

## TECHNO-NATIONALISM: PURSUIT TO OWNING THE FUTURE

Techno-nationalism marries two significant trends of recent times: the unprecedented societal transformation brought on by the second digital revolution, and the expeditious rise of populist nationalism as a manifestation of anti-globalisation forces. Others view techno-nationalism as a consequence of the decline of the post-1945 Western-led world order, combined with rapid technology advances mostly led by San Francisco-based tech companies and their escalating battle with Chinese rivals<sup>1</sup>. The past few years have been an indication of the fact that the extent to which a country is powerful and can assert itself or even dominate the international global order seems to be inextricably linked to the country's abilities to innovate and/or adopt emerging technologies<sup>2</sup>.

With rapid developments in technology – specifically the capabilities of Artificial Intelligence (AI), Big Data analytics, quantum computing – and their sheer transformative role in areas of governance, security, polity, and economy have given rise to what many are referring to as 'tech wars'. This combined with the rise of populist nationalism, has led to major powers including the US, India and China, formulating trade and economic policies aiming to curb foreign competition. Technologists and policymakers are divided on whether such protectionist stances on innovation and technology transfers can work in an interconnected and globalised world<sup>3</sup>. Two major actors in the theatre of techno-nationalism are the United States and China, both of which also serve as examples of the current geopolitical climate influencing global technological development.

The European Union (EU) finds itself in a difficult position, being largely dependent on both parties – the Chinese for critical technology transfers and key components of the ICT supply chain, and the Americans as their strongest security ally<sup>4</sup>. This sustained period of uncertainty over trade regulations and possible restrictions on technology transfers will have a direct impact on companies operating within and outside of the EU, hindering their competitiveness. While the EU has called on the US to join forces in setting global technical standards in telecom and the Internet of Things (IoT), these efforts have been fragmented<sup>5</sup>. The rollout of 5G serves as a good example of the lack of coordination and collective action within the EU. The urgency of a common strategy for the 5G rollout is clear, however, the divergent responses of individual member states to the network provider Huawei do not bode well for the future.

While for some member states the need to protect and promote national tech champions in the global arena is a priority, for others, it is more important to continue consolidating their national knowledge, technology, production and innovation base. Subsequently, there has been an increase in attention to national industrial policies and their smooth integration with research and innovation, higher education and labour market policies. In practical terms, the integration necessitates a whole spectrum of support measures ranging from funding basic R&D, transnational research, and commercialisation of

support structures, to supporting innovative companies and entrepreneurs, building an innovation culture, and pursuing education policies that strengthen STEM workforce.

At this stage, what should be the expectations from the newly formed European Commission to ensure competitiveness of European tech businesses in the increasingly techno-nationalistic framework? Can the EU member-states adopt a unified front to counter the detrimental effects of trade regulations from the US and China? Moreover, what specific measures can governments of Central and Eastern European nations implement to address challenges posed by techno-nationalistic policies?

### Key recommendations for the EU:

- ▶ **Reform in education systems** to respond to challenges brought on by new technologies is necessary at two levels: in university curricula to ensure that graduates do not need to be retrained after they enter the job market, and in integrating universities with businesses to build technology transfer capacity, implement entrepreneurial principles, and to create incubators to bring the valuable ideas and innovations to markets.
- ▶ **A closer coordination with the defence sector**, which has proven to be the engine for technological development and innovation in countries like China, Israel, and the US, is critical to boost innovation.
- ▶ In terms of EU's broad strategic interests, **competing in the ongoing 'techwar' should not be a priority** as there are marked differences, ranging from political fabric to history, between European nations and major tech powers which precipitate this technological competition.
- ▶ For smaller economies of the EU, such as Slovakia's, **focusing on diffusion of technology** should be emphasised. There is an urgent need for reorientation from low value-added activities towards high value-added production in industries with tech specialisation. These high-value industries should be prioritised by governments.
- ▶ More attention ought to be paid to **societal and ethical issues associated with emerging technologies**. These issues are often overlooked by the private sector in the design phase and should be addressed at the national and European levels. The EU guidelines on ethics of AI constitute a positive development.
- ▶ **Public technology procurement and government spending** can stimulate and support technological innovation and can be used to increase competitiveness of EU companies.

*With inputs from Tatra Summit Young Professionals cohort members Katarina Kertysova and Nataliia Haluhan*

1 Rajan, A. (2018), [Techno-nationalism could determine the 21st Century](#). BBC News, 8 September 2018.  
2 Manning, R. A. (2019), [Techno-Nationalism vs. the Fourth Industrial Revolution](#), Global Asia, 28 March 2019.  
3 Lamb, K. (2019), [The rise of techno-nationalism - and the paradox at its core](#), World Economic Forum, 3 July 2019.  
4 [https://www.ecfr.eu/podcasts/episode/should\\_europe\\_take\\_sides\\_in\\_the\\_us\\_china\\_tech\\_war](https://www.ecfr.eu/podcasts/episode/should_europe_take_sides_in_the_us_china_tech_war)  
5 <https://www.ft.com/content/aabd515e-aed5-11e9-8030-530adfa879c2>