



GEOPOLITICS VERSUS TECHNOLOGY: THE CASE OF HUAWEI

During the traditional Munich Security Conference in February 2020, the U.S. delegation widely publicized the security risk arising from the Chinese telecommunications company Huawei's 5G technology. In addition, the enduring global campaign of the United States to boycott Huawei during the last three years has been widely discussed at almost every significant meeting of U.S. President Trump. As a result, the year 2020 became challenging for the world's top telecom supplier and the second phone manufacturer.

It appears that U.S. efforts in blaming security vulnerabilities of Huawei have different reactions in the world, and even Western countries are not united in their positions. For the United States, the security threat of Huawei systems has implications, firstly, in the case of a further deterioration of Sino-American relations. It is grounded considering the ongoing trade frictions between the United States and China. Accordingly, if the claim that Huawei's equipment could be used for spying based on China's 2017 National Intelligence Law is true, this poses a crucial threat for Washington and its allies. Countries like Australia, New Zealand, and Japan have banned Huawei products due to trust issues and geopolitical tension in relations with China. Apart from that, an increasing dominance of Huawei on the global telecommunication market risks the U.S. leadership in technologies such as 5G. Undoubtedly, the competition for market share roots this perspective. Thus, by acknowledging the existing security shortcomings of Huawei due to its political background, the author argues that the political economy underpinnings of the United States impact to a greater extent its strategy toward Huawei.

Officially, the U.S. authorities explained their distrust of Huawei by the following concerns: 1) According to the above-mentioned National Intelligence Law, Chinese organizations must "support, cooperate with and collaborate in national intelligence work", hence Beijing could force Huawei to give the Chinese government intelligence data about its users. In addition, the Chinese government could push Huawei to allow it the use and even control of its software during the periods of heightened tension; 2) In February 2020, the U.S. authorities reported that Huawei could have backdoor access to its network software globally; 3) The issue of transparency cause doubts, because, unlike other multinational corporations, Huawei's reports are available only to the top management of the company.

It is noteworthy that initial security claims from the United States date back to 2011-2012 when the U.S. government requested an investigation of Huawei security systems. As a result, the 2012 House Intelligence Committee report on Huawei and ZTE did not find any deviations but complained that they "did not fully cooperate with the investigation". The latest measures on Huawei were taken in May 2019, when the Trump administration declared a national emergency over threats against U.S.

technology in its executive order and banned any transactions with information or communications technologies that possess a threat to national security of the United States. The U.S. government also filed a criminal case against Huawei for the theft of technology and blocked its products in the domestic U.S. market. As a result, Huawei, along with its 70 affiliates, was placed on the "entity list", which requires a permission from the U.S. Department of Commerce to obtain a license before supplying. As a corollary, other U.S. companies began to curtail their business with Huawei. The global tech giants as Google, for instance, stopped services like Gmail in the Huawei devices, whereas Intel, Qualcomm and other giants halted supplying Huawei parts. Later, the U.S. administration extended licenses of U.S. companies to work with Huawei until May 15, 2020. Prior to that, in 2018, Canadian authorities arrested Meng Wanzhou, Huawei's chief financial officer and daughter of its founder, Ren Zhengfei, at the request of the U.S. Department of Justice, charging her with violating U.S. sanctions against Iran.

In its turn, the Huawei management does not agree with accusations, claiming that it has political underpinnings to keep away the Chinese giant from the U.S. market. Ren Zhengfei stated that Huawei had never engaged in espionage on behalf of Beijing, claiming that the Chinese Ministry of Foreign Affairs had officially confirmed the absence of a law on installing mandatory backdoors. Moreover, in June 2019, Huawei Chairman Liang Hua proposed to sign a "no-spy" deal with the U.S. government.

Taking into account the ongoing trade frictions between the United States and China, and Trump's protectionist policies, it appears that the concerns over Huawei have a political basis. Moreover, Washington is concerned that Huawei will flood the U.S. market with its advanced and low-price technologies. Yet, considering Beijing's control over Chinese companies, the confidence of Huawei in security of its customer data is somehow doubtful. Either way, the risk of dependence on the Huawei equipment and potential control whether by the Chinese intelligence services or other entities during the wartime make vulnerable products and services provided by Huawei.

At the same time, Huawei is the leading global supplier of 5G technology that promises to provide high internet speed and realize full potential of wireless systems. Huawei supplies the most advanced network equipment that makes phone masts work, the network switches that connect phone networks, and the software to control them. Since 2015, Huawei has been far ahead of its major rivals, Ericsson and Nokia, and is much bigger if compared with ZTE, another Chinese telecom giant. Thus, Huawei currently is the world's largest telecommunication equipment supplier and a major provider of the "fifth-generation" technology that aims to dominate the 5G market worldwide. In addition, it has become the second-largest

smartphone vendor after Samsung, outperforming Apple.

