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# Telephones yes, networks no
## Dutch attitudes towards Chinese technology



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Since 2019 a debate has been under way – particularly in Western industrialised countries – about the rollout of 5G telecommunication networks and whether

Chinese technology should be used in them. In March 2019 the European Commission and the High Representative of the Union for Foreign Affairs and Security Policy published a strategy paper on European relations with China, which still referred to China as a cooperation partner with shared objectives, but also as an economic competitor in the pursuit of technological leadership and a systemic rival promoting alternative

models of governance.[1] China's rapid rise, the awareness of 'systemic rivalry' and sustained pressure from the United States have also fuelled a debate in the Netherlands on whether to allow Chinese technology at the heart of our 5G networks.

The concerns revolve particularly around strategic dependence and national security. The General Intelligence and Security Service (in Dutch, AIVD), for example, warns that the Netherlands must not become excessively dependent on Chinese equipment in vital parts of the 5G network. Technological dominance could result in China also becoming the standard setter. Moreover, dependence on Chinese technology would make Dutch business and Dutch critical infrastructure vulnerable to digital espionage and possibly even sabotage.[2] Concerns have also been raised about the recently introduced Chinese 'Cybersecurity Law' that compels Chinese firms to surrender data to the government whenever Beijing requests it. Espionage can take place through telecom networks, but also through chips in mobile phones and even applications or software updates. Data and behaviour could then be monitored and data could be used or shared without the user's knowledge.

Politicians in the Netherlands and abroad are already weighing into this debate, but very little is yet known about Dutch people's views of the use of Chinese communication technology. Do American calls on allies to ban Chinese firms such as Huawei and warnings from the Dutch intelligence services resonate among the Dutch population? Do Dutch people view decisions on Chinese technology differently when they concern

critical telecom infrastructure than when they concern their own mobile phone? And to what extent are attitudes towards Chinese technology influenced by the image people have of China? Or are there other key factors that explain Dutch people's attitudes towards imports of Chinese technology?

## The Netherlands in the world

In 2019 the Dutch government published a policy paper on China entitled 'A new balance'.[3] This paper describes how China has exerted growing influence on the international stage over the past decade and, like the European Commission, it highlights the 'competition between models'.[4] Technological capabilities are an important element in the competition for world power. China is developing an unprecedented industrial policy with the aim of becoming the world leader in new, advanced technologies by 2025.

The Dutch debate surrounding telecom networks and 5G itakes place against the background of this strengthened Chinese position in technological innovation, but the assertive response from the US is also a factor. The pressure from the US to ban Chinese telecom networks is also being felt strongly in Europe. EU Member States resisted US pressure to explicitly ban Huawei, but they did mutually agree to take account of 'legal and political factors' relating to the country supplying the telecom equipment.[5]

In 2020, in the midst of the Covid-19 pandemic, the development and use of technology and innovation became even more important. The pandemic led to an acceleration of digitisation, with the Internet

1   European Commission and High Representative of the Union for Foreign Affairs and Security Policy, *Joint Communication to the European Parliament, the European Council and the Council. EU-China – A strategic outlook*, Strasbourg, 12.3.2019, JOIN(2019) 5 final, p. 1. https://ec. europa.eu/commission/sites/beta-political/files/ communication-eu-china-a-strategic-outlook.pdf.

2   General Intelligence and Security Service, *AIVD Annual Report 2019*, p. 5. https://www.aivd.nl/ onderwerpen/jaarverslagen/jaarverslag-2019/ spionage-en-ongewenste-buitenlandse-inmenging.

3   Ministry of Foreign Affairs (15 May 2019), *The Netherlands and China: a new balance*. https:// www.government.nl/documents/policy- notes/2019/05/15/china-strategy-the-netherlands- -china-a-new-balance

4   Ibid, p. 8.

5   Clara van de Wiel (2019). 'Europa sluit Huawei niet uit – nog niet', *NRC*, https://www.nrc.nl/ nieuws/2019/12/03/europa-sluit-huawe i-niet-uit- nog-niet-a3982568.

being used more intensively for education, work and shopping. It also sped up the implementation of technological tools, such as technology used for monitoring and tracking (both people and the virus), with the aim of curbing the pandemic. The difference in levels of resistance to the use of those technologies exposes differences in views about digital privacy, civil liberties and the role of government, as well as differences in state power between European countries (including the Netherlands), China and the US.

