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## Foreign Affairs Committee

### Oral evidence: Tech and the future of UK foreign policy, HC 201

Tuesday 7 September 2021

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Members present: Tom Tugendhat (Chair); Chris Bryant; Neil Coyle; Andrew Rosindell; Royston Smith; Claudia Webbe.

Questions 51-80

#### Witnesses

I: Anne Marie Engtoft Larsen, Tech Ambassador at Ministry of Foreign Affairs, Denmark, and Tobias Feakin, Ambassador for Cyber Affairs and Critical Technology at Australian Department of Foreign Affairs and Trade.

II: Martijn Rasser, Director, Technology and National Security Program at Center for a New American Security (CNAS) and Dr Ulrike Franke, Senior Policy Fellow at European Council on Foreign Relations.



## Examination of witnesses

Witnesses: Anne Marie Engtoft Larsen and Tobias Feakin.

Q51 **Chair:** Welcome to this afternoon's session of the Foreign Affairs Committee. We will be talking about technology and how it affects foreign policy. We are very lucky to have two extremely important witnesses with us this afternoon. We have Anne Marie Engtoft Larsen, Denmark's technology ambassador, and Tobias Feakin, Australia's inaugural ambassador for cyber and critical technologies. Welcome to both of you and thank you for joining us.

I will start with a very open question and although it is for both of you, I will start with you, Anne Marie, if that is all right. How are technologies accelerating the conduct of diplomacy, and how can foreign ministries keep pace?

**Anne Marie Engtoft Larsen:** First, thank you for the invitation to speak here. It is a great privilege to discuss this with the full Committee. I believe technologies are fundamentally changing every aspect of how we do diplomacy and, taking a country like Denmark, it impacts the geopolitical arena that we are existing and operating in. It alters, reproduces and sometimes entirely disrupts traditional international relationships. In Denmark, it impacts our society and democracy, and sometimes it challenges some of the most fundamental and core issues that we hold dear.

To a large degree, technology is also defining our economic development—our future possibilities. In that sense, technology is coming from the fringes to the main core of how we understand and operate in this world. What is different from before is that it is not led by states. For so many years and for 250 years of industrial revolutions, we have seen how technology has, at times, mainly been driven and researched by states, but this time it is different. It is tech development that is coming from large international tech corporations. If we are to ensure a responsible, democratic and secure digital future, we as states and democratic countries need to come into that arena and start playing it out.

I often think that there are three waves to modern diplomacy. One started at the Vienna conference in 1815, establishing what we know today as modern diplomacy. The second was after world war two, when we established relationships with multilateral bodies. Now we are in this third wave, where it is not only about countries or international organisations, but how we as diplomats, as foreign services or as Governments, deal with non-state actors who have the same influence and impact on our societies as many countries and international organisations. That is why Denmark has elevated technology, cross-cutting it with foreign political issues, because we recognise the immense importance and relevance it has, both at home and abroad.



Q52 **Chair:** Thank you. Toby, what were your views on this?

**Tobias Feakin:** Anne Marie always says incredibly insightful things when you ask her any questions in this area. I would certainly begin by saying that we find ourselves in a 21st century that is: a) geopolitically contested, and b) seeing that contest very directly play out through the lens of technology. Having been in this position for not far off five years, the biggest shift that we have seen is the acknowledgment of positions like this. We understood that cyberspace is a fundamentally vital part of our landscape and affects policy whichever way you look at it. It has increasingly become a contested environment in which diplomacy is vital. We can see how these issues are being elevated through Governments and becoming a core part of the agenda, whether you are a Minister, a senior official or so on.

One of the biggest shifts that we have seen is in the associated technologies that feed off the core backbone infrastructure that cyberspace is built on, and in the data that it provides. There is this whole cascading array of technologies such as quantum computing, biotechnology, blockchain, AI—a whole raft of terms that are becoming part of the public lexicon, not just in policy circles. Those technologies are fundamentally where the power balances are being swayed. We are seeing investments—in money, people and innovation—that mean that the countries that are at the forefront of those technologies will essentially have power gravitate towards them. Because of the nature of these technologies, they will fundamentally shape the economies, the security structures and the way our societies function over the coming century.

We are at a pivotal point in history, where we need to be in the international environment, shaping not only the technologies but the global settings into which those technologies are absorbed. That is why you have positions like mine and Anne Marie's, really pushing into that environment, with the tech industry, in order to shape that in a positive way, because—I am sure we will get into this—the visions of what that technology can do for us are certainly contested. There are some significantly different visions of what these modern technologies can do for societies and for national interests, through very different lenses, as we are seeing them evolve in global contexts.

