and guiding value of Mao Zedong thoughts.

Point No. 7: Some blame the contradictions and problems of development on Reform and Opening. They say “Reform and opening up has gone too far” and that “we have deviated from our Socialist orientation.” They question what China is doing now, still truly is Socialism, or they just call it “Capitalist Socialism,” “State Capitalism,” or “New Bureaucratic Capitalism.” Others say “reform is still distant and hasn’t be realized” or that “reform of the political system lags behind and obstructs reform of the economy.” They bang on about how we should use Western standards to achieve so-called “thorough reform.” These mistaken views and ideas exist in great numbers in overseas media and reactionary publications. They penetrate China through the Internet and underground channels and they are disseminated on domestic Internet forums, blogs, and microblogs. If we allow any of these ideas to spread, they will disturb people’s existing consensus on important issues like which flag to raise, which road to take, which goals to pursue, etc., and this will disrupt our nation’s stable progress on reform and development. “Dissidents” and people identified with “rights protection” are active. Some of them are working together with Western anti-China forces, echoing each other and relying on each other’s support. This clearly indicates that the contest between infiltration and anti-infiltration efforts in the ideological sphere is as severe as ever, and so long as we persist in CCP leadership and socialism with Chinese characteristics, the position of Western anti-China forces to pressure for urgent reform will not change, and they will continue to point the spearhead of Westernizing, splitting, and “Colour Revolutions” at China. In the face of these threats, we must not let down our guard or decrease our vigilance.⁹

Document No. 9 then proceeds with four different recommendations for the CCP political elite to work on during Xi Jinping’s administration. **Point 1** is broadly defined as strengthening leadership in the ideological sphere. **Point 2** is to guide the party members and leaders to distinguish between true and false theories. **Point 3** points out that “we” [CCP elites] must persist in a correct guidance of public opinion, insisting that the correct political orientation suffuse every domain and process in political engagement, form, substance, and technology. **Point 4** points out that “we” [again, CCP elites] must reinforce our management of all types and levels of propaganda on the cultural front, perfect and carry out related administrative systems, and allow absolutely no opportunity or outlets for incorrect thinking or viewpoints to spread. Thus, implementing the Decision of the

⁹ The ChinaFile Editors. “Document 9: A ChinaFile Translation.”

Standing Committee of the National People's Congress on Strengthening Information Protection on Networks," strengthen guidance of public opinion on the Internet, purify the environment of public opinion on the Internet plus improve and innovate our management strategies and methods to achieve our goals in a legal, scientific, and effective way.¹⁰

2.1.1. Reliability of Document No. 9's sources

There is one central source for the primary material. The source is an online magazine under the name ChinaFile. ChinaFile received Document No. 9 from Mingjing Magazine, a New York-based Chinese language news website owned by the Mirror Media Group. Mingjing News is described by Reporters without Borders as an independent and participative news website covering Chinese politics, business, social issues, and history and often has information the Chinese government does not want to disclose.¹¹ However, Mingjing News only writes and reports in Mandarin. Therefore, the use of ChinaFiles version in this thesis. ChinaFile is an online magazine published by the Center on U.S.-China Relations at Asia Society, who stresses the importance of an open and collaborative dialogue between the United States and China in order to reach global peace, security, economic growth and environmental sustainability.¹² ChinaFile describes itself as dedicated to promoting an informed, nuanced and vibrant public conversation about China, in the U.S. and around the world.¹³

Returning to Document No 9. ChinaFile published Document No 9 on their website (with the permission of Mingjing News) in its entirety on the 8th of November 2013 along with the original version in mandarin. However, these are both small-scale publishers with limited outreach, but the most convincing argument that ChinaFile's version (therefore also Mingjing News version) of Document No. 9 is reliable is who is referring to it. China Digital Times, a California-based bilingual media organization, whose purpose is to bring uncensored news and online voices from China to the world uses and refers to ChinaFile's

¹⁰ The ChinaFile Editors. "Document 9: A ChinaFile Translation."

¹¹ Reporters Without Borders, "Mingjing News".

¹² Asia Society, "Center on U.S.-China Relations".

¹³ The ChinaFile Editors, "About".

version of Document No 9.¹⁴ ¹⁵ Another small-scale magazine/database that refers to ChinaFile's version of Document No 9 is China Copyright and Media, whose aim it is to be an online resource providing access and insight in Chinese law and policy through public communication.¹⁶

The Council of Foreign Affairs (CFR) wrote a text in 2013 regarding Document No. 9, based on a New York Times article with the title, China Takes Aim at Western Ideas, which was published the 19th of August 2013.¹⁷ The article was based on a version of Document No. 9 that was shown to The New York Times and was verified by four sources close to CCP senior officials, including an editor with a party newspaper.¹⁸ The content of the New York Times article confirms the ChinaFile version of Document No. 9. Freedom House, published a lengthened piece on the Limitations of the Chinese Communist Party Repression, where they touch upon Document No. 9 several times and refer to ChinaFiles's version.¹⁹ Freedom House is a U.S-based, U.S government-funded NGO that produces research and reports on a number of core thematical issues related to democracy, political rights and civil liberties.²⁰ Lastly (as regards to ChinaFile), the book The Concealed Hand refers to the ChinaFile version of Document No. 9, when the authors Hamilton and Ohlberg writes about the document.²¹

2.2. A New Industrial Strategy

On the 10th of March 2020, the European Commission released a paper called: Communication from the Commission to The European Parliament, The European Council, The Council, The European Economic and Social Committee and The Committee of the Regions: A New Industrial Strategy for Europe (henceforth, the strategy). The strategy states that Europe must prove its ability to lead change as the world embarks on its

¹⁴ China Digital Times, "About China Digital Times".

¹⁵ Beach, Sophie, "ChinaFile Translation of the CCP's Document 9."

¹⁶ (1st) Creemers, Rogier, "About this Site". (2nd) Creemers, Rogier, "Communique on the Current State of the Ideological Sphere (Document No. 9)".

¹⁷ Albert, Eleanor. Xu, Beina. Maizland, Lindsay. "The Chinese Communist Party.

¹⁸ Buckley, Chris. "China Takes Aim at Western Ideas."

¹⁹ Cook, Sarah. "Confronting the Limitations of Chinese Communist Party Repression".

²⁰ Freedom House, "About Us".

²¹ Hamilton, Clive. Ohlberg, Mareike. *Den dolda handen: Hur Kinas kommunistiska parti underminerar västliga demokratier och omformar världen*. p 365.

transition towards climate neutrality and digital leadership. Europe must, through this transition, affirm its voice, uphold its values and fight for a level playing field. It is now more important than ever and in the words of the strategy: “This is about Europe’s sovereignty”. On the very same page, where Europe’s new strategy is being broadly outlined, the strategy states that: “Europe’s industrial strategy must reflect our values and social market traditions”.²² The strategy also touches upon competition and broadly states that Europe cannot erect trade-barriers, shield uncompetitive industries or mimic the protectionist or distortive policies of others: “Being competitive requires competition – both at home and in the world”.²³

Under paragraph 2.3, the strategy goes more in-depth regarding 5G. The strategy states that Europe must speed up its investments in research and the development of technology, in areas such as artificial intelligence, 5G and data analytics. More importantly, EU must enhance its industrial capacity in critical infrastructure. The 5G network will be the heart of the industrial data wave and a major enabler for future digital services. The successful roll-out of 5G networks is critical and Europe must invest now if it wants to be a frontrunner in 6G networks.²⁴ When the paper reaches paragraph four it mentions Europe’s strategic autonomy. Europe’s strategic autonomy is about reducing dependence on others for things that “we” need the most, such as infrastructure, food and technology, etc... The strategy, once again, acknowledges that Europe thrives on an open investment environment, but it must be more strategic in the way it looks at risks associated to foreign investment.²⁵ Europe’s digital transformation, security and future technological sovereignty depends on the strategic digital infrastructure.²⁶

The text and recommendations in the document *A New Industrial Strategy for Europe* are far too extensive to give account for as a whole in this section. Hence, it is included as an appendix.²⁷

²² European Commission. “*A New Industrial Strategy for Europe*.” p 1.

²³ Ibid. p 3.

²⁴ Ibid. p 4.

²⁵ European Commission. “*A New Industrial Strategy for Europe*.” p 13.

²⁶ European Commission. “*A New Industrial Strategy for Europe*.” p 13.

²⁷ See appendix after page 49.

3. Previous Research

3.1. The European Union Perspective

When COVID-19 hit Europe with full force, the situation stressed the importance of digital policymaking as many Europeans found themselves working remotely on platforms. The epidemic will therefore most likely spur the EU to focus on ensuring that key elements of its economy, such as the 5G network are resilient to foreign domination. This does not mean the EU should exclude any foreign participation or erect barriers in the global economy. Instead, the authors Burwell and Propp means that the EU should work to create standards and rules in the digital space that reflects its values and interests.²⁸ Thus, projecting values that are of European character on the 5G network expansion even if the European Union and its citizens wanted to go the other way and start regulating Huawei's involvement in the member states' 5G networks and thus limiting the values projected on its 5G network. Regulating Huawei would not be possible because the EU lacks the competence to harmonize member-state procurement decisions.²⁹ The European Commissioner for Competition and Executive Vice President of the European Commission for A Europe Fit for the Digital Age, Margrethe Vestager, has also closed the door on possibility of regulating Huawei by arguing that European companies must compete within Europe if they are to succeed in global competition.³⁰ This is even though China, for a long time, has denied equal access to their market.³¹

Dekker, Okano-Hijmans and Zhang has the same reasoning as Commissioner Vestager. They argue that EU overlooks the fact that they must participate in order to write the rules of the game in the coming digital age, especially in relation to 5G. Europe cannot win if it only plays defensively. China's increased presence in infrastructure, business and the regulatory domain challenges EU and its member states on the economic and security fronts. The EU has been too indecisive about whether to adopt Huawei's 5G infrastructure and with a lacking cohesive and consistent EU-wide response, the EU has become a

²⁸Burwell G. France. Propp, Kenneth, "The European Union and the Search for Digital Sovereignty." p 16.

²⁹Burwell G. France. Propp, Kenneth, "The European Union and the Search for Digital Sovereignty." p 7.

³⁰ Ibid. p 6.

³¹ Drozdiak, William, *The Last President of Europe*. p 167.

playground.³² Meaning that with this defensive role taken by the EU, the CCP is free to project its values on the 5G network. With Huawei's 5G network comes China's efforts to reshape international standards and if China plays a more prominent role there is a growing risk of state interests prevailing over a human-centric approach. For the EU and its member states China's commercial power and assertive promotion of new standards will be challenging in the normative sense. Especially in uncharted territory with ethical aspects and digital human rights, such as online freedom, privacy and transparency. To play a role European capitals have to define their red lines.³³ Monsieur le President Macron warned his French ambassadors in a review of his China Policy that China is trying to reach a hegemonic global system through their many different silk roads, to which Huawei is key in developing the new Digital Silk Road by providing a cheaper 5G network alternative.³⁴ Haiko Mass, the German foreign minister, in an attempt to defend European sovereignty, said that if there are countries that believe they can do clever business with the Chinese, then they will find themselves dependent one day.³⁵

3.2. The Chinese Communist Party/Huawei Perspective

A track which is worth taking to explain the dynamics between the CCP and the businesses in China is how the CEO Jack Ma (the founder of Alibaba) answered in response to a question about the links to the Chinese Communist Party: "We sleep together, but we are not married."³⁶ Alibaba is not a 5G provider, but the statement may provide a glimpse into the Chinese business environment and how Huawei could act in the 5G area.

There are nevertheless legitimate arguments for Huawei, says Chung and Mascitelli, which both China and Huawei have raised, such as that competition from Huawei and therefore China is beneficial for the whole world. Secondly, Huawei is capable of producing high tech at low cost. This is significant as it will make telecommunications evolution possible in Africa.³⁷ Huawei's products and services have been assessed as

³² Dekker Brigitte. Okano-Heijmans, Maaïke. Siyi Zhang, Eric, "Unpacking China's Digital Silk Road". p 14.

³³ Dekker Brigitte. Okano-Heijmans, Maaïke. Siyi Zhang, Eric, "Unpacking China's Digital Silk Road. p 15-16.

³⁴ Drozdak, William, *The Last President of Europe*. p 170.

³⁵ Ibid. p 173.

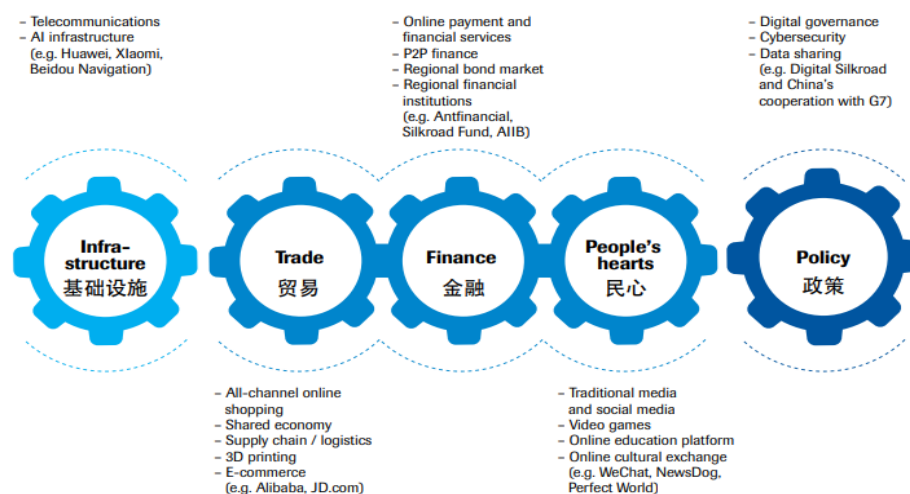
³⁶ Godement, Francois. Vasselier, Abigael. "China at the Gates.". p 49.