Meantime, Huawei telecom systems are already integrated to a significant extent into Europe's 4G infrastructure. For instance, the United Kingdom (UK) has been using Huawei equipment in its telecom since 2005. Although Huawei systems are not the central network of the UK, Vodafone representatives estimated that it would take around five years to apply U.S. and European restrictions on Huawei to modify the existing 4G infrastructure.

In terms of the 5G implementation, Huawei has over half of the 65 5G contracts in Europe. In early 2020, the European Union warned to limit the access to the core network of Huawei, yet allowed the company's 5G. France plans to implement its 5G network with Huawei, the UK also approved the construction of its non-core 5G networks with some limitations, Norway's Telenor reported that Huawei will still play a role in the country's 5G rollout, Hungary builds its 5G with Huawei, to name but a few. Among the developing countries, Russia agreed to develop its 5G with Huawei, Malaysian authorities agreed on the Huawei 5G rollout, the Indian government allowed Huawei to participate in the 5G trial phase, and Thailand already launched a 5G test with Huawei. In the Middle East, Huawei has 10 confirmed 5G contracts.

On the opposite side of the barricade, there are countries such as the United States, Australia, New Zealand, Japan, Germany, and the Czech Republic that limited the use and sales of Huawei products. At the same time, despite the arrest of Meng Wanzhou in 2018, Canadian Prime Minister Justin Trudeau assured that the decision on the 5G with Huawei would not be political. Spain's Telefonica decided to reduce its supply of Huawei, while Estonia proposed a new security bill with Huawei to make its activities more transparent.

To sum up, given the overall quality and affordable prices of Huawei products, it seems that security concerns do not stand as a compelling reason to ban them for decision makers of most countries. Moreover, considering several U.S. Senate hearings of Facebook CEO Mark Zuckerberg, whose company also questions the security protection of both individuals and states, the very existence of security in cyberspace seems uncertain. Therefore, countries like the United States that apply heavy-handed approaches towards Huawei are facing opposition from the countries that search for a balanced proportion of the quality and price in the implementation of high tech. In addition, Washington's problem is that, at present, it could not offer a reliable alternative to Huawei's 5G technology, therefore it attempts to limit the Chinese company's penetration by urging about its security issues at the various global platforms. It remains to be seen if the U.S. security hype will prevent Huawei from continuing to lead in telecommunication technologies.

Politics, Foreign Affairs, and Security

- The Council of Foreign Ministers of the Shanghai Cooperation Organization (SCO) member states held its regular meeting in Moscow. The ministers reviewed ongoing and future activities of the SCO in the context of the COVID-19 pandemic. The ministers also reviewed the agenda and draft documents of the forthcoming SCO summit, paying particular attention to the political declaration and the 2021-2025 action plan to implement the SCO Development Strategy (SCO, 10.09.20).
- During their talks in Moscow, foreign ministers of the Russia-India-China (RIC) grouping Sergey Lavrov, Subrahmanyam Jaishankar and Wang Yi exchanged views on further strengthening of trilateral cooperation as well as topical issues of international and regional importance. The ministers agreed that the three countries, with strong scientific and industrial capacities, could make a significant contribution towards mitigating the impact of the coronavirus pandemic (MFA of Russia, 10.09.20).
- During his visit to Kazakhstan, Chinese Foreign Minister Wang Yi held talks with President Kassym-Jomart Tokayev and First President Nursultan Nazarbayev. The parties discussed issues of bilateral relations, interaction within international organizations, and joint actions to prevent the spread of COVID-19. Wang Yi also met with Foreign Minister Mukhtar Tleuberdi to address the strengthening of cooperation as part of coordination of Kazakhstan's Nuryly Zhol state program and China's Belt and Road Initiative (Akorda; MFA of Kazakhstan, 12.09.2020).
- Chairman of the State Committee for National Security of Tajikistan Saimumin Yatimov visited Kabul to hold talks with high-ranking officials of Afghanistan. The parties discussed issues related to the security situation in their countries and the region as a whole, border protection, the fight against terrorism and extremism, and smuggling of drugs and weapons. They also paid special attention to ensuring security of communications and energy projects (Avesta, 12.09.2020).
- Georgia's United National Movement and nine opposition parties that are members of the Strength is in Unity political movement unanimously decided to nominate the country's former president Mikheil Saakashvili as their candidate for the prime minister's post. According to Chairman of the United National Movement Grigol Vashadze, everything that has allowed Georgia to cope with the present-day challenges was created during the rule of Saakashvili (Agenda.ge, 07.09.20).
- According to Turkish ambassador to Moldova Gurol Sokmensuer, Turkey will continue to help Moldova and its autonomous region of Gagauzia. In particular, as part of its support to Moldova in the fight against COVID-19, Turkey will continue to deliver medical aid and assistance, such as X-ray equipment. To further strengthen bilateral relations, Turkish Foreign Minister Mevlut Cavusoglu opened a consulate general in Gagauzia's capital Comrat during his recent visit to Moldova (Anadolu Agency, 07.09.2020).