Q53 **Chair:** Both of you have spoken about the engagement of nation states with technology. Is there an argument to say that the very organisations that you and we represent—the nation states—are being challenged by the technology that we are talking about?

It is commonly said that Facebook is now bigger than any country. Obviously, it is not a country in many terms, but it certainly has a large group of people who associate in different ways on its technology. Bitcoin and various other cryptocurrencies are challenging the way in which Governments are able to issue exchange notes effectively. There are many other ways in which the once exclusive power of nation states is being challenged. How do you see technology changing the nation state, and how do you see your role in defending the nation state, or representing



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the interests of the nation state or the national Government towards those technology platforms?

**Anne Marie Engtoft Larsen:** The power asymmetry between tech companies on one side and nation states on the other is an asymmetry that we need to balance out. That is why, as I see it, tech diplomacy is so incredibly important.

We have to live up to our responsibility in setting the fundamental boundaries for how we believe our societies should function and operate. What are the fundamental values on which we build our businesses, our operations, our societies and our communities? I think you could make an argument that, maybe for too long, we have seen a number of countries that have grown immensely big—immensely influential—in a very short amount of time.

What we do now, and the way that we believe we represent nation states, is not to say that nation states and companies should be compared. We have the prerogative and the responsibility to lead and govern, and they do not. However, if we are to fundamentally address the fact that there is this power asymmetry—that we have companies that know so much about us, and we know significantly little about them—and are to operate, to govern, and to regulate in the best possible way, it requires understanding and discussion. That is one of the things that we've learned throughout centuries of diplomacy. It requires understanding not only how they operate, but how they think, and representing the very strong values on our side.

We are seeing an experiential shift that is not a question of whether or not these companies should be regulated, but how they should be regulated. That pressure gives nation states and democratic Governments, such as yours and ours, the opportunity to step up and take that responsibility. However, we have to do it through a dialogue with them; we might not get the best possible outcome, regarding regulation, legislation and setting those boundaries, if we do not fully understand how these technology companies operate.

**Tobias Feakin:** We have a set of tech companies that we see growing to extraordinary levels and sizes, and having the kind of influences on our societies that I imagine many Governments could only dream of. While that has been occurring, we have seen that authoritarian Governments have learned from the open architecture that the internet was designed upon. Many of these tech companies have grown off the back of that architecture.

Authoritarian Governments have learned a lot of lessons over the intervening years. Take Russia as a case study, and think about the lessons that it learned in the early 1990s, when its intelligence world had not really grasped the power of the internet as a conduit for democratic voices coming out of the former Soviet Union to outside entities. Those lessons were learned very quickly; immediately, research was conducted on, "How do we exploit this information space to our own ends?" Over the



intervening decades, we see the results of taking advantage of what are now vast networks of influence over everyday lives, and we see authoritarian Governments influencing in various ways.

We are at a point when so many of these platforms have such influence, and the internet is inhabited by such a vast number of people. In the 1990s, we were talking about hundreds of thousands of users; now we are talking about well over half the world's population, and there are yet more users to come. There is an obligation on the Government to apply the law online. That includes what big tech is doing. For any Government, the question is: "How do we apply the law? In what ways do we want to regulate to protect our citizens, and ensure that their interests are served when it comes to their engagements online?"

One of the challenges of technology policy for any Government is keeping up to date with the technology. Any given platform—say, Facebook—will be researching maybe hundreds of applications to apply online during any given week. Trying to create policies that keep up to date with just one area of technology is difficult enough, not only for the company but for Governments. There is a cycle of us diplomats and senior policy makers making policy architectures that are flexible enough to allow us to react and, at times, get ahead of the bell curve, in terms of where technologies are heading.

One of the efforts that Anne Marie and I lead to try to get ahead of that curve is a cyber and tech retreat that we run—it would have been annually, but obviously covid has got in the way of that recently. Since early 2019, interns have been engaging with senior tech leaders to try to understand the policy trends, where the technology evolutions are, and what steps we should be taking—where the sweet spot is.

There is a serious question around the ethical principles and guidelines for many big multinational companies. They are operating cross-jurisdictionally, and of course they struggle to keep up to date with the policy settings in all jurisdictions. However, it is hard at times to pinpoint where certain companies' ethics and standards lie, because it seems to adjust, depending on where the next business opportunity is. Obviously, that is not true of every single company, but you can see certain examples of that in the international setting. That is where positions such as ours are really important. We need to engage not only with other nation states on shaping the international environment from a Government perspective, but also with the CEOs and presidents of companies, so that we can level the playing field a little bit more and guide our Governments and societies through this pivotal moment in tech architecture.