³⁷ Cold War or Commercial war. p 11.

highly insecure, but remains highly attractive due to Huawei's ability to undercut its competitors on price and the fear of some countries falling behind in the 5G race.³⁸

Although, the two arguments above are identical to the arguments used by the Chinese state to promote the Bridge and Road Initiative (BRI), which aims to redefine globalisation and multilateralism to suit China's interests.³⁹ In 2015, China's official state press Xinhua News Agency defined a subset to the BRI, namely the Digital Silk Road (DSR). The DSR sets out to promote the upgrade and innovation of traditional industries and employment in BRI countries by opening up China's export market using China's digital assets. While stimulating much needed development in BRI countries, in effect, it results in stimulating innovation and upgrading industries and employment in China, while creating dependencies on China's digital economy.⁴⁰

Dekker, Okano-Heijmans and Siyi Zhang continues describing the DSR and its purposes as an improvement of regional and international connectivity in five aspects (as seen in the picture below). Infrastructure, trade, finance and "people's hearts (grouped under business) and policy (here, regulation).⁴¹



(Image source: Dekker Brigitte, Okano-Heijmans, Maaïke, Siyi Zhang, Eric, "Unpacking China's Digital Silk Road". p 3).

As seen in the picture, it is the infrastructure of Huawei that the DSR relies on. It specifies that e-businesses need to operate successfully in the long run, and positions Chinese

³⁸ Kania B. Elsa, "Securing our 5G Future." p 3.

³⁹ Dekker Brigitte, Okano-Heijmans, Maaïke, Siyi Zhang, Eric, "Unpacking China's Digital Silk Road". p 4.

⁴⁰ Dekker Brigitte, Okano-Heijmans, Maaïke, Siyi Zhang, Eric, "Unpacking China's Digital Silk Road". p 4.

⁴¹ Ibid. p 4.

companies as global standard-setters in the 5G area.⁴² The DSR will open new markets for Business (Trade, Finance and peoples heart grouped together) with Chinese e-commerce companies offering cheaper alternatives to goods and services than their European and American competitors. E-commerce companies thus plays a role in winning the hearts of people, thereby being an instrument of soft power in public diplomacy – in this case, serving the Chinese government.⁴³ Now Policy or Regulation, China coupled with the export of equipment and technologies by Chinese companies – is changing the country’s engagement with international standards. With physical borders being blurred, agreed norms, rules and standards are needed to ensure a free, open and secure cyberspace that can ensure cross-border digital connectivity. Attempts to shape standards and norms are part of the “policy” element of the DSR. Standards setting ability brings commercial and normative benefits, especially now with state borders being blurred. One of these norms are “Internet Sovereignty”. Internet Sovereignty replaces the idea of an open free flowing internet with a censor regime that has emerged in China lately, which manipulates search engines to block specific words, an army of online censors and a strict regulation of internet companies, according to Hamilton and Ohlberg. By exporting Internet Sovereignty, China wants to give the values and norms of autocratic countries the same status as democratic countries and let each country censor what they please. In 2017 China even held a seminar on “Cyberspace Management” along the Digital Silk Road. Internet Sovereignty has already been exported to Vietnam and Russia has publicly supported it.⁴⁴

What has been described in this section is being enabled through the 5G infrastructure. The assessment behind showcasing the DSR is to exhibit the long-term plans of the CCP in the 5G area and why it so important that the “right” values are projected onto the 5G area for the EU and the CCP.

⁴² Dekker Brigitte. Okano-Heijmans, Maaïke. Siyi Zhang, Eric, “Unpacking China’s Digital Silk Road”. p 6.

⁴³ Dekker Brigitte. Okano-Heijmans, Maaïke. Siyi Zhang, Eric, “Unpacking China’s Digital Silk Road”. p 7-9.

⁴⁴ Hamilton, Clive. Ohlberg, Mareike. *Den dolda handen: Hur Kinas kommunistiska parti underminerar västliga demokratier och omformar världen*. p 335 – 337.

4. Theory

The two different theories that will be used are “*The Chinese and Western Values: Reflections of a cross-country dialogue*”, by Karl-Heinz Pohl and “*The EU and China – Reconciling interests and values in an age of interdependence*” by Uwe Wissenbach. The theories will be modified in order to fit the purpose of this thesis, which is to shine a light on the value-tension relationship made visible through the 5G network in the EU. The two theories have been selected to support this thesis in answering the second research question since the theories describe two dichotomies (which will be explained in this chapter) that exist between the EU and China/CCP. Moreover, for the reason that both theories, with their respective dichotomy descriptions, overlap nicely with the second research question, which aims to describe what values that has been set against each other in the 5G field.

The two theories will not be used for the first research question as the first question aims to make the value-tension visible, while the second research question focuses on what values might just oppose one another.

4.1. The Chinese and Western Values (Theory No. 1)

In Karl-Heinz Pohl’s paper *The Chinese and Western Values: Reflections of a cross-country dialogue*” culture is defined as: An inherited system of meaning which convey identity and orientation in life.⁴⁵ This is where Pohl’s model is grounded. Nevertheless, the core of the theory is how it explains the values of China and the West. Western values are called Post-Christian Values. The reason being that western values has Christian value orientation as their bedrock but have lately been enhanced due to secularized ideas and values: the combination of individualism, rationalism, scientism and ideology of progress.

The Chinese equivalent of the Christian faith are Confucian values that put emphasis on respecting your elders, government loyalty and knowing your place in society. Principles

⁴⁵ Heniz Pohl, Karl. *The Chinese and Western Values: Reflections of the methodology of a cross-culture dialogue*. p 95.

that have had profound impact over a period of 2000 years.⁴⁶ These Chinese values see society or the state modelled after the family, with consensus and harmony being essential for the survival of both. Pohl continues with a longer description in his texts but manages to capture the zeitgeist of Chinese values in his theory in one sentence: “China and most of the East Asian countries give top priority to social harmony and stability.”⁴⁷ Lastly, the Chinese society is more shaped by particular relationship and networks, emphasising the principle of reciprocity as well as duties and responsibilities.⁴⁸ This means, according to the theory, that the key values in China are social harmony and stability. Stability as a feature, or rather a value, will therefore be something this thesis will look for in the CCP governing document, Document No. 9, in accordance with Pohl’s theory. With such a long Confucian tradition, it is possible that the CCP may have infused their 5G network policy with values that put emphasis on social harmony just as the theory has outlined above. Especially since there will be an abundance of information flowing through the 5G network, for example, social media or newspapers that may not put the same emphasis on stability, but rather on polarisation.

The theory gives the same attention to the western counterpart, particularly found in liberal democracies (as in the EU), who has had the individual as its fundamental element. Society develops through conflicts between antithetical forces and progresses towards a liberated world of autonomous individuals. Equality is also vigorously defended in western society but in terms of “social justice”.⁴⁹ Lastly, Western tradition with claims and rights in accordance with natural positive law, sets universal rules and codes for everyone alike.⁵⁰ Universal values, such as natural positivistic with universal rules and codes for everyone is consequently something that will be looked for when examining the EU governing document, The Strategy. Thus, according to the first theory, EU should have projected values on the 5G network, through its governing document The Strategy that should espouse universalistic values backed by positivistic laws.

In a short and more simplified way we can make the distinction in Pohl’s theory between

⁴⁶ Heniz Pohl, Karl. *The Chinese and Western Values: Reflections of the methodology of a cross-culture dialogue*. 95.

⁴⁷ *Ibid.* p 99.

⁴⁸ *Ibid.* p 100.

⁴⁹ *Ibid.* p 99.

⁵⁰ *Ibid.* p 100.

Western and Chinese culture as a distinction of *universalistic VS particularistic values* and it is these values that will be made visible, if they exist, in the two governing documents, as described in the first selected theory.

As Pohl himself mentions in the text, it is a simplified theory of the relationship between the West and China, however, the simplification is necessary as this thesis does not have the sufficient time to cover one of the most complex relations in history at full depth. Although, this dichotomy, made visible through the theory of universalistic VS particularistic values, will serve as a great enabler or disabler for this thesis' second research question as it provides an intricate explanation to value-tension that is created through the 5G network build-out with competing values from the EU and China.

4.2. The EU and China (Theory No. 2)

The second theory that will be used is text *The EU and China – Reconciling interests and values in an age of interdependence*” by Uwe Wissenbach. The purpose behind the paper where Wissenbach outlined his theory is that he believes that we are in a period of shifts in relationships, world visions and interests that will determine the future patterns of relationship and partnerships to come.⁵¹ The main question that drives the theory forward is that China see values as an issue of sovereignty, and it is seen by Europe as a Human Rights issue.⁵² It is this dichotomy of the CPP through Document No. 9 and the EU through The Strategy that makes this theory so interesting for this thesis as it enables a second nuanced lens for looking at the value-tension in the 5G field.

The background to the second theory is similar to the previous theory by Karl-Heniz Pohl. Wissenbacher's theory goes into the development of democracy through Greek polis and the development of Confucianism in the east, as parallel developments. Nevertheless, let's jump from the great past to the 1980s where the theory describes a re-emergence of Confucianism values, with similar, but diametrical opposing arguments in the 1980s with the discourse on Asian Values. Confucianism suddenly explained Asia's economic

⁵¹ Wissenbach, Uwe. *The EU and China – Reconciling interests and values in an age of interdependence*. p 2.

⁵² Ibid. p 2.

superiority through values such as group spirit, family, hard work, thriftiness and respect for hierarchy. It is through this, which the second theory states, that Confucian values VS Western values is based on the idea of a rising Asia and the decline of West and definitions of identity versus modernity rather than on intrinsic cultural doctrine features.⁵³

European norms promotion on the other hand is in a difficult period according to the second theory. The EU has been historically successful to extend Human Rights and democracy (European values), over virtually the whole European continent. Although, not in present time.⁵⁴ One of the reasons why Europe has struggled in exporting their values as of lately, according to the second theory, is a result of EU systematically including democratic principles and values in all formal agreements and strategies with other countries.⁵⁵ The dilemma today between Europe and China lies in the struggle of normative idealism and real interests.⁵⁶ In other words to pursue a normative Human Rights agenda or to opt for a solution where the real interests, such as economics interests, prevail. If we allow ourselves to develop this, it means that Europe wants to push the normative agenda of European values, but that has to be weighed against the union's real interests, which China can sufficiently provide, which sounds fairly similar the 5G relationship between the EU and Huawei.

Nonetheless, what is of fundamental importance and as stated above according to the second theory is that the tensioning relationship between European and Chinese values, which is now embodied in the value-conflict in the 5G area, is that China and Europe view the problem entirely different. *China sees values as an issue of sovereignty and it is seen by Europe as a Human Rights issue.*⁵⁷ Thus, this thesis will be guided by statement formulated through Wissenbacher's theory when examining and giving answer to the second research question. When examining the two governing documents provided by the EU and the CCP it is precisely the dichotomy Sovereignty VS Human Rights, as shown four rows above, that will be examined to find out if the value-tension in the 5G area is viewed fundamentally different by the EU and the CCP.

⁵³Wissenbach, Uwe. The EU and China – Reconciling interests and values in an age of interdependence. p 5.

⁵⁴ Ibid. Page 6.

⁵⁵ Ibid. p 7.

⁵⁶ Ibid. p 8.

⁵⁷Wissenbach, Uwe. The EU and China – Reconciling interests and values in an age of interdependence. p 2.

4.3. How the Theories Will be Used in the Analysis

Both theories support a dichotomy where the first theory see a universalistic VS a particularistic relationship and the second one an issue of sovereignty VS Human Rights. As already stated briefly in both theory sections, the two theories will be consulted when trying to answer the second research question in the results section. The first theory that will be consulted is Pohl's theory of universalistic VS particularistic values and thereafter, in accordance with the second theory formulated by Wissenbacher's of how the EU and the CCP view it as an issue of sovereignty VS Human Rights. The two theories will guide the thesis in the reasoning of the analysis section in relation to the second research question, but also when giving answer to the second research question in the results section. As both theories give this thesis a framework in how to view the second research question in terms of the value-tension.

5. Idea Analysis as Method

5.1. Why and how this thesis will use Idea Analysis

Since this thesis is concerned with studying governing documents and their expressed and encapsulated values Idea Analysis is the most suitable method. This is as the selected method will allow and enable an analysis which will discover the true essence of the expressed and encapsulated values in relation to the 5G network. An Idea Analysis is broadly defined as a method that has three main purposes: describe, explain and take a position on the material. These three main purposes will lay the foundation for the analysis.⁵⁸ The primary goal of this method is therefore to detect what values are expressed and encapsulated in the texts. Thus, the thesis is given a descriptive character. Also, since Document No. 9 and the Industrial Strategy are both governing documents that express strategies and values representing what to do and what not to do in relation to the 5G network; the thesis is given a comparative character. Hence, the method will enable an analysis which will be both descriptive and comparative to answer the first research question. The method will also be a fundamental tool in developing the area of research where we will see a dichotomy of values in the 5G area.