This difference of views between European Member States, the US and China leads to divergent uses of those technologies in society. A good example is the introduction of Covid-19 apps. The introduction of an app in the Netherlands was a slow process because the government listened to objections from experts, activists and the public, for example about the processing of the data in the app. China opted for a mass rollout of compulsory apps, whereas in the US there was no government initiative to develop a coronavirus app. This highlights a fundamental difference in social models: the Dutch model that sees government having a role in providing an app but focuses on individual rights, the authoritarian Chinese model and the liberal US model (and perhaps more specifically the policy of the Trump administration).

## Chinese hardware: own mobile phone versus telecom network

The Clingendael Institute's Foreign Affairs Barometer survey[6] canvassed the views of more than 23,000 people in the Netherlands on Chinese technology, particularly in the telecoms sector. It shows that over 41% of people in the Netherlands disagree with the statement 'I'd rather not have a Chinese phone, because the Chinese government could use it to spy on me'. In other words they are not worried about privacy or espionage if they have a Chinese-branded

mobile phone. Around 27% agree with the statement and are therefore concerned, while one in three people in the Netherlands give a neutral answer about using a Chinese phone.

**I'd rather not have a Chinese phone, because the Chinese government could use it to spy on me**



Disagree **41%**
Agree **27%**
Neutral **32%**
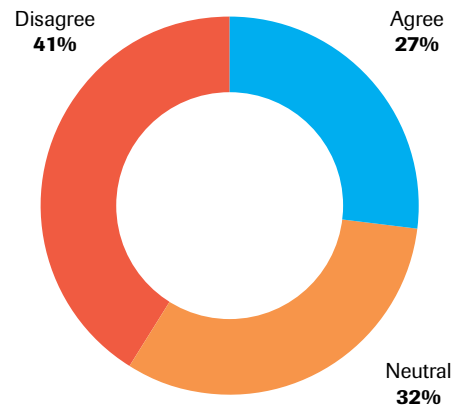
Huawei had a share of over 9% of the Dutch mobile phone market in September 2020.[7] That market share has been under pressure since 2019 and has fallen by 1%. This Chinese telecom company is nevertheless still the third largest smartphone brand in the Netherlands, after Samsung (38%) and Apple (almost 40%). Internationally too, the dominant players are mostly Chinese manufacturers, after Samsung and Apple. Dutch consumers appreciate the quality, low price and technological innovations of the Chinese brands. As a comparison, the rotating camera that Samsung introduced in 2019 had already been launched by the Chinese company Oppo in 2014.

Dutch people's relative openness to Chinese brands contrasts with the mistrust that many of them have towards Chinese telecom infrastructure. There is clearly strong concern about the potential for espionage in our networks: nearly 43% agree with the statement 'The Netherlands should not

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6   The objective and methodology of the Clingendael Foreign Affairs Barometer can be found here.

7   Wouter Hoeffnagel (2020). 'Nederlandse marktpositie Huawei onder druk door Amerikaanse handelsrestricties', Dutch IT-Channel, https://bit.ly/3afx6b1

buy equipment for our telephone networks from Chinese companies, because the Chinese regime might use it to spy on us'. A fairly large proportion, around a third of respondents, give a neutral reply, suggesting that a substantial part of the population is not (yet) engaged in the debate about Chinese technology. Among those who do have a view on Chinese technology in Dutch telecom infrastructure, the dominant attitude is one of concern.

Major telecom providers in the Netherlands such as T-Mobile and KPN rely heavily on Huawei equipment in their infrastructure.[8] In 2018 Huawei was still being praised for its role as one of the largest Chinese investors in the Netherlands and its value for Dutch-Chinese relations.[9] Soon afterwards, however, it found itself at the centre of the security debate. Concerns were raised about access to KPN's confidential customer data, after KPN contracted Huawei to restructure its IT and customer systems.[10] The Dutch government – like many others in Europe – has now decided that the buildout of the 5G network should include comprehensive security and supervision of network equipment. Chinese firms are not explicitly barred, but it will be much harder for them to take part. The core network cannot include any equipment sourced from a state, entity or person that might seek to abuse or disable a Dutch communication network.