Economy, Finance, and Energy

- Speaking at the government meeting, Kazakhstan's Minister of National Economy Ruslan Dalenov reported that the real sector of economy had demonstrated solid performance in January-July 2020. In particular, car manufacturing grew by 51.8%, pharmaceuticals – by 34.1%, paper production – by 15.3%, and housing construction – by 6.4%, while car exports increased seven fold. According to Dalenov, one of the critical measures to help revive Kazakhstan's economy in the post-quarantine period will be all-round support of business (Kazinform, 09.09.2020).
- In November 2020, a new car factory in the Uzbek city of Jizzakh will start the production of the latest KIA K5 and Seltos models. The annual production capacity of the ADM-Jizzakh plant will be 25,000 vehicles at the first stage and will be increased to 100,000 vehicles by the end of 2022. The plant, located in the Jizzakh free economic zone, is positioned as a multi-brand enterprise that will produce cars of other well-known world brands in the future (UzDaily, 10.09.2020).
- According to Kyrgyzstan's Ministry of Agriculture, 40 new enterprises for processing agricultural products that employ 1,208 people were commissioned in the country in January-August 2020. The ministry notes that the creation of new and the development of existing enterprises in this sector will be carried out taking into account their regional specialization. The focus will be on the introduction of new technologies that provide deep integrated energy and resource-saving processing of agricultural raw materials (Kabar, 08.09.2020).
- Tajikistan resumed the export of electricity to Afghanistan, interrupted due to a decrease in the water level in reservoirs of the country's hydropower plants (HPP). After the water level in the Nurek HPP's reservoir reached its maximum, the Tajik government decided to resume electricity supply to the neighboring country. Currently, the daily volume of exported electricity is about 1.3 million kW/h, while previously it reached up to 8 million kW/h (Avesta, 07.09.2020).
- Transport officials of Afghanistan, Azerbaijan and Turkmenistan held a videoconference meeting to discuss the issues of implementation of the international transit and transport corridor Afghanistan-Turkmenistan-Azerbaijan-Georgia-Turkey (Lapis Lazuli). The agenda of the meeting included the optimization of the transport and logistic process, the creation of equal economic and financial terms for all participants, the development of a single pricing policy for cargo traffic, and the appointment of a single operator from each side (Turkmenistan Golden Age, 07.09.2020).
- Russian Energy Minister Alexander Novak forecasts that Russia can increase its share in the global oil market after a recovery in demand. This may happen due to reduced competition between producers as a result of a decline in investments in the industry. Investments in oil and gas production in 2020 will be \$170 billion less than last year and continue to be low in 2021, which could lead to a loss of 5 million barrels per day of world production (TASS, 08.09.2020).

Society and Culture

- The feature film "Tomyris", shot jointly by the Kazakhfilm studio and the Satafilim company, has been released worldwide. The movie directed by Akan Satayev is dedicated to the events that took place in the Massagetae kingdom in the sixth century BC. "Tomyris", full of battle scenes, horse races, and sword fights, is one of the largest historical projects in the history of Kazakh cinema (Trend, 07.09.2020).
- The Embassy of Kazakhstan in Romania held an opening ceremony of the bust of Abai in downtown Bucharest. The event was attended by Romanian politicians and officials, foreign diplomats, and representatives of academia, civil society and media. Ambassador of Kazakhstan Nurbakh Rustemov emphasized that the familiarization with European culture was one of Abai's aspirations. The bust was erected as part of celebrations of the poet's 175th anniversary (Embassy of Kazakhstan in Romania, 10.09.2020).
- UNESCO and the Turkish National Commission for UNESCO organized an online consultative meeting on the Bilge Tonyukuk monument dedicated to its 1,300th anniversary. The event was supported by the International Turkic Academy, TURKPA, the Turkic Culture and Heritage Foundation, and TURKSOY. Participants assessed the current state of the Tonyukuk memorial complex and discussed issues related to its protection and inclusion in the UNESCO World Heritage List, given its invaluable cultural value (TWESCO, 10.09.2020).
- The Cooperation Council of Turkic Speaking States and the World Health Organization signed a memorandum of understanding on bilateral cooperation. The memorandum is aimed at enhancing the existing collaboration between the two organizations. In particular, the parties plan to hold consultations at the leadership and expert levels, exchange information and documents on public health and sanitary and epidemiological well-being, as well as hold joint events and implement cooperative programs and projects (Turkic Council, 11.09.2020).
- The UNICEF Executive Board endorsed the sixth country program for Turkmenistan for 2021-2025. The document is aimed at supporting the Turkmen government in meeting its commitments to respect, protect and fulfil the rights of children. The program with an indicative five-year budget of about \$7.5 million covers four areas, namely governance for children; child health, nutrition and early development; social protection; and quality inclusive education (UNICEF, 11.09.2020).
- The Azerbaijan Tourism Association, supported by Turkey's leading tourism organizations, launched an initiative to establish the Tourism Organization of Turkic Speaking States. Currently, top-level negotiations are underway with the relevant structures of Turkic speaking countries on the organization's establishment. The main goal of the new entity will be to jointly promote the tourism potential of the Turkic world (Trend, 11.09.2020).