5.2. Ideal Types as an Analytical Framework

Ideal Type Analysis is usually associated with the sociologist Max Weber and is a form of thought-construction. Max Weber's model should not be seen as a model which describes reality and therefore it cannot be read into reality.

The Ideal Type Analysis works as an analytical instrument that is being used to refine certain characteristics of a text from which one can later derive a hypothesis. A great deal of Max Weber's Ideal Type Analysis focused on capitalism and bureaucracy.⁵⁹ Idea Analysis as an analytical orientation, which also contains an ideology-critical tradition

⁵⁸ Bergström, Göran & Boréus, Kristin. "*Textens mening och makt*". p 155.

⁵⁹ Bergström, Göran & Boréus, Kristin. "*Textens mening och makt*". p 150.

rooted in Marxist analysis.⁶⁰

When conducting an Idea Analysis it is of utmost importance that the analysis is correctly performed. That requirement is being met in this thesis by using Ideal Types as an analytical framework. An Ideal Type is a refined value and/or feature in the phenomenon that is being compared. Thus, what is described could become an extreme image of the phenomenon that does not necessarily exist. The thought is that these extreme images that are being contrasted through the analytical framework by the antagonistic documents Document No. 9 and the Industrial Strategy should act as a tool which demonstrates the contrast/tension between the different values that has been projected on the 5G network in Europe.⁶¹

In order to get the most use of the selected theory, a high standard regarding validity and reliability must be achieved.⁶² This is why the Political Scientist Torbjörn Aronson's method has been included into the method to some degree. Aronson examined the connection between Swedish conservative politicians' perceptions of governance and their basic values, and how it could relate overall to a conservative idea tradition, in his dissertation: *Conservatism and Democracy*. Aronson studied several political philosophers who had analysed "isms" in general. By doing so Aronson was able to construct three ideal types, which this thesis will base its own Ideal Types on, and which is also the thesis' criteria for what values expressed in the primary materials that will be included in the analysis. Aronson's Ideal Types are the following: View on the world, view on society and view on governance. When constructing these Ideal Types, Aronson assumes two different levels in developing these Ideal Types, namely the basic and the operative level. The basic level corresponds to core values in the view on the world and the view on societies (basic construction), while the operative level corresponds to governance and its conception of how society should concretely be designed.⁶³

⁶⁰ Bergström, Göran & Boréus, Kristin. "Textens mening och makt". p 166.

⁶¹ Beckman, Ludvig. "Grundbok i idéanalys: Det kritiska studiet av politiska texter och idéer". p 28–29.

⁶² Esaiasson, Peter. Gilljam, Mikael. Oscarsson, Henrik. & Wängnerud, Lena. "Metodpraktikan: Konsten att studera samhälle, individ och marknad". p 237–238.

⁶³ Bergström, Göran & Boréus, Kristin. "Textens mening och makt". p 150-151.

5.3. What Ideal Types Will Be used in this Thesis

The Ideal Types which Torbjörn Andersson used in his analysis will be somewhat adjusted in this thesis, in order to achieve its purpose by analysing the tension in regard to what values that are present and that represent the new digital transition. Although, Torbjörn Aronsson Ideal Types have been a great base of Ideal Types they are too broad for this thesis to use and could not be accepted as valid criteria for what to include from the primary materials into the analysis. In accordance with maintaining a high standard of validity, the Ideal Types that will be used when going through the primary material of Document No. 9 and the new Industrial Strategy and used as criteria for what and what not to include into the analysis are the following:

- Values expressed in relation to the world.
- Values expressed in relation to society.
- Values expressed in relation to governance.

The assessment behind the rewording of Torbjörn Aronsson's Ideal Types is that he used his Ideal Types when analysing "isms" and in this thesis the object of analysis is not "isms", but antagonistic values. Hence, the adjusted Ideal Types are better suited to the purpose of this thesis. Another reason behind the rewording is that these three Ideal Types are better suited to find what is relevant in terms of values in relation to the 5G network, which enables a fair categorization of the primary material. With these three Ideal Types comes a set of principles from the Ideal Types analysis, which this thesis must follow in order to maintain a high standard of reliability. Firstly; are the two separate documents comparable?⁶⁴ Both documents are policy and governing documents issued by high ranking CCP-members/European Commission and they are broadly outlining strategies or frameworks for the 5G network. Secondly; will the three Ideal Types (as shown above) be able to bring order to the material?⁶⁵ In order to make it as obvious and clear to the reader as possible, a table with the three different Ideal Types will be given account for in the beginning of the analysis— showing the values expressed in each document in relation to the world/society/governance. Giving both the thesis and the reader a macro level view of both primary materials. Thirdly; are the documents relevant in demonstrating antagonistic

⁶⁴ Bergström, Göran & Boréus, Kristin. *"Textens mening och makt"*. p 166.

⁶⁵ Ibid. p 154.

values and value-tension between the CCP and the EU? ⁶⁶ Since a table will be used, showcasing a macro-view of the different Ideal Types, it opens up the possibility of splitting up the primary materials in different dimensions, thus enabling a balanced and structured analysis, which will be enhanced by the comparative nature of this thesis. Fourthly; the last principle is that it is only the corresponding values in each dimension that will be compared with one another to maintain the high standard of reliability.

The outcome of the comparison of each corresponding Ideal Type with values expressed in relation to the world/society/governance will highlight the contrasted antagonistic values expressed in two selected primary materials. Making the conflicting/antagonistic values visible will enable a relevant comparative study. A study that is in line with the first framed research question, which will be discussed through the posted table before going into the discussion in relation to second framed research question. The reason being that the first research question is formulated with the purpose to make visible what values has been projected on the 5G area by the EU as well as the CCP. Therefore, it is appropriate to have a discussion in relation to the first research question before going into the second one. The first research question will be answered (just as the second research question) in the results section.

In short, the method of Ideal Types will be used in such a way that firstly a table will be shown, where the three different Ideal Types have been used as a lens on both primary materials to enable a categorization and a macro view of the antagonistic values in each. Here the first discussion will be held in relation to the first research question, since its purpose is to give a macro-display of the antagonistic values in each primary material. A summary of how the analysis will be conducted as a whole will be given just before the start of the analysis as a reminder.

⁶⁶ Bergström, Göran & Boréus, Kristin. *"Textens mening och makt"*. p. 166.

6. Analysis

6.1. How the Analysis will be Conducted

As stated in the method chapter, a table will be presented where the Ideal Types of the two different primary materials: Document No. 9 and The New Industrial Strategy will be accounted for. The Ideal Types shown in the table are Ideal Types in relation to the 5G network, which will make the conflicting/antagonistic values visible. Here a discussion will be held in relation to the first research question since the purpose is to give a macro-display of the antagonistic values in each primary material.

Thereafter, the second part of the analysis will commence where a discussion will be held in relation to the second research question and the two selected theories. This is based on the first part of the analysis. The analysis will be developed through the guidance and frameworks provided by the two theories in relation to the second research question. The prior research section will also be consulted in the second part of the analysis section to enable a greater depth of the analysis.

After the analysis is concluded it is time to answer to the two formulated research questions in the results section. The first research question will be answered to make value tension visible. The two theories will be briefly consulted, since both Pohl's theory (theory No. 1) and Wissenbacher's theory (theory No. 2) believes in a dichotomy between the EU and the CCP in terms of values, which will guide this thesis when answering the second research question. Lastly, the results will be discussed in the discussion section.

	Values expressed in relation to the society	Values expressed in relation to governance	Values expressed in relation to the world
Document No. 9	<p>The great rejuvenation of the Chinese nation, who opposes western constitutional democracy by providing absolutely no outlets nor opportunities for incorrect thinking or viewpoints to spread.</p> <p>Advocate socialist core-values, a Marxist view of the news with a Party (CCP) leadership in the media.</p>	<p>The civil society arises at the expense of the state.</p> <p>CCP-elites must insist on the correct political orientation to suffuse every domain and process in political engagement, form, substance, and technology with strengthened guidance and a purified environment of public opinion on the Internet.</p> <p>Advocate interference and regulation by the state, the use of propaganda departments and state-owned enterprises and government control of the economy.</p>	<p>Anti-Globalists</p> <p>The outside world is trying to reform China through the Internet and disrupt Chinese people's consensus on important issues, thus disrupting the country's progress. Therefore, "we" must improve "our" Internet management, management strategies and methods to achieve "our" goals in a legal, scientific, and effective way.</p>
The New Industrial Strategy	<p>The openness of Europe's economy is the source of its prosperity and competitiveness.</p> <p>Forged standards must reflect Europe's values and principles in Europe's strategic digital transformation. Europe's future depends on "our" strategic digital infrastructure.</p>	<p>Europe's strategic autonomy is about reducing dependencies on others for things we need the most, which must be done in accordance with the civil society.</p> <p>The European Union must enhance the industrial strategy in critical infrastructure, thus retain its technological and digital sovereignty.</p> <p>The European Union is an enabler and regulator, including the aim of ensuring intellectual property and participation in standardisation bodies, which will strengthen Europe's tech sovereignty.</p>	<p>Europe must affirm its voice and uphold its values, through the Industrial Strategy which must reflect our values, way of life and social market traditions.</p> <p>Being competitive requires competition both at home and in the world.</p>

Sources to the table above	Values expressed in relation to the society	Values expressed in relation to governance	Values expressed in relation to the world
Document No. 9	<p>The ChinaFile Editors. “Document 9: A ChinaFile Translation.”</p> <p>The ChinaFile Editors. “Document 9: A ChinaFile Translation.”</p>	<p>The ChinaFile Editors. “Document 9: A ChinaFile Translation.”</p> <p>The ChinaFile Editors. “Document 9: A ChinaFile Translation.”</p> <p>The ChinaFile Editors. “Document 9: A ChinaFile Translation.”</p>	<p>The ChinaFile Editors. “Document 9: A ChinaFile Translation.”</p> <p>The ChinaFile Editors. “Document 9: A ChinaFile Translation.”</p>
The New Industrial Strategy	<p>European Commission. <i>A New Industrial Strategy for Europe</i>. p 1.</p> <p>European Commission. <i>A New Industrial Strategy for Europe</i>. p 3 and 13.</p>	<p>European Commission. <i>A New Industrial Strategy for Europe</i>. p 13 and 16.</p> <p>European Commission. <i>A New Industrial Strategy for Europe</i>. p 4.</p> <p>European Commission. <i>A New Industrial Strategy for Europe</i>. p 1 and 5.</p>	<p>European Commission. <i>A New Industrial Strategy for Europe</i>. p 1.</p> <p>European Commission. <i>A New Industrial Strategy for Europe</i>. p 3.</p>

6.2. First Part of the Analysis – Making the Dichotomy Visible

As stated before, the table accounts for the values as expressed in the two selected primary materials: Document No. 9 and the New Industrial Strategy in relation to the 5G network. The method of Ideal Types has allowed this thesis to categorize and analyse on a macro level the two primary materials into three dimensions, displaying the antagonistic values. In accordance with the method section the table will now support this thesis to have a comparative discussion of the Ideal Types projected onto the 5G network by the Chinese Communist Party through Document No. 9 and the EU through the New Industrial Strategy.

6.2.1. Values expressed in Relation to Society

Firstly, the Ideal Type, “The openness of Europe’s economy is the source of its prosperity and competitiveness” cannot be seen as a dichotomy between the two primary materials as there is no mentioning of an economic outlook in Document No. 9s Ideal Types of values expressed in relation to society.⁶⁷ However, Document No. 9 has a prevalent expressed value in relation to society, which is to oppose western constitutional democracy and to provide absolutely no opportunities for incorrect thinking or viewpoints to spread.⁶⁸ An expressed value which goes hand in hand with Document No. 9s other expressed value in relation to society: to advocate Party leadership in the media”.⁶⁹ As a result, dictate what information to flow through the 5G network. These two values from Document No. 9 cannot be seen as anything else than as a sharp contrast with the New Industrial Strategies second expressed value, mainly that the standards forged in the 5G area must reflect Europe’s values and principles.⁷⁰ Why? Because one of the core values of a Western constitutional democracy is to be able to freely express yourself, whether it be a demonstration or through social media. And this is something that is being explicitly countered as an expressed value in Document No. 9. Lastly, the New Industrial Strategy

⁶⁷ European Commission. “A New Industrial Strategy for Europe.” p 1.

⁶⁸ The ChinaFile Editors. “Document 9: A ChinaFile Translation.”

⁶⁹ The ChinaFile Editors. “Document 9: A ChinaFile Translation.”