**The Netherlands should not buy equipment for our telephone networks from Chinese companies, because the Chinese regime might use it to spy on us**



Disagree 21%
Agree 43%
Neutral 36%
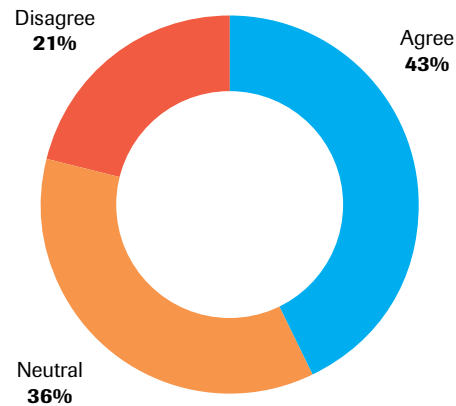
The government's decision reflects the broad views of most people in the Netherlands about Chinese technology. A debate has arisen in Europe in recent years on the wish to be less strategically dependent on other countries with regard to European security. The Clingendael Barometer shows that this aim of more strategic autonomy in critical technology is backed by a solid majority of Dutch people. 64% of people in the Netherlands agree with the statement 'To stay independent of Chinese technology, we must do everything we can to keep the production of crucial technology in Europe or bring it back to Europe'. 24% give a 'neutral' response to the statement and only 12% disagree with it. A large proportion therefore want Europe to be independent of China when it comes to vital technology.

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8   Strand Consult, *Understanding the Market for 4G RAN in Europe: Share of Chinese and Non-Chinese Vendors in 102 Mobile Networks*, pp. 18-20.

9   Huawei's reporting on this matter can be found here on its own website: https://www.huawei.com/en/press-events/news/2018/4/Huawei-Dutch-Government-Award.

10  Ministry of Economic Affairs and Climate Policy (19 June 2019), *Beantwoording vragen over artikel 'Huawei kan bij vertrouwelijke klant-data van KPN'*. https://www.rijksoverheid.nl/documenten/kamerstukken/2019/06/19/kamervragen-over-artikel-huawei-kan-bij-vertrouwelijke-klantdata-van-kpn.
    Hans Nauta (2019). 'Huawei heeft toegang tot vertrouwelijke klantdata van KPN', *Trouw*, https://www.trouw.nl/nieuws/huawei-heeft-toegang-tot-vertrouwelijke-klantdata-van-kpn~bd1f52e2/.

**To stay independent of Chinese technology, we must do everything we can to keep the production of crucial technology in Europe or bring it back to Europe**



Disagree
**12%**

Neutral
**24%**

Agree
**64%**
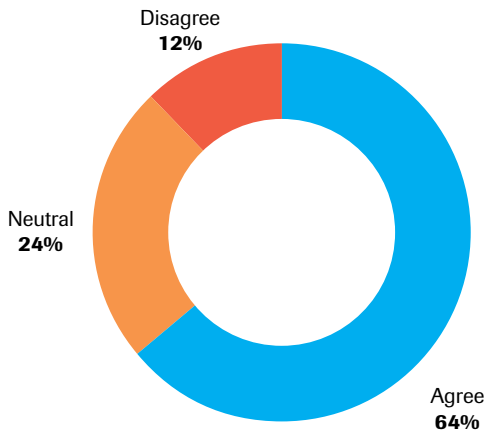
## Why the scepticism towards Chinese technology?

The Foreign Affairs Barometer survey can serve as a basis for assessing various hypotheses to explain sceptical attitudes towards Chinese technology in general. We therefore measured sceptical attitudes towards Chinese technology on the basis of the three statements shown above, i.e. combining opinions on Chinese mobile phones, the introduction of Chinese telecom technology in the Netherlands and the need for Europe to be independent of China in crucial technology. The results are shown in regression table 1.

First, it is logical to link mistrust towards Chinese technology with other China-related questions in the survey. Are Dutch people who see China as a threat to European security also more critical about Chinese technology? Are Dutch people who see the rise of China mainly as an economic opportunity more inclined to welcome Chinese tech firms to the Dutch market? And to what extent are Dutch attitudes influenced by the Chinese government's treatment of its own citizens' privacy and human rights? All these factors are likely to be relevant in explaining the scepticism towards Chinese technology.

The analysis also considered the extent to which attitudes towards Chinese technology are shaped by Dutch people's desire to protect their own privacy and their desire to keep the Internet free and open in the fight against cyberespionage. It also examined whether attitudes towards Chinese technology are connected with the perceived threat to European Security from Russia, or from the United States, and the desire to make Europe more militarily independent. The role of the United States in this debate is particularly significant: the US government – with the support of both Republicans and Democrats – is pressuring European countries to keep Chinese telecom firms out of the market. The last two possible explanations in the analysis concern the attitude towards interference in diaspora communities in the Netherlands (also referred to as the 'long arm') and political attitudes. The long arm questions were analysed to assess the extent to which criticism of Chinese technology also results from a general desire to protect the Dutch community against 'outside influences'.