- Q54 **Andrew Rosindell:** My first question is to Ambassador Engtoft. Since Denmark introduced this policy of technology diplomacy, could you tell us how you see the situation evolving? What lessons have you learned and what do you think this will lead to in the future that could be of benefit to diplomacy for all our countries?



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**Anne Marie Engtoft Larsen:** It has been a short amount of time. The Danish Ministry of Foreign Affairs celebrated our 250-year anniversary in December, so in that sense a four-year initiative seems still rather young in the Ministry. That being said, I think a lot has changed. The environment that we had in 2017 when the Danish Government at the time decided to create this was quite different. At that point, we were discussing the opportunities of flying cars. I think the discussions around the ethics of AI were sometimes at the fringes, and it was much more on all the positive possibilities.

In the time since 2017, we had massive scandals. We had cyber-security hacks against very large Danish corporations. We had the NotPetya. We have seen SolarWinds, and a number of very challenging issues. We have seen the Cambridge Analytica scandal. We have been seeing a number of issues both in Europe and globally that have really been changing how we understand technology impacting our societies, our communities, our businesses and, more importantly, our values in the global arena.

In that sense, that is also why we have been seeing that tech diplomacy has obviously been changing, because we have to navigate, first, a much stronger political concern and, secondly, a much stronger public concern around how these technologies are impacting our lives, our children and our opportunities. Over the past years, technology—not only in the Ministry of Foreign Affairs but more in the full Government and in Danish society—has gone from a niche, more silent issue to really being at the core and centre of Danish policy making. In many situations, it is becoming the focal point for some of the discussions.

There are three key lessons that I want to highlight that we learned from our tech diplomacy. First, having tech diplomacy and a tech embassy over here in Silicon Valley where I sit—there is also an office in Copenhagen working with Europe and a tiny office in China—increases national awareness on these topics and results in much more, and faster, co-operation with line Ministries on matters of importance beyond just foreign affairs. It has really made quite a valuable contribution to national policy making. That is everything from specific pieces of legislation, a new White Paper that came out from the Government asking what the biggest principles are around how we want tech to shape our democracy, and our negotiations with the European Union in global governance forums. It has really been also building confidence in the broader Government and among policy makers to understand, recognise and take up the responsibility around engaging with this.

The second lesson learned has been that being over here in Silicon Valley, though at times it is quite far away from home, getting access to headquarters makes a difference. It is not only about building networks with senior people and gaining access at the right time; it is about using that access and that network to take up very specific cases on behalf of the Danish Government. We have seen that a number of times more recently. We had compromising videos of Afghans who helped Danish forces that we needed to be taken down from the internet. We have been



seeing it with cases around the corona passport app, making sure that that was readily available. For some of the cases that come, having headquarter access allows us to operate much more swiftly, and be agile.

Finally, we have also learned—I think this is so important—that tech companies are very different. They are as different from each other as countries. They have different business models, different corporate cultures, and different levels of maturity. Those differences can really play to our strengths in our relationships with them, and in finding the right partners on the right opportunities. These might be the three main lessons.

One of the ones we are into now—I will conclude this answer—is because this is going so incredibly fast, we cannot wait eight, 10 or 15 years before showing the results. There is massive public concern and political concern about these issues, and that requires us to show how we are making a difference and how we are making an impact also in the short term. What tech-diplomacy is doing is working with a three-year strategy, with 21 very specific key performance indicators that are showing to our collaborators and broader stakeholders, but also the Danish population, how we are trying to make a difference. We are a small country in a very big world, but we believe that our high level of digitisation and our engagement with the industry and the broader stakeholders on this can make a difference when it comes to democracy, security and more responsibility from tech companies.

**Q55 Andrew Rosindell:** Thank you for that comprehensive answer. Just on one point of clarification regarding the initiative by the Danish Government, is it purely a Danish initiative, or are you co-operating with other nations, particularly through the EU?

**Anne Marie Engtoft Larsen:** It started as a Danish initiative. Denmark was, I think, the first to appoint a tech ambassador. What has been incredibly wonderful to see lately is that so many other countries have followed suit. Australia was the second, I think, and ever since we have had a very close relationship with Tobias and his