⁷⁰ European Commission. “A New Industrial Strategy for Europe.” p 3 & 13.

even goes as far as stating that Europe's future depends on its strategic and digital infrastructure.⁷¹

6.2.2. Values Expressed in Relation to Governance

The most obvious contrasting values expressed in relation to governance from the table is that Document No. 9 does not advocate the civil society, since it arises at the expense of the state, whereas the strategy invites the civil society into the process of becoming strategically autonomous.⁷² The Chinese Communist Party expresses as a value that the civil society is not wanted, while the EU though the New Industrial Strategy expresses the opposite, that they desires to include the civil society to reach another expressed value, Strategic Autonomy.⁷³

We can summarize the New Industrial Strategy's next two values expressed in relation to governance as Europe's strategic autonomy is about reducing dependencies, enhance the EU:s industrial strategy in critical infrastructure, thus retain its technological and digital sovereignty and where participation in standardisation bodies will strengthen EU:s tech sovereignty.⁷⁴ In other words, strategic autonomy is an expressed value by the EU through the New Industrial Strategy and it is achieved by reducing dependencies, while enhancing the union's own technology, by for example standardisation. However, the core value expressed by the EU in relation to governance is to become strategically autonomous and technologically and digitally sovereign. While, at the same time, the CCP expresses values, through Document No. 9, that prescribe a correct political orientation to suffuse every domain and technology with a strengthened guidance and purified environment of public opinion of the internet.⁷⁵ There are, as well, values of advocating interference and regulation by the state, the use of propaganda departments and state-owned enterprises.⁷⁶

⁷¹ European Commission. "A New Industrial Strategy for Europe." p 3 & 13.

⁷²(1st) European Commission. "A New Industrial Strategy for Europe.". Page 16. (2nd) The ChinaFile Editors. "Document 9: A ChinaFile Translation."

⁷³ European Commission. "A New Industrial Strategy for Europe." p 3 & 13.

⁷⁴ European Commission. "A New Industrial Strategy for Europe." p 13, 4, 1, 5.

⁷⁵ The ChinaFile Editors. "Document 9: A ChinaFile Translation."

⁷⁶ The ChinaFile Editors. "Document 9: A ChinaFile Translation."

This poses an important question concerning the two primary material's values expressed in relation to Governance: Can Europe be technologically sovereign and reach strategic autonomy, while the CCP insists on a purified and correct political orientation to suffuse the technology (5G) and public opinion of the internet, all while Europe is using 5G networks provided by China? Perhaps it is these expressed values that are in sharpest contrast to one another. Especially, since it is a value in relation to governance for the EU to participate in standardisation of the 5G networks, where the CCP insists on the correct political orientation.⁷⁷ The values projected by the EU and the CCP are truly antagonistic when they are expressed in relation to Governance.

6.2.3. Values Expressed in Relation to the World

At first glance the values expressed in relation to the world in Document No. 9 and the New Industrial Strategy apparently include some contrasting or antagonistic values, if you will. Firstly, Document No. 9 expresses, as a value, that it is anti-globalist.⁷⁸ This is in sharp contrast to the expressed value in the New Industrial Strategy that “being competitive requires competition both at home and in the world”.⁷⁹ The formulation itself does not explicitly mention that it is pro-globalism. However, it shows that the EU, through the New Industrial Strategy, invites businesses into the EU, while also pushing European businesses to be operate outside the union due to the reason that competition will benefit all involved parties. Thereby, inviting Huawei to operate within the EU is logical since it will benefit also European telecommunication companies. A value which the CCP opposes with its expressed value in relation to the world in Document No. 9, thus shielding its own businesses from outside competition.

Secondly, the New Industrial Strategy's second expressed value in relation to the world is that Europe must affirm its voice and uphold its values in the new digital transition, which must reflect “our” values, way of life and social market traditions.⁸⁰ Is this a comparable or even an antagonistic value to the second expressed value in relation to the world in Document No. 9: The outside world is trying to reform China through the Internet and

⁷⁷ European Commission. “A New Industrial Strategy for Europe.” p 1 & 5.

⁷⁸ The ChinaFile Editors. “Document 9: A ChinaFile Translation.”

⁷⁹ European Commission. “A New Industrial Strategy for Europe.” p 3.

⁸⁰ European Commission. “A New Industrial Strategy for Europe.” p 1.

disrupt the Chinese people's consensus on important issues, thus disrupting the country's progress. Therefore, "we" must improve our Internet management, management strategies and methods to achieve our goals in a legal, scientific, and effective way.⁸¹ This thesis argues that it is an antagonistic value to the expressed value in the New Industrial Strategy, although, it is not explicitly formulated in such a way. The reasoning behind the value-tension between the two expressed values is that a prevention of the outside world's influences, and disturbance of Chinese consensus is being done through transmitting Asian Values to the 5G network in a legal and scientific way so that the outside world cannot influence China through the 5G network. Thus, giving the 5G network standards that contains values, which are in sharp contrast to the New Industrial Strategy that expresses that Europe must affirm its voice and uphold its value, which must reflect "our" values. Both the EU and the CCP have projected values onto the 5G networks, which are in sharp contrast with one another.

In summary, the values expressed in relation to the society is that the EU has projected its core-values, as free speech, through standards onto the 5G network. In the meantime, the CCP has expressed in terms of values that it should not provide any outlets for incorrect thinking, by dictating the flow of information through the 5G network, which is a particularistic value. The first values expressed in relation to governance by the CCP and the EU is that one opposes the civil society and the other advocates cooperation with the civil society. The second is that the EU wants to achieve strategic autonomy by reducing dependencies and become technically sovereign by its forged and projected standards that contains European core-values. At the same time, the CCP will insist on strengthened and purified public opinion on the internet, which will benefit particular groups in the end. Lastly, values expressed in relation to the world is that EU has a universalistic view of global competition, while the CCP are anti globalist's and shields its businesses. The last values expressed by the EU is that Europe must affirm its voice and uphold its values in the new digital transition. The CCP did also voice values of improving its internet management, by transmitting Asian values onto the 5G networks, while the EU wishes to uphold its universalistic value in the digital transition.

⁸¹ The ChinaFile Editors. "Document 9: A ChinaFile Translation."

6.3. Second Part of the Analysis – When a Value Conflict Arises

In the second part of the analysis a discussion will be held relating to the second framed research question with its based in the first part of the analysis, where the tension between expressed values in each primary material have been outlined. The analysis will be assisted by the two selected theories.

6.3.1. Universalistic VS Particularistic Values

As the title reveals, the basis of the theory is that Europe believes that there are values that are of universal worth, thus applying to everyone no matter what. Conversely China believes that values are particularistic and thus exclusive or specially devoted to particular interests or that a group has the right to promote its own values independent of interests of larger groups. Have there been any indications of this as shown in the first part of the analysis?

What we can deduct from the first part of the analysis is that the EU has an expressed value to set standards in relation to the 5G network that should reflect Europe's core values and principles, such as free speech.⁸² This is in line with what the authors Burwell and Propp has argued in the prior research episode, mainly that the EU should create standards and rules in the 5G area that reflects its values and interests.⁸³ While, at the same time, the CCP has expressed values to oppose western constitutional democracy, by not providing any outlets for incorrect thinking and thereby preventing dissident viewpoints to spread.⁸⁴ The EU has projected standards containing its "core values", which are of universal worth and the CCP have projected values that are arguably particularistic since the expressed values of Document No. 9 in relation to society in practice means that the CCP will dictate the flow of information (through Huawei) in the 5G network. Thus, benefiting the CCP elite, A.K.A. the targeted group of Document No. 9. It is an apparent and visible dichotomy between universalistic vs particularistic values of projected values onto the 5G network. It is also an increasingly apparent dichotomy since the EU, as

⁸² European Commission. "A New Industrial Strategy for Europe." p 3 & 13.

⁸³ Burwell G. France. Propp, Kenneth, "The European Union and the Search for Digital Sovereignty." p 16.

⁸⁴ The ChinaFile Editors. "Document 9: A ChinaFile Translation."

mentioned by Burwell and Propp, is not capable of regulating Huawei's involvement on a member state level hence making the value tension of projected universalistic values vs particularistic values even more visible and it will most likely be even more apparent in the near future.⁸⁵

What we can see in the first part of the analysis of expressed values in relation to governance in simple terms is that the EU, through the New Industrial Strategy, is advocating a cooperation between the civil society and the EU in the development of the 5G network.⁸⁶ A partnership between the supranational government and the civil society in the projected values on the 5G network. It is arguably universalistic, since it is an invitation to the companies and citizens of the union to voice their concerns and plans on what values they want to see in the digital transition, thus the EU and the civil society have together projected their values. At the same time, there is a sharp contrast with the CCP through Document No. 9 that has expressed a willingness to oppose the civil society since it arises at the expense of the state.⁸⁷ A clear universalistic vs particularistic dichotomy where one party invites views and ideas, whereas the other opposes views and ideas. What also is of significance here is that the CCP has projected other values onto the 5G network, which could also be seen as antagonistic to the expressed value in relation to governance by the EU. These expressed values are that the correct political orientation should suffuse every technology and strengthened guidance of public opinion on the internet.⁸⁸ Again, would these values have been projected onto the 5G network if it had been done with the CCP and the civil society? The particularistic nature of these expressed values is detected if you ask: Who benefits and why? These projected values on the 5G network would benefit a particular group, mainly the one at the top, the CCP elites since the expressed values projected onto the 5G network would prevent dissident thinking and consensus as made by the CCP elites and thus preserve the stability. It is also likely that the CCP elites are aware that dissident thinking would benefit EU.

Expressed values in relation to the world by the EU, through the New Industrial Strategy and the CCP, though Document No. 9 is that the EU believes in global competition, since

⁸⁵ Burwell G. France. Propp, Kenneth, "The European Union and the Search for Digital Sovereignty." p 7.

⁸⁶ European Commission. "A New Industrial Strategy for Europe." p 3 & 13.

⁸⁷ The ChinaFile Editors. "Document 9: A ChinaFile Translation."

⁸⁸ Ibid.

global competition will be of benefit to all, while the CCP has an anti-globalist perspective, as mentioned in the first part of the analysis. The expressed EU value is easily understandable, mainly that the more entities that are involved, the more competition, which will trigger each entity to perform better, thus benefiting us all in the long run. This also applies to the 5G network. It is also an official position by the EU, as expressed by Commissioner Margrethe Vestager who argues that European companies must compete within Europe if they are to succeed in global competition.⁸⁹ This is a universal or a global vision of competition, that everyone is allowed to compete. However, let's look closer at the CCP's expressed anti-globalist value and what it means in terms of what has been projected onto the 5G network. As mentioned in the prior research episode, the CCP has, for a long time, denied an equal access to its market for businesses coming from abroad hence putting the expressed value into practice.⁹⁰ However, that is past tense. In terms of projecting values on the 5G network this anti-globalist agenda is the CCP's way of redefining globalisation to suit China's interests.⁹¹ It is almost as if the two previous expressed values in relation to society and governance is what the CCP puts into practice via the expressed values in relation to the world. What is meant by that is that the values expressed in relation to society and governance are expressed to redefine globalism to suit the interests of the CCP. Thus, CCP advocates particularistic values in accordance with the first selected theory, which again is an antagonistic value of the expressed EU value of globalism, or universalism by the EU.

In conclusion, the Universalistic vs Particularistic value-tension has been visible when analysing the Ideal Types from the first part of the analysis. Expressed values in relation to society has shown that the EU wants to create standards that are of universal worth. Meanwhile the CCP wishes to dictate the flow of information. Expressed values in relation to governance have shown a clear dichotomy of Universalistic vs Particularistic where the EU invites the civil society and the CCP opposes it in the process of projecting values onto the 5G network. Also, strengthened guidance of public opinion of the internet will benefit certain groups, in accordance with the definition of Particularism. Concerning the values expressed in relation to the world is that the EU has a universal view that global competition will benefit us all in the 5G development. Simultaneously the CCP shields its

⁸⁹ Burwell G. France. Propp, Kenneth, "The European Union and the Search for Digital Sovereignty." p 6.

⁹⁰ Drozdak, William, *The Last President of Europe*. p 167.

⁹¹ Dekker Brigitte. Okano-Heijmans, Maaik. Siyi Zhang, Eric, "Unpacking China's Digital Silk Road". p 4.

businesses by redefining globalism with the help of the expressed values in relation to the society and world on the 5G network and again benefit particular groups.

6.3.2. An Issue of Sovereignty VS an issue of Human Rights?

The second selected theory argues that there is a dichotomy between Europe and China, where Europe see values as a Human Rights issue and China as an issue of sovereignty. Has there been any indications of this dichotomy between Europe and China presented through the first part of the analysis?

If we again look at the expressed values in relation to society as laid out in the first part of the analysis that the EU has projected its universal core principles on its standards, which are present in the 5G network. One of the universal core values of the EU is the right to freely express oneself, which the EU would argue is a Human Right.⁹² However, as mentioned in the prior research the EU has played to defensively when projecting these values onto the 5G network.⁹³ The CCP:s expressed value in relation to the society is that it should oppose western constitutional democracy and provide no outlets for incorrect thinking by preventing dissident viewpoints.⁹⁴ This is likely achieved through defining standards that are opposed to the standards that have been projected by the EU. Because with Huawei's 5G networks comes the CCP:s efforts to reshape international standards and if they play a more prominent role there is a growing risk of state interests prevailing over a human-centric approach. Hence, there is a risk of state interests prevailing over a human centric approach, as advocated by the EU.⁹⁵ It is clear that EU, according to the expressed values in relation to the society, view it as a Human Rights issue, especially since it has projected its core-values onto the 5G network. On the other hand, can we say as clearly that the CCP view it as an issue of sovereignty albeit the advocacy of a state-centric 5G network is not synonymous with sovereignty? Although, with that advocacy comes a view that favours the government's influence on civil society, thus a respect for hierarchy

⁹² European Commission. "A New Industrial Strategy for Europe." p 3 & 13.