Our analyses show that Dutch people's attitudes towards Chinese technology are largely determined by the answer to one question: do they see the rise of China mainly as an economic opportunity, or as a security threat to Europe and the Netherlands? Respondents who see China as a threat to Europe's security are also more critical towards Chinese technology. At the same time people who see Chinese investments primarily as an economic opportunity are less inclined to ban Chinese technology. These China-specific factors add a great deal of explanatory power and the effects are also very marked. It is striking that the Chinese government's violations of citizens' privacy and human rights barely have any impact on Dutch people's views about imports of Chinese technology into the Netherlands.

It is also clear that the perceived threat from major powers other than China, namely from Russia and the US, is largely a predictor of respondents' attitudes towards Chinese technology, albeit in the opposite direction. A larger perceived threat from Russia leads to a more critical attitude, whereas

Dutch people who see America as a threat are less critical of Chinese technology. A possible explanation is that part of the Dutch population would like to form a bloc with America to oppose China. As noted earlier, the US is playing a dominant role in the debate about Chinese technology and pressuring European allies to keep Chinese technology firms out of the market.

The analysis also shows that a more critical attitude towards 'long arm politics' – unwanted interference by foreign governments in Dutch affairs – also translates into more scepticism towards Chinese technology. The banning of Chinese technology is probably part of a wider desire to protect society against 'outside influences'.

We find that attitudes towards privacy are also relevant to the formation of public opinions on Chinese technology. Respondents who value the protection of privacy are critical towards imports of Chinese technology.

Finally, there are several factors that have a very limited effect, if any, on respondents' attitudes on Chinese technology. Populism (the perceived gap between the 'people' and the 'elite'), which is a factor in many other international issues, plays no role in the debate on China and technology: people with populist attitudes do not view imports of Chinese technology very differently than other people. The views of Dutch people with right-wing attitudes towards socioeconomic issues are also not very different from those of people with left-wing views. This leads to the notable finding that party preference is of limited relevance (based on a comparison of the most critical parties to the remainder of the electorate). See also the bar charts in the annex with the frequencies for each political party. In other words, attitudes towards Chinese technology are not politicised. As in the United States, supporters of the different political parties do not have very divergent views on the threat from imports of Chinese technology.

## The debate has yet to start

We can conclude that a large proportion of people in the Netherlands have concerns about imports of Chinese technology in our telephone networks and European dependence on China in crucial technology. 43% are apprehensive about Chinese technology in our Dutch telephone networks. 64% of people in the Netherlands want us to do everything we can to keep the production of crucial technology in Europe or bring it back to Europe in order to stay independent of Chinese technology.

The Dutch appear to judge the threat of Chinese technology differently when it comes to their own mobile phone. 41% are not at concerned about spying through their Chinese phone, in contrast to the 43% who are sceptical towards Chinese telecom infrastructure. The possible reason for that difference would be an interesting subject for further research. It is possible, for example, that people consider the use of individual Chinese smartphones to be relatively less problematic. Or they may think that from a national security perspective the government is fulfilling its responsibility by banning Chinese technology from the telecom infrastructure, whereas in their personal consumption habits they are unwilling to make any concessions (*free riding*). People may also think Chinese phones represent good value for money and so look less critically at any privacy consequences.

The Barometer data indicates that the debate on Chinese technology is largely determined by one question: does the emergence of China pose a threat to Europe and the Netherlands or does it mainly offer economic advantages? In that regard it is impossible to overlook the role of the US: Dutch people who have greater confidence in the Americans (and perceive the US to be less of a threat) also want to ban Chinese technology. Given the pressure from both Democrats and Republicans to keep Huawei out of the European market, this is an interesting finding.

It is also striking that attitudes towards Chinese technology have not been politicised in the Netherlands. There is no major difference between people with left-wing or right-wing socioeconomic views, or populist or non-populist attitudes. In this regard too people in the Netherlands are therefore similar to Americans: the divisions in Dutch society over the threat from Chinese technology imports do not run along political lines.