⁹³ Drozdiak, William, *The Last President of Europe*. p 167.

⁹⁴ The ChinaFile Editors. "Document 9: A ChinaFile Translation."

⁹⁵ Dekker Brigitte. Okano-Heijmans, Maaïke. Siyi Zhang, Eric, "Unpacking China's Digital Silk Road". p 15-16.

as expressed in theory of Human Rights vs Sovereignty.⁹⁶ We are thus able to conclude that the expressed and projected values on the 5G network by the CCP is modelled after one of the values which guides CCP government. Arguably it is seen as issue of sovereignty by the CCP that has in fact projected its sovereign values onto the 5G network.

If we would look closer of the values expressed in relation to Governance by both the CCP and the EU can we see some traces of the dichotomy of Human Rights Vs Sovereignty? It is expressed by the CCP that they will insist on the correct political orientation to suffuse every domain and technology', as well as purified public opinion of the internet.⁹⁷ If we would let these expressed values stand for themselves, it would be difficult to label them as sovereign values. However, if we consult the prior research episode with the findings of Hamilton and Ohlberg, we will see a more refined relation. Through CCP:s Digital Silk Road (DSR), which is being created out of Huawei's 5G network, there are attempts of exporting the norm, or value, of "Internet Sovereignty". The Idea of exporting Internet Sovereignty along the DSR is that China wants to give the values and norms of autocratic countries the same status as democratic countries and let each country censor what they please. It is an attempt to replace the idea of an open free flowing internet with a censor regime.⁹⁸ Even though "Internet Sovereignty" shares the same name as the dichotomy presented by the theory it goes beyond and above the presented dichotomy. Due to that these projected values, which Hamilton and Ohlberg describes in very practical terms, take the presented values by the CCP from theory to practice and we are veritably able to see here what has already been projected onto the 5G network. Especially since it has already been publicly endorsed by the likes of Russia and Vietnam. The DSR is only projected to grow and with it follows the projected values by the CCP.⁹⁹ As to the expressed values by the EU in relation to governance we can the wish to become Strategically Autonomous, by reducing interdependencies and be technological and digitally sovereign.¹⁰⁰ However, when projecting these values on the 5G network, the EU has been far too cautious if we would consult Dekker, Okano-Hijmans and Zhang in the prior research episode. They argue that the EU has played too defensively when forging these standards, containing

⁹⁶ The EU and China – Reconciling interests and values in an age of interdependence. p 5.

⁹⁷ The ChinaFile Editors. "Document 9: A ChinaFile Translation."

⁹⁸ Hamilton, Clive. Ohlberg, Mareike. *Den dolda handen: Hur Kinas kommunistiska parti underminerar västliga demokratier och omformar världen*. p 335 – 337.

⁹⁹ Hamilton, Clive. Ohlberg, Mareike. *Den dolda handen: Hur Kinas kommunistiska parti underminerar västliga demokratier och omformar världen*. p 335 – 337.

¹⁰⁰ European Commission. "A New Industrial Strategy for Europe." p 4, 13, 16.

EU:s core-values at the 5G network.¹⁰¹ This is in sharp contrast with what has been stated about the CCP:s expressed values in relation to the 5G network, since its projected values will in fact challenge EU:s Strategic Autonomy. However, it is not explicitly mentioned by the EU as an expressed value in relation to governance the EU view this as a Human Rights issue. EU:s Human Rights will be challenged if the expressed values by the CCP would prevail in the long run. We must deem EU:s expressed values in relation to governance not as Human Rights issues, but, the Human Rights will most likely be challenged as a consequence by the expressed values in relation to Governance by the CCP and its projected values on the 5G network. Therefore, the dichotomy is made visible, not independently, but as a consequence of one another.

Starting again with the values expressed by the CCP in relation to the world. We were able to conclude that the CCP argues that the outside world is trying to distrust and/or reform China, via the internet. Hence, the CCP has projected its value onto the 5G network to improve their internet management to achieve their goals in a legal, scientific and effective way.¹⁰² The “goal” here cannot be seen in any other way than that the CCP wants to prohibit what they call “disturbance” or a possible reform. Arguably this goes hand in hand with what was stated above regarding the “Internet Sovereignty” and the export of autocratic values to other countries. Especially a replacement of a free-flowing internet, for the reason that if something is free-flowing it is more presumable that that a disturbance could occur.¹⁰³ That is why the CCP have projected autocratic values, which gives top priority to the stability of the CCP (as they opposes reform and “disturbance”) onto the 5G network, since it is with the assistance of Huawei, which the CCP will achieve this in a legal, scientific and effective way. It is also a likely explanation to why “Internet Sovereignty” has been exported throughout the DSR, since the CCP is pre-emptively protecting their sovereignty by giving other autocratic countries the same means to protect their sovereignty on the internet, via the 5G network provided by Huawei. The EU on the other hand with their expressed values in relation to the world must affirm its voice and uphold its values – which must reflect “our” values and way of life.¹⁰⁴ It is most likely that the values and “our” way of life is democratic values and Human Rights, since it is the

¹⁰¹ Dekker Brigitte. Okano-Heijmans, Maaïke. Siyi Zhang, Eric, “Unpacking China’s Digital Silk Road”. p 14.

¹⁰² The ChinaFile Editors. “Document 9: A ChinaFile Translation.”

¹⁰³ Hamilton, Clive. Ohlberg, Mareike. *Den dolda handen: Hur Kinas kommunistiska parti underminerar västliga demokratier och omformar världen*. p 335 – 337.

¹⁰⁴ European Commission. “A New Industrial Strategy for Europe.” p 1.

very cornerstone of the EU ideal. However, it is not explicitly mentioned. Although, with the value-tension between the EU and the CCP, especially with the exportation of values such as “Internet Sovereignty”. In relation to the world it is plausible that EU views the issue as a Human Rights issue and as an effect of the behaviour by the CCP. Especially in the uncharted waters of the 5G network such as ethical aspects, digital human rights, online freedom, privacy, and transparency where “our” values and way of life have been challenged in the normative sense.¹⁰⁵

In conclusion, the dichotomy of viewing values as a Human Rights issue VS an issue of sovereignty has been demonstrated. Starting with the expressed values in relation to society it is apparent that the EU has projected values which view it as a Human Rights issue, since it's mentioned in the text through EUs core-values. The expressed values in relation to society by the CCP is not as apparent. However, it is expressed that the CCP opposes western constitutional democracy and should provide no outlets for incorrect thinking, by preventing dissident viewpoints and with this comes an attempt to reshape international standards. Therefore, there is a risk of state interests prevailing over a human-centric approach. Thus, the CCP advocates the state's role on the civil society meaning a respect for hierarchy, as expressed in theory of Human Rights vs Sovereignty, which guides the CCP. When it comes values expressed in relation to governance the CCP insists on the correct political orientation to suffuse every technology. With the support of the prior research, we can see what this means in practical terms, which is the exportation of “Internet Sovereignty” that gives every country their sovereign right to censor what they please. At the same time the EU expresses the value of Strategic Autonomy, by being technologically sovereign, but has, according to the prior research, been far too cautious when they have projected these values onto the 5G network. It is not explicitly mentioned here by the EU that they view it as a Human Rights issue, but both of what the EU and the CCP have expressed respectively in relation to governance is in sharp contrast with one another. Therefore, the dichotomy is made visible, but it is not independently of the EU and the CCP but rather as a consequence of one another, which also is a consequence of a comparative study. Lastly, the expressed values in relation to the world by CCP is to improve its internet management as a result of the outside world's influence in a legal and

¹⁰⁵ Dekker Brigitte. Okano-Heijmans, Maaïke. Siyi Zhang, Eric, “Unpacking China's Digital Silk Road”. p 15-16.

scientific way by exporting “Internet Sovereignty”. Values have been projected onto the 5G network by the CCP that puts an emphasis on stability for the CCP and it is a likely explanation to why “Internet Sovereignty” has been exported along the DSR to preemptively protecting the sovereignty with the assistance of Huawei. In the meantime, the EU expresses a policy to uphold its values, which must reflect “our” values and way of life. The EU does not explicitly mention Human Rights as expressed values in relation to the world. However, it is most likely that the EU will view it as a Human Rights issue as a result of what the CCP has expressed as values in relation to the world, such as “Internet Sovereignty”. Especially in the uncharted waters of the 5G networks.

7. Result

7.1. First Research Question

We have been able to conclude from the first part of the analysis that the values projected onto Europe's 5G network by the EU is the core-values of the union, such as free speech, through its forged standards. These core-values puts an emphasis on the individual, since the EU welcomes global competition as it will benefit the individual in the long run. EU's core-values are preserved by its affirmed voice in the 5G area, which upholds its core-values in cooperation with the civil society and that is the road the EU has taken to reach Strategic Autonomy and to become less dependent than it is today in the digital transition. The main values projected onto Europe's 5G network by the CCP, as concluded in the first part of the analysis, is that in order for the CCP to improve its internet management it has insisted on purifying the public opinion of the internet to dictate the flow of information flowing through the 5G network. Thus, provide no opportunities for incorrect thinking on the internet and oppose the civil society. Based on the paragraph above, we can answer the first research in the following way.

What values has been projected on Europe's 5G networks by the EU and the Chinese Communist Party?

The definitive goal or desired value for the EU is to become Strategically Autonomous and definitive goals or reached value for the CCP is improve its internet management. In order to reach these goals/values, the EU has projected values onto the 5G network, through their forged standards, that is the union's core-values, such as free speech in cooperation with the civil society and welcomes competition, since it will benefit the individual. The CCP on the other hand will reach their goal/value as a result of its projected values onto the 5G network, which is to purify public opinion on the internet, thus dictate the flow of information by providing no outlets for incorrect thinking on the internet, through the 5G network. In short, the values projected on the 5G network by the EU is its core-values and the projected values by the CCP is to purify public opinion (on the internet) and to dictate the flow of information (on the internet).

7.2. Second Research Question

Considering both theories and the framework they both have provided to facilitate an answer to the second framed research question there are clearly several antagonistic values that have been set against one another. It has been concluded through the second part of the analysis, with the foundation laid in the first part of the analysis, that the two used theories: Universalistic VS Particularistic values and Sovereignty vs Human Rights, are both correct. Throughout both theories and their frameworks it has consistently been shown that the EU have projected its core-values that are of universal worth onto the 5G network through its standards all the while the CCP have opposed anything universalistic by their projected values, that will benefit certain, or particular, groups such as the CCP elites by dictating the flow of information in the 5G network. In addition, the CCP has expressed a value to insist on the correct political orientation to suffuse every technology. At the same time, the dichotomy of viewing 5G as an issue of Sovereignty and Human Rights issue is not as clear as the first theory. Although, it is clear that the CCP view it as an issue sovereignty, since the improved internet management is as an effect of viewing it as an issue of sovereignty and therefore, the CCP is trying to prevent the outside world influence in a legal and scientific way along the DSR with the exportation of Internet Sovereignty. Coincidentally, the EU has expressed that they view 5G as a Human Rights value in relation to the society, but not explicitly (and to the same extent as the CCP) in relation to the world and governance. However, it is most likely the EU will view it as Human Rights issue as a result of the behaviour of the CCP and its projected sovereign values when value conflict arises. That is why this thesis has deemed the two theories as correct and will answer the second framed research question in the following way.

What antagonistic values will be set against one another when value-conflict arises?

As concluded through the second part of the analysis, with the basis of the first part of the analysis and with the support of the two selected theories, the antagonistic values that that will be set against one another are universal values (EU) and particularistic values (CCP). The particularistic values are projected by the CCP, since they see the 5G network as an issue of sovereignty and the universal values are projected by the EU as they view the 5G

network as an issue of Human Rights, or because the EU will view it as a Human Rights issue as a consequence of the projected values by the CCP when value conflict arises.

8. Discussion

When writing the introduction for this thesis a question was posed just at the end of the section, wondering whether or not the relationship between the EU and the CCP, in terms of values in the 5G area, would be a harmonious one. As seen in the answers of the two formulated research questions we can conclude the relationship as a hostile relationship. Why? As both entities are trying to achieve different goals with the 5G network and to achieve these goals by entirely different means, or projected values in this case, thereby showing what antagonistic values, which will be set against one another.

Although, the fact that there would arise a value-tension relationship with antagonistic values was perhaps not deeply unexpected and was maybe not an insight in itself, but the thesis result has provided new insights into what these antagonistic values are and what they look like in the 5G area, such as universalistic standards or Internet Sovereignty. Notable patterns have also been detected from both sides with the frameworks as provided by the two selected theories. There are different agendas pushed respectively by the EU and the CCP. The EU advocates a 5G network that is permeated by universal values and does see the 5G network (or as a consequence of CCP behaviour) as a Human Rights issue. All this while the CCP view the 5G network as an issue of sovereignty, where particularistic values are prioritized and projected in order to benefit a particular group with a purified public opinion of the internet, where 5G is viewed as an important element. The two selected theories, that worked as a framework for this thesis when giving answer to the two selected research questions, were not anticipated to be as true as they turned out to be. When going through the different ideal types in the primary materials with values expressed in relation to society/governance/world it was evident that the theories would become instrumental in giving answer to the second formulated research question. Not just as a result of how nuanced the theories were, but mostly since the expressed values in the two primary materials in relation to society/governance/world were far closer to the theories than anticipated. Thus, the correlation between the theories and primary materials, with the support of the prior research, demonstrated the big picture of what both the EU and the CCP would like to achieve and what they are doing now (by projecting values).

What has also been concluded is that the prior research episode has been correct to a certain extent. What has been formulated by the scholars in the prior research has in some cases clearly overlapped with what has been detected in the analysis. Take for example Internet Sovereignty as expressed in the prior research and purified public opinion on the internet.¹⁰⁶ Most likely these are different wordings for the same thing. Alas, the same overlapping relationship between the prior research and the analysis has also been detected in the EU with the projected European core values on the 5G network. However, more notably is that the EUs standards will be challenged in the normative sense, as expressed in the prior research, which correlates with the conclusion of the analysis that the EU will view the 5G network (in relation to world/governance) as a Human Rights issue, as a consequence of CCP behaviour.¹⁰⁷ The prior research was also contributory in providing insights and a greater depth in the analysis by providing a layer of practicality to the thesis. Thus, the findings in the analysis have had a clear correlation to what has been expressed by the scholars in the prior research episode.

It is appropriate to discuss the full relevance of the findings of this thesis. First of all there are limitations to the results and findings. The first limitations being that there is a lack of a technical aspect, meaning that the technical execution of the roll-out and operations of the 5G network is something that has not been considered in this thesis. Nevertheless, since the technical aspect of the 5G network was not considered by the two selected primary materials it is not a controversial aspect to exclude in regards to this thesis. Here we assume that the technology lends itself to whatever policy framework that is applied. However, it is fit to state as a limitation of this thesis. The generalizability of this thesis's results is thus not to be converged with the purely technical aspects of the 5G networks, but rather the aspects of a governmental viewpoint and how the EU and the CCP wants the 5G network to be constructed and what it should contain. That is also why this thesis results are highly relevant, since many scholars focuses on the "hard values" of the 5G network, meaning the purely technical aspects and not the "soft values" of the 5G network, like Human Rights and Internet Sovereignty. That is why this thesis is significant in its conclusion and results since it provides a humanistic viewpoint in field that usually focuses on purely technical aspects.

¹⁰⁶ Hamilton, Clive. Ohlberg, Mareike. *Den dolda handen: Hur Kinas kommunistiska parti underminerar västliga demokratier och omformar världen*. p 335 – 337.

¹⁰⁷ Godement, Francois. Vasselier, Abigael. "China at the Gates." p 46.

This is also the direction to which this thesis would like to point future scholars. As a result of the prior research being heavily tilted towards the purely technical perspective. Thus, leaving the questions of the soft values in relation to the 5G network unexplored. It is with this recommendation this thesis would like to point future scholars, since it would enrich the debate of Huawei's be or not to be in Europe and would possibly lead to new key-findings in the area. However, in a fast-paced technical society as ours it is not surprising that the greatest scope of research is tilted towards the purely technical aspects of the 5G network.

How I myself have interpreted the results of this thesis and what I would recommend EU lawmakers is that the EU must define its red lines. Starting by viewing the 5G network as a Human Rights issue across the board (and not just as a consequence) and to a greater extent than what it already has to project universal standards onto the 5G network. The EU must ask itself what standards it would like to have in effect when embarking on this new industrial age, where the 5G networks will be the primary enabler for and in the digital space. The experts in the prior research were in an agreement that what the EU achieves or fall short of in regard to rules, norms and standards in the 5G area will have strong repercussions. It could then be too late to change the values of the 5G network since the CCP's view of the 5G network as a sovereign issue full of particularistic values could prevail in the future. Thus, reaching a purified public opinion of the internet, in favour of EUs Strategic Autonomy. However, for the time being, the value-tension does still exist where one side advocates and projects universal values with a Human Rights perspective and the other as an issue of sovereignty, with particularistic values. Time will tell what values will prevail.

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Appendix

On the next page will the New Industrial Strategy be shown, as stated in this thesis.



Brussels, 10.3.2020
COM(2020) 102 final

**COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN
PARLIAMENT, THE EUROPEAN COUNCIL, THE COUNCIL, THE EUROPEAN
ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE
REGIONS**

A New Industrial Strategy for Europe

Europe's new industrial way

Europe has always been the home of industry. For centuries, it has been a pioneer in industrial innovation and has helped improve the way people around the world produce, consume and do business. Based on a strong internal market, the European industry has long powered our economy, providing a stable living for millions and creating the social hubs around which our communities are built.

Throughout its long history, industry has proven its ability to lead change. And it must now do the same as Europe embarks on its transition towards climate neutrality and digital leadership in an ever-changing and ever more unpredictable world.

The twin ecological and digital transitions will affect every part of our economy, society and industry. They will require new technologies, with investment and innovation to match. They will create new products, services, markets and business models. They will shape new types of jobs that do not yet exist which need skills that we do not yet have. And they will entail a shift from linear production to a circular economy.

These transitions will take place in a time of moving geopolitical plates which affect the nature of competition. The need for Europe to affirm its voice, uphold its values and fight for a level playing field is more important than ever. **This is about Europe's sovereignty.**

The breadth and depth, the scale and speed, the nature and necessity of the twin transitions are unprecedented. This is reflected in President von der Leyen's *Political Guidelines*, the priorities set out by the European Parliament and the European Council's Strategic Agenda 2019-2024. The *European Green Deal*¹⁰⁸ and the Commission's recent *Strategy on Shaping Europe's Digital Future*¹⁰⁹ set the ambition, speed and direction of travel for the years to come.

We now need a new industrial way for Europe, fit for the ambitions of today and the realities of tomorrow. At the heart of this is the ability of Europe's industry to lead the twin transitions and drive our competitiveness. It cannot afford to simply adapt – it must now become the accelerator and enabler of change and innovation. Our industrial policy must help make this ambition a reality.

Europe's industrial strategy must reflect our values and social market traditions. We will rely on our strengths: our diversity and talent, our values and way of life, our innovators and creators. We need a European industrial policy based on competition, open markets, world-leading research and technologies and a strong single market which brings down barriers and cuts red tape. And we must resist the simplistic temptations that come with protectionism or market distortions, while not being naïve in the face of unfair competition.

This strategy recognises the strength and the role of the European Union, primarily as an enabler and regulator. Setting the framework and providing political and policy direction is crucial to offer the certainty needed for investors, innovators and industry alike.

¹⁰⁸ COM(2019) 640 final.

¹⁰⁹ COM(2020) 67 final.

Our new industrial strategy is entrepreneurial in spirit and in action. The Commission is ready to co-design and co-create solutions with industry itself, as well as with social partners and all other stakeholders. This will be supported by a new focus on **industrial ecosystems**, taking into account all players within a value chain. This is our new approach and reflects the need for new ways of thinking and working to lead the twin transitions.

This strategy shows the direction of travel and the route we will take to get there. It lays out the vision of what we want to achieve by 2030 and beyond, and the fundamentals that will take us there. In times of transition and major change for our Union, one simple reality will remain the same: Europe will always be the home of industry. And with this strategy, the European Commission is ready to do what it takes to make sure it stays that way.

Europe's industry: Today and tomorrow

Industry is central to Europe's future progress and prosperity. It makes up more than 20% of the EU's economy and employs around 35 million people, with many millions more jobs linked to it at home and abroad. It accounts for 80% of goods exports and is a key reason behind the EU's position as top global provider and destination for foreign direct investment. Small and medium sized businesses (SMEs) account for over 99% of all European firms – the vast majority of which are family run companies – and are our economic and social backbone¹¹⁰.

Europe's industry has a global competitive advantage on high value-added products and services. It leads by example complying with the highest **social, labour and environmental standards**, allowing Europe to project its values. Thanks to a strong innovation capacity, it is also a world leader in green technology patents and other high tech sectors. Our single market empowers European companies of all sizes to innovate, scale-up and employ more people. These strengths need to be channelled towards gaining leadership in areas where the EU still lags behind, such as on cloud and data applications.

European industry is already undergoing a significant transformation. There is a pronounced shift from products to services and from exclusive to shared ownership of products and services. The pressure on natural resources is already leading to a more circular approach to manufacturing. Thanks to disruptive technologies like 3D printing, Europe also needs to make the most of **localisation as an opportunity** to bring more manufacturing back to the EU in some sectors.

In order to bring our ambitions to life, Europe needs an industry that becomes greener and more digital while remaining competitive on the global stage. This will help transform and grow traditional and new industries, support SMEs and **drive our competitive sustainability** across the EU. This is equally as important for services as it for goods.

¹¹⁰ A dedicated SME strategy is adopted in parallel with this Communication – SME strategy for a sustainable and digital Europe, COM (2020) 103 final.

Thanks to Europe's social market economy, economic growth goes hand-in-hand with improved social and living standards and good working conditions. The **European Pillar of Social Rights** will continue to be our compass and ensure the twin transitions are socially fair.

With its strong, innovative and integrated industrial base, Europe is well placed to take the global lead.

2.1 A globally competitive and world-leading industry

New and ever-changing geopolitical realities are having a profound effect on Europe's industry. Global competition, protectionism, market distortions, trade tensions and challenges to the rules-based system are all on the rise. New powers and competitors are emerging. More established partners are choosing new paths. Coupled with a period of global economic uncertainty on the horizon, these trends pose new challenges for Europe's industry as it sets off on the twin ecological and digital transitions.

Faced with these headwinds, Europe's response cannot be to erect more barriers, shield uncompetitive industries or mimic the protectionist or distortive policies of others. **Being competitive requires competition – both at home and in the world.** It needs the right conditions for entrepreneurs to turn their ideas into actions and for companies of all sizes to thrive and grow.

At the same time, the EU needs to be able to strengthen its strategic interests abroad through economic outreach and diplomacy. The **EU must leverage the impact, the size and the integration of its single market** to set global standards. Being able to forge global high-quality standards which bear the hallmark of Europe's values and principles will only strengthen our strategic autonomy and industrial competitiveness.

Europe will also continue to rely on free and fair trade with partners from around the world. The rules-based multilateral trading system and the World Trade Organization are indispensable to ensure open markets and a level playing field. The EU will continue efforts to **uphold, update and upgrade the world trading system** so it is fit to address today's challenges and tomorrow's realities.

2.2 An industry that paves the way to climate-neutrality

The European Green Deal is Europe's new growth strategy. At the heart of it is the goal of becoming the world's first climate-neutral continent by 2050.

Industry has a leading role to play in what is the greatest challenge and opportunity of our times. **All industrial value chains, including energy-intensive sectors, will have a key role to play.** They will all have to work on reducing their own carbon footprints but also accelerate the transition by providing affordable, clean technology solutions and by developing new business models.

To become more competitive as it becomes greener and more circular, industry will need a **secure supply of clean and affordable energy and raw materials.** Stepping up investment in research, innovation, deployment and up-to-date infrastructure will help develop new production processes and create jobs in the process.

In the entrepreneurial spirit of this strategy, EU institutions, Member States, regions, industry and all other relevant players should work together to **create lead markets in clean technologies** and ensure our industry is a global frontrunner. Regulatory policies, public procurement, fair competition and the full involvement of SMEs will be essential to make this happen.

These efforts should be supported by policies and financial instruments at EU and national level, as well as the private sector. Those who move first and move fastest will hold the greater competitive advantage.

2.3 An industry shaping Europe's digital future

Digital technologies are changing the face of industry and the way we do business. They create new business models, allow industry to be more productive, provide workers with new skills and support the decarbonisation of our economy. The digital sector will also contribute to the European Green Deal, both as a source of clean technology solutions and by reducing its own carbon footprint.

With its *Strategy on Shaping Europe's Digital Future*, the Commission set out its vision for how Europe can retain its technological and digital sovereignty and be the global digital leader. Recognising that **scalability is key in a digitalised economy**, strengthening the digital single market will underpin Europe's transition.

Europe must also speed up investment in research and the deployment of technology, in areas such as artificial intelligence, 5G, data and metadata analytics. In 2018, only around one in ten EU companies analysed big data, while only one in four used cloud computing services.

As set out in the Commission's recent *European Strategy for Data*¹¹¹, Europe needs a framework to allow businesses to create, pool and use data to improve products and compete internationally in a way that upholds our values and respects the rights and privacy of all.

The EU must also **enhance its industrial capacity in critical digital infrastructure**. The successful roll-out of highly secured and state-of-the-art 5G network will be a major enabler for future digital services and be at the heart of the industrial data wave. Europe must now invest if it wants to be a frontrunner in 6G networks.

In the entrepreneurial spirit of this industrial strategy, **Europe must pool its strengths to do collectively what no one can do alone**. Recent examples of doing so have shown the potential and the value of this approach. Europe is now home to one of the top three fastest supercomputers in the world and has reversed a downward trend in micro-electronics.

Europe has everything it takes to lead this new technology race. It must build on its strengths, including a robust industrial base, high quality research, skilled workers, a vibrant start-up ecosystem, mature infrastructure and a leading position in the use of industrial data.

The fundamentals of Europe's industrial transformation

The three drivers outlined above show the extent of transformation Europe will undergo. It

¹¹¹ COM(2020) 66 final.

takes a generation to transform an industrial sector and all the value chains it forms part of. But in a competitive and dynamic environment there is no time to waste. The next five years will be decisive to set the right enabling conditions for this transition.

Underpinning this strategy are a set of fundamentals for Europe's industrial transformation. Some of these renew or expand on existing approaches in innovation, investment, standards or levelling the playing field. Others reflect the need for new ways of working for Europe to strengthen its industry for the transitions, whether it be on skills or circularity.

The fundamentals reflect the fact that there is no silver-bullet or standalone solution – they are each inter-connected and reinforce each other. But they also reflect the reality that, while a lot can be done at the European level to enable and provide certainty, many of the levers are in the hands of others. A partnership approach will therefore be essential.

3.1 Creating certainty for industry: A deeper and more digital single market

Thanks to our unique single market, EU companies benefit from a springboard to compete globally. By providing a common regulatory space and scale, the single market is the driver of competitiveness and facilitates the integration of companies of all sizes in European and global value chains.

To allow the single market to propel our industry forward, legislation must be implemented and enforced across the board. The **Single Market Enforcement Action Plan**¹¹² adopted today puts forward concrete proposals to strengthen joint efforts in this area, notably the creation of a Single Market Enforcement Task Force. The **Single Market Barriers Report**¹¹³ shows the need to break down the barriers facing businesses when selling goods or more acutely when providing services cross-border. Enhancing tax harmonisation would help remove one of the main obstacles faced by business when operating cross-border, notably by making a common consolidated corporate tax base a reality.

Single market legislation must also be reviewed and updated to ensure that it is fit for the digital age. This includes the revision of EU rules on product safety, the implementation of the European Data Strategy and the adoption of the Digital Services Act.

An “**SME to SME approach**” will also be essential. The growing number of young, tech-savvy SMEs can help more established industrial firms to adapt their business models and develop new forms of work for the digital age. This has already created new opportunities and start-ups should be supported to help build the platform economy. But new forms of work must come with modern and improved forms of protections, including for those working on online platforms.

The single market depends on robust, well-functioning systems for **standardisation and certification**. These help to increase the size of markets and provide legal certainty. Developing

¹¹² Communication and its accompanying Report on Identifying and addressing barriers to the single market, COM(2020) 93 final.

¹¹³ Long term action plan for better implementation and enforcement of single market rules, COM(2020) 94 final.

new standards and technical regulations, coupled with increased EU participation in international standardisation bodies, will be essential to boost industry's competitiveness.

The EU also needs to ensure that its **Intellectual Property** policy helps to uphold and strengthen Europe's tech sovereignty and promote global level playing field. IP helps to determine the market value and competitiveness of Europe's firms. This is their intangibles, such as brands, designs, patents, data, know-how, and algorithms. Smart IP policies are essential to help all companies to grow, create jobs and to protect and develop what makes them unique and competitive.

An **independent EU competition policy** has served Europe well by helping to level the playing field, driving innovation and giving consumers more choice. Competition brings the best out of our companies and enables them to stay competitive globally. In a fast changing world, and a time when Europe is embarking on its major twin transitions, we should ensure that competition rules remain fit for today's world.

With this in mind, the Commission is currently **reviewing the EU competition framework**. This is looking at how current competition rules are applied, notably in relation to anti-trust remedies, and whether rules governing horizontal and vertical agreements and the market definition notice are still fit for purpose. It will also look at how to improve case detection and speed up investigations. The Commission will use the tool of sector inquiries in new and emerging markets that are shaping our economy and society.

The ongoing evaluation of merger control and the "fitness" check of various State aid guidelines are also part of this review. State aid rules ensure a level playing field within Europe, avoiding a fratricidal subsidies race while supporting important public interest objectives. The Commission will ensure **revised State aid rules** are in place in 2021 in a number of priority areas, including energy and environmental aid.

Making it happen

- ⇒ **Single Market Enforcement Action Plan** and Single Market Barriers Report, adopted today.
- ⇒ Setting up a **Single Market Enforcement Task-Force**, composed of Member States and the Commission.
- ⇒ **SME Strategy for a sustainable and digital Europe**, adopted today.
- ⇒ **Evaluate, review and, if necessary, adapt EU competition rules** as of 2021, including the ongoing evaluation of merger control and fitness check of **State aid guidelines**.
- ⇒ **Intellectual Property Action Plan** to assess the need to upgrade the legal framework, ensure a smart use of IP, better fight IP theft.
- ⇒ **Follow-up to the European Data Strategy** to develop an EU data economy, including the launch of common European data spaces in specific sectors and value chains.
- ⇒ **Digital Services Act** to update and strengthen the legal framework for a single market in digital services.
- ⇒ Initiative on **improving the working conditions for platform workers**.

3.2 Upholding a global level playing field

The openness of Europe's economy is at the source of its prosperity and competitiveness. Although, EU industry is highly integrated in global value chains and operates globally, the EU should not be naïve to threats to fair competition and trade.

The EU works to keep markets open through trade deals with partner countries or regions or working in international fora to find rules that work for all. We must continue to take a coordinated European approach to secure mutually beneficial trade and overcome any barriers that prevent our businesses from properly accessing other markets around the world. This includes fighting aggressive tax planning schemes that create an uneven playing field.

The EU will make the most of its full toolbox of trade defence mechanisms. By mid-2020, the Commission will explore how best to strengthen anti-subsidies mechanisms and tool. This will be done in the **White Paper on an Instrument on Foreign Subsidies** which will address distortive effects caused by foreign subsidies within the single market. This will be followed up with a proposal for a legal instrument in 2021.

This distortion is often coupled with a lack of **reciprocal access for European firms** to the home country markets of foreign, state-owned companies. In particular, EU procurement markets are mostly open to businesses from countries where EU companies are discriminated against or confronted with outright market closures. Therefore, the White Paper will also tackle the issue of access of foreign, state-owned companies to procurement markets and EU funding. A swift agreement on the proposed **International Procurement Instrument** will also be essential to address lack of reciprocity and to give the EU further leverage in negotiations.

European industry should not face unfair competition from competitors around the world that abide by different standards or principles, such as on climate. A new **Chief Trade Enforcement Officer** will work to improve the compliance and enforcement of our trade agreements, and report regularly to the European Parliament. The Commission will propose to make the respect of the Paris agreement an essential element for all future comprehensive trade agreements.

Reinforced customs controls are also essential to ensure that imported products comply with EU rules.

Making it happen

- ✦ **White paper on an instrument on foreign subsidies** by mid-2020, also looking at foreign access to public procurement and EU funding.
- ✦ **Strengthening the global rules on industrial subsidies** in the World Trade Organization.
- ✦ Swift adoption of the **International Procurement Instrument**.
- ✦ **Action plan on the Customs Union** in 2020 to reinforce customs controls, including a legislative proposal for an EU Single Window to allow for fully digital clearance processes at the border.

3.3 Supporting industry towards climate neutrality

As Europe transitions to climate-neutrality, certain sectors will have to make a bigger and more transformative change than most. Energy-intensive industries are indispensable to Europe's economy and are relied on by other sectors. Modernising and decarbonising energy-intensive industries must therefore be a top priority.

The European Green Deal sets the objective of creating new markets for climate neutral and circular products, such as steel, cement and basic chemicals. To lead this change, Europe needs novel industrial processes and more clean technologies to reduce costs and improve market readiness.

For instance, the Commission will support clean steel breakthrough technologies leading to a **zero-carbon steel making process**. The EU Emissions Trading System Innovation Fund will help deploy other large-scale innovative projects to support clean products in all energy-intensive sectors.

A new **chemicals strategy for sustainability** will help better protect people and the environment against hazardous chemicals and encourage innovation in the sector to develop safe and sustainable alternatives.

Europe also needs to address the sustainability of construction products and improve the energy efficiency and environmental performance of built assets. A more **sustainable built environment** will be essential for Europe's transition towards climate-neutrality.

As the transition picks up speed, Europe must ensure that no one is left behind. The proposal for the new **Just Transition Mechanism**¹¹⁴ will mobilise €100 billion to ensure a fair transition for carbon intensive regions as they continue to transform their industries and economies,

Reducing emissions across industry will depend on an '**energy efficiency first**' principle and a secure and sufficient supply of low-carbon energy at competitive prices. This will require planning and investment in low-carbon generation technologies, capacity and infrastructure. We will need a **more strategic approach to renewable energy industries**, such as offshore energy, and the supply chain underpinning them. This will also help cater for a substantial increase in the amount of electricity required by the twin transitions. This should be supported by efforts to better connect Europe's electricity systems to increase security of electricity supply and integrate more renewables.

As part of this, all carriers of energy, including electricity, gas and liquid fuels will need to be used more effectively by linking different sectors. This will be the aim of a new strategy for **smart sector integration**, which will also set out the Commission's vision on **clean hydrogen**. The use of trans-European energy networks will also support the transition to climate neutrality.

There should also be a special focus on sustainable and smart mobility industries. These have both the responsibility and the potential to drive the twin transitions, support Europe's industrial competitiveness and improve connectivity. This is notably the case for the automotive,

¹¹⁴ COM(2020) 22 final.

aerospace, rail and ship building industries, as well as for alternative fuels and smart and connected mobility.

Staying at the forefront of research and innovation, the swift rollout of the necessary infrastructure and robust incentives, including in procurement, will be key to ensure that EU mobility industries maintain their global technological leadership. The sector's entire value chain must help shape new international standards for safe, sustainable, accessible, secure and resilient mobility. The **Comprehensive Strategy for Sustainable and Smart Mobility** will put forward comprehensive measures to help make the most of the sector's potential.

Should differences in ambition around the world persist, the Commission will propose a **Carbon Border Adjustment Mechanism** in 2021 to reduce the risk of carbon leakage, in full compatibility with WTO rules. This should be supported by strengthening our current tools to tackle carbon leakage.

Making it happen

- ⇒ **Strategy for smart sector integration.**
- ⇒ A **Common European Energy data space** will exploit the potential of data to enhance the innovative capacity of the energy sector.
- ⇒ Launch the **Just Transition Platform** to offer technical and advisory support for carbon-intensive regions and industries.
- ⇒ **EU Strategy on Clean Steel** and **Chemicals Strategy for Sustainability.**
- ⇒ Review of the **Trans-European Network Energy** regulation.
- ⇒ EU Strategy on **Offshore Renewable Energy.**
- ⇒ Comprehensive Strategy for **Sustainable and Smart Mobility.**
- ⇒ 'Renovation Wave' Initiative and **Strategy on the built environment.**
- ⇒ **Carbon Border Adjustment Mechanism** to reduce carbon leakage, in full compatibility with WTO rules.

3.4 Building a more circular economy

In line with Europe's new growth strategy, which gives back more than it extracts, Europe's industry must play a leading role in the ecological transition. This means reducing its carbon and material footprint and embedding circularity across the economy.

To do this, we must move away from the age-old model of taking from the ground to make products, which we then use and throw away. We need to **revolutionise the way we design, make, use and get rid of things** by incentivising our industry.

This more circular approach will ensure a cleaner and more competitive industry by reducing environmental impacts, alleviating competition for scarce resources and reducing production costs. **The business case is as strong as the environmental and moral imperative.** Applying circular economy principles in all sectors and industries has potential to create 700,000 new jobs across the EU by 2030, many of which in SMEs.

The EU is already well placed in this field and should now focus on consolidating its first mover advantage. The **new Circular Economy Action Plan**¹¹⁵ puts forward a series of measures to allow the EU's industry to seize these opportunities.

At the heart of it is a new **sustainable product policy framework** which will establish sustainability principles for all products, helping to make Europe's industry more competitive. Priority will be given to high-impact product groups and action will include initiative on the common charger, a circular electronics initiative, sustainability requirements for batteries, and new measures in the textiles sector.

The Action Plan also includes measures to **empower consumers to play a more active role in the circular economy**. Consumers should receive trustworthy and relevant information to choose reusable, durable and repairable products. The Commission will propose ways to improve consumer rights and protection, including by working towards a 'right to repair' for consumers.

Public authorities, including the EU institutions, should lead by example by choosing environmentally friendly goods, services and works. Through this **green procurement** they can help lead the shift towards sustainable consumption and production. The Commission will propose further legislation and guidance on green public purchasing.

Making it happen

- **Circular Economy Action Plan** adopted in parallel with this strategy, including a new sustainable product policy framework.
- **New Regulatory Framework for Sustainable Batteries.**
- **EU Strategy for Textiles.**
- **Circular Electronics Initiative**
- **Empowering consumers** to play an active role in the circular economy, through better information on products and improved consumer rights.

3.5 Embedding a spirit of industrial innovation

European companies have seen their global share of research and development spending decline over the past five years, while that of their US and Chinese counterparts increased. The key to addressing this trend will be to unlock investment in innovation with an understanding of what we want to focus on and a clear pathway to market to allow scale. As part of this, SMEs should be incentivised and support to innovate and bring ideas to market.

The global race on the twin transitions will increasingly be based on frontier science and mastering deep technologies. The next era of industry will be one where the physical, digital and biological worlds are coming together. If Europe wants to lead the twin transitions, the industrial strategy has to be an **industrial innovation strategy** at heart.

That also means that as we step up investment in disruptive and breakthrough research and innovation, we must accept failure along the way. This helps us to learn, adapt and if necessary

¹¹⁵ COM(2020) 98 final.

reset our way of doing things to allow us to move forward. We must shift our mind-set from risk averse to failure tolerant. This needs to be reflected across the board and **innovation should be embedded in our policy making**. As part of our work on better regulation and strategic foresight, we will ensure that policies are innovation-conducive.

Industrial sectors should be invited and incentivised to define their own roadmaps for climate neutrality or digital leadership. These should be enabled by high quality research and skills and supported by the EU. A number of sectors have already taken this approach since the launch of the European Green Deal. In the co-design and entrepreneurial spirit of this strategy, this should be supported through **Public Private Partnerships** to help industry develop the technologies to meet their goals, as has successfully been done in industrial alliances.

The **European Innovation Council**, which will be fully launched in 2021, will also aim to make the most of Europe's strong research base. It will identify next generation technologies, accelerate their commercial application and help them support the rapid scale up of start-ups.

The single market also needs to play its part by incentivising innovation to make the most of economies of scale, speed and scope. **Place-based innovation and experimentation** should be encouraged. This would allow regions to develop and test new solutions with SMEs and consumers, drawing on their local characteristics, strengths and specialisms. New technologies and solutions could be life tested with policy makers and regulators to enable innovative business models.

Once tested and improved, these solutions can be scaled-up to European and global markets, ensuring the EU remains a frontrunner. The **Digital Innovation Hubs**, which act as one-stop-shops for companies to access technology-testing, are a good platform to build on.

Making it happen

- Communication on the **Future of Research and Innovation and the European Research Area** to map out a new approach to innovation and ensure the EU budget is used with maximum impact.
- Launch **Public Private Partnerships** in the Horizon Europe programme.

3.6 Skilling and reskilling

A competitive industry depends on recruiting and retaining a qualified workforce. As the twin transitions gathers speed, Europe will need to ensure that education and training keep pace. Making lifelong learning a reality for all will become all the more important: in the next five years alone, 120 million Europeans will have to upskill or reskill.

This reflects the importance of skills for the twin transitions and the opportunities they can create for people. Moving to a low-carbon economy is expected to create more than 1 million jobs by 2030, while there are already currently 1 million vacancies in Europe for digital technology experts. At the same time, 70% of companies report that they are delaying investments because they cannot find the people with the right skills.

For industry workers, digitisation, automation and advances in artificial intelligence will require an unparalleled shift in their skill set. Retraining and reskilling have to be a major part of our social market economy. Our **higher and vocational education** and training systems will also need to provide more scientists, engineers and technicians for the labour market. Better attracting skills and talent from abroad will also help to address the EU's labour market needs.

In the global race for talent, Europe needs to increase investment in skills and life-long learning should become a reality. This will require collective action of industry, Member States, social partners and other stakeholders through a new '**Pact for Skills**' to contribute to up- and reskilling and to unlock public and private investment in the workforce. The Pact will put focus on sectors with high growth potential for Europe or those undergoing the most significant change. The **European Education Area** will also support these efforts.

It is also essential to have a better balance between women and men in industry. This includes encouraging women to study Science, Technology, Engineering and Mathematics, consider a career in technology and invest in digital skills, thus improving the gender balance in creating and leading businesses.

Making it happen

- ✦ An update of the **Skills Agenda for Europe** in 2030, including a recommendation on Vocational Education and Training.
- ✦ Launch of a **European Pact for Skills**.
- ✦ Communication on a **European Education Area** Strategic Framework.
- ✦ **Digital Education Action Plan**.
- ✦ **Implementation of the EU Gender Strategy**, adopted in March 2020.

3.7 Investing and financing the transition

Many of the future EU programmes, such as Horizon Europe, the Digital Europe Programme, the Single Market Programme, the Innovation Fund, InvestEU, the European Social Fund, the European Defence Fund and the EU Space Programme, and all European Structural and Investment funds will help to promote the competitiveness of EU industry. A swift agreement on the next long-term budget is essential for our industry's future.

At a time when the public purse is under pressure, we will need new ways of unlocking private investment. This includes leveraging and blending EU money with Member States and other institutional partners, as well as crowding in private investors. InvestEU and the European Green Deal Investment Plan will help unlock private investment where it is needed. The European Investment Bank and national promotional banks and institutions will have an important role to play.

Mobilising private investment and public finance is acutely important where there are market failures, especially for large-scale deployment of innovative technologies. One tool with a proven track record in this area is **Important Projects of Common European Interest** (IPCEIs). Member States can use IPCEIs to pool financial resources, act quickly and connect the right players along key value chains. They are a catalyst for investment and allow Member States to fund large-scale innovation projects across borders in case of market failures.

Building on experience with recent IPCEIs, the Commission will explore ways to combine national and EU instruments to leverage investment across the value chain, in full respect of relevant financial and competition rules.

To help make the most out of this tool, the Commission will put in place **revised State aid rules for IPCEIs** in 2021. This review seeks to clarify the conditions under which Member State-led projects in key sectors can move forward in a timely and in a pro-competitive manner. It should also help SMEs to participate fully in future IPCEIs.

There will also be a need to incentivise investment towards competitive sustainability throughout the financial system. The recent agreement on an **EU taxonomy** and the certainty provided by the **Climate Law**¹¹⁶ are big steps in the right direction.

Building on this progress, the Renewed Strategy for Sustainable Finance will put in place clear rules to guide investors to sustainable investment. As part of continued work to deepen the Economic and Monetary Union, the Commission's new **Action Plan on the Capital Markets Union** will include an initiative to strengthen intra-EU investment protection and efforts to unlock more diverse sources of funding for European businesses, especially SMEs. The Digital Finance Strategy will help facilitate innovation in financial services to help scale up new services and business model and address new risks.

Making it happen

- Work with Parliament and Council to ensure rapid adoption and implementation of the **next long-term budget**.
- Consider scope for coordinated investment by Member States and industry in the form of new **IPCEIs** and on the possible follow-up to the first IPCEIs on batteries and microelectronics.
- Review **State aid rules for IPCEIs**, including energy transition projects.
- **A renewed sustainable finance strategy**.
- **A new Digital Finance Strategy**.
- **Action Plan on the Capital Markets Union** in 2020, including measures in support of integrated capital markets and more funding opportunities for citizens and businesses.

Reinforcing Europe's industrial and strategic autonomy

Europe's strategic autonomy is about reducing dependence on others for things we need the most: critical materials and technologies, food, infrastructure, security and other strategic areas. They also provide Europe's industry with an opportunity to develop its own markets, products and services which boost competitiveness.

Europe thrives on an open investment environment which allows others to invest in Europe's competitiveness. But it must also be more strategic in the way it looks at risk associated to foreign investment. The **framework for the screening of foreign direct investment**¹¹⁷ that

¹¹⁶ COM(2020) 80 final.

¹¹⁷ Regulation (EU) 2019/452.

will be fully applicable in October 2020 will safeguard Europe's interests on the grounds of security and public order. The Commission will make proposals to further strengthen this tool.

Europe's digital transformation, security and future technological sovereignty depends on our **strategic digital infrastructures**. Beyond the Commission's recent work on 5G and cybersecurity, the EU will develop a critical Quantum Communication Infrastructure, designed to deploy in the next 10 years a certified secure end-to-end infrastructure based on quantum key distribution to protect key digital assets of the EU and its Member States.

The EU will also support the development of key enabling technologies that are strategically important for Europe's industrial future. These include robotics, microelectronics, high-performance computing and data cloud infrastructure, blockchain, quantum technologies, photonics, industrial biotechnology, biomedicine, nanotechnologies, pharmaceuticals, advanced materials and technologies.

The European **defence and space** sectors are essential for Europe's future. However, the fragmentation of the defence industry puts into question Europe's ability to build the next generation of critical defence capabilities. This would reduce the EU's strategic sovereignty and its ability to act as a security provider.

The **European Defence Fund** will help build an integrated defence industrial base across the EU. It will invest throughout European defence industrial value chains, facilitate cross-border cooperation and support open and dynamic supply-chains that include SMEs and new entrants. It will also support disruptive technologies, allowing companies to take more risk. Coherence with other defence initiatives will be essential.

Space technologies, data and services can strengthen Europe's industrial base by supporting the development of innovative products and services, including the emergence of cutting-edge innovative technologies.

Defence and space industries face unprecedented global competition, in a changing geopolitical context, and new opportunities with the emergence of rapidly evolving technologies, and the emergence of new actors. By seeking **synergies between civil, space and defence industries** in EU programmes, the EU will make more effective use of resources and technologies and create economies of scale.

With the transition of Europe's industry to climate-neutrality, the reliance on available fossil fuels could be replaced with reliance on non-energy raw materials, many of which we source from abroad and for which global competition is becoming more intense. Boosting recycling and the use of secondary raw materials will help reduce this dependency.

Demand for **raw materials** is projected to double by 2050, making diversified sourcing essential to increase Europe's security of supply. Critical raw materials are also crucial for markets such as e-mobility, batteries, renewable energies, pharmaceuticals, aerospace, defence and digital applications.

Access to medical products and pharmaceuticals is equally crucial to Europe's security and autonomy in today's world. A **new EU pharmaceutical strategy** will be put forward, focusing

on the availability, affordability, sustainability and security of supply of pharmaceuticals. This has been highlighted by recent events linked to the Coronavirus disease 2019 (COVID-19) outbreak.

Making it happen

- **Follow-up to the 5G Communication¹¹⁸ and the Recommendation on cybersecurity of 5G networks.¹¹⁹**
- **Action Plan on synergies between civil, defence and space industries**, including at the level of programmes, technologies, innovation and start-ups.
- **A new EU pharmaceutical strategy** in 2020, including actions to secure supplies and ensure innovation for patients.
- An Action Plan on **Critical Raw Materials**, including efforts to broaden international partnerships on access to raw materials.

Joining the dots: A partnership approach to governance

Europe's industry must play to its unique features and strengths: its integration across value chains and borders, its diversity, traditions and people. As the twin transitions picks up speed and global competition becomes fiercer, Europe's industry is also transforming. As part of this, there are increasing links between different products and services across sectors.

As well as focusing on specific technologies, Europe also needs to look closely at the opportunities and challenges facing **industrial ecosystems**. These ecosystems encompass all players operating in a value chain: from the smallest start-ups to the largest companies, from academia to research, service providers to suppliers. And they each have their own features.

Building on the work of Industry 2030 High Level Industrial Roundtable, the Strategic Forum on IPCEIs and other bodies, the Commission will systematically analyse the different ecosystems and **assess the different risks and needs of industry** as it embarks on the twin transitions in a more competitive world. It will look at issues including research and innovation skills, the role of SMEs and big companies, as well as any external pressures or dependencies.

In doing this analysis, the Commission will work closely with an inclusive and open **Industrial Forum** consisting of representatives from industry, including SMEs, big companies, social partners, researchers, as well as Member States and EU institutions. Where needed, experts from specific sectors will be called upon to share their knowledge.

This work may show that some of the ecosystems, because of their specific nature or needs will require dedicated, bespoke support. This support could take the shape of regulatory action, unlocking financing or making the most of trade defence instruments. This would then form a **dedicated toolbox**. Progress will be monitored on a rolling basis, in cooperation with the European Parliament and the Council.

Where identified as necessary, the approach of **industrial alliances** could be the appropriate tool. This has already shown its benefit in the area of batteries, plastics and microelectronics. .

¹¹⁸ COM(2020) 50 final.

¹¹⁹ C(2019) 2335 final.

The European Battery Alliance has managed to move the EU to a position of industrial frontrunner in this key technology. Alliances can steer work and help finance large-scale projects with positive spillover effects across Europe, using the knowledge of SMEs, big companies, researchers and regions to help remove barriers to innovation and improve policy coherence.

Clean Hydrogen is a prime example of where this can have a real added value. It is disruptive in nature and requires stronger coordination across the value chain. In this spirit, the Commission will shortly propose to launch the new **European Clean Hydrogen Alliance** bringing investors together with governmental, institutional and industrial partners. The Alliance will build on existing work to identify technology needs, investment opportunities and regulatory barriers and enablers. Future alliances should also **include low-carbon industries, Industrial Clouds and Platforms and raw materials**.

.Making it happen

- Building on the successful template of industrial alliances, a new **European Clean Hydrogen Alliance** will be launched. Alliances on low-carbon industries, Industrial Clouds and Platforms and raw materials should follow when ready.
- The Commission will undertake a thorough screening and **analysis of industrial needs and identify ecosystems needing a tailor-made approach**.
- An inclusive and open **Industrial Forum** will be setup by September 2020 to support this work.

Conclusion

This strategy lays the foundations for an industrial policy that will support the twin transitions, make EU industry more competitive globally and enhance Europe's strategic autonomy.

Given the important social implications of the changes ahead, dialogue with social partners and civil society will be essential. The Commission's annual **Industry Days** will continue to be an important event to bring all players together. The Commission will propose that Council Presidencies and interested Member States host Industry Days in their own countries.

The Commission will strive to increase the political ownership of the strategy, suggesting a standing progress point at the Competitiveness Council and at the European Parliament. This will be done on the basis of a regular monitoring of the strategy's implementation and analysis of a set of key performance indicators.

Only a shared commitment from the EU, its Member States and regions, industry, SMEs and all other relevant stakeholders in a renewed partnership will allow Europe to make the most of the industrial transformation. The European Council in March 2020 offers an opportunity to support this renewed partnership on the basis of a shared vision and objectives.