Finally, the proportion of people who give a 'neutral' response (around one in three for each question) is strikingly large. They are either indifferent to this debate or consider that they lack the necessary knowledge to take a clear view. It would be good if this group were able to form a substantiated opinion. In that regard, the Dutch government's policy paper on China, which calls for greater knowledge of the country, remains totally valid more than a year later.

## Annex

### I'd rather not have a Chinese phone, because the Chinese government could use it to spy on me
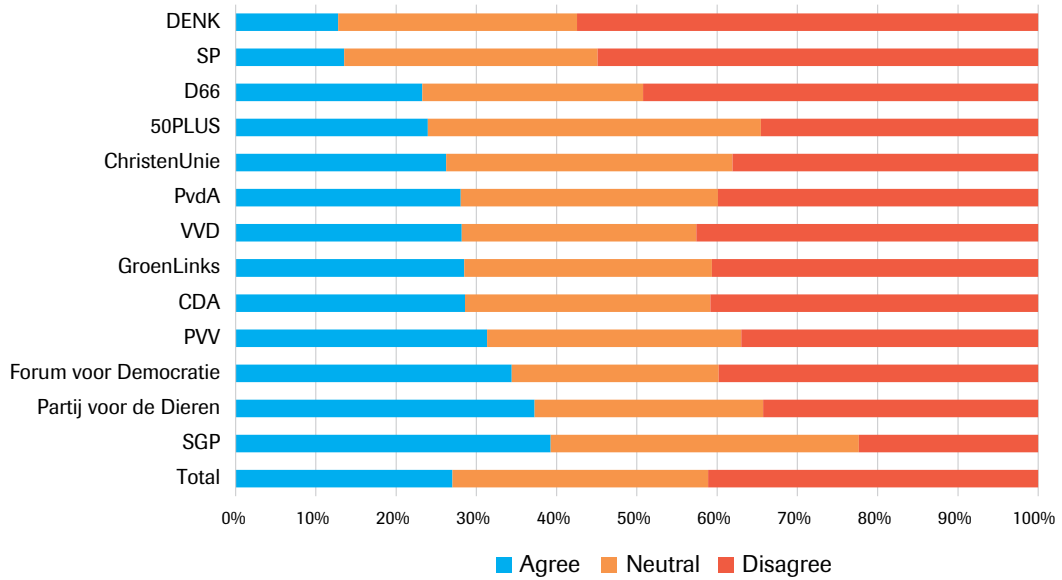


### The Netherlands should not buy equipment for our telephone networks from Chinese companies, because the Chinese regime might use it to spy on us
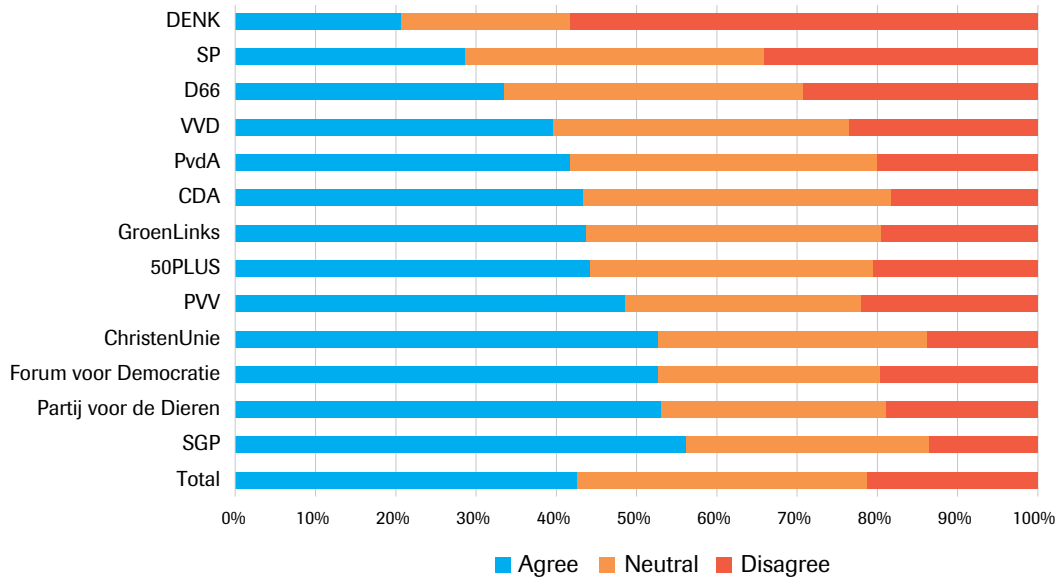
**To stay independent of Chinese technology, we must do everything we can to keep the production of crucial technology in Europe or bring it back to Europe**
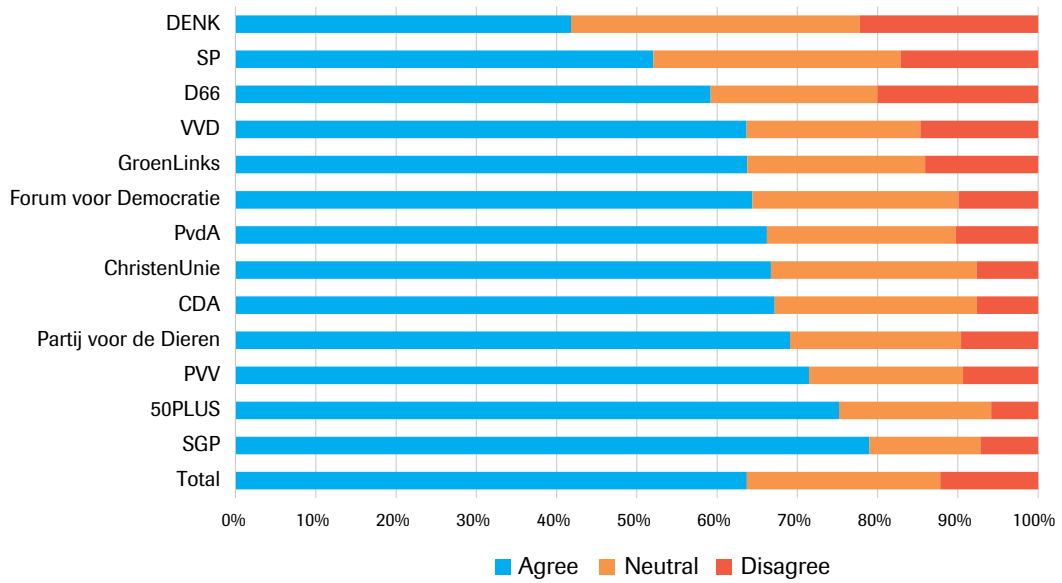
### Regression table: explanations for critical attitude towards Chinese technology

| Variable | β | SE | Sig. |
|---|---|---|---|
| Constant | 16.414 | .336 | 0 |
| Threat from China | .311 | .030 | 0 |
| China: violation of privacy and human rights | .032 | .032 | .001 |
| China: offers economic opportunities | -.160 | .024 | 0 |
| Negative attitude towards privacy violation | .073 | .010 | 0 |
| Negative attitude towards infringement of privacy by China/US/Russia | .076 | .013 | 0 |
| Forgoing free and open Internet in fight against cyberespionage | .038 | .023 | 0 |
| Threat from Russia | .127 | .025 | 0 |
| Threat from US | -.130 | .024 | 0 |
| Desirability of European military independence | .050 | .022 | 0 |
| Stopping foreign financing | .104 | .035 | 0 |
| Foreign interference in diaspora | .074 | .055 | 0 |
| PVV/FvD/CDA/CU/PvDD/50Plus/SGP | .062 | .051 | 0 |
| Socioeconomically left-wing | .029 | .007 | .002 |
| Populism | .005 | .005 | .653 |
| Age | .008 | .001 | .389 |
| Education | .045 | .016 | 0 |
| Gender (female) | -.063 | .045 | 0 |

Dependent variable: critical attitude towards Chinese technology (scale 3-15)

### Explained variance

| Model | | Adjusted R2 |
|---|---|---|
| 1 | Threat from China | .252 |
| 2 | China: violation of privacy and human rights | .255 |
| 3 | China: economic opportunities for the Netherlands | .286 |
| 4 | Attitude towards privacy | .300 |
| 5 | Fight against cyberespionage | .309 |
| 6 | Threat from US and Russia | .332 |
| 7 | European military independence | .334 |
| 8 | Foreign interference in diaspora | .357 |
| 9 | Political attitude | .363 |
| 10 | Background variables | .368 |

## About the authors

**Brigitte Dekker** is a Junior Research Fellow at Clingendael – the Netherlands Institute of International Relations – in The Hague. Her research is focused on various dimensions of EU-Asia relations, with a specific interest in Southeast Asia and China. Her most recent research has addressed high-tech issues, export control and digital connectivity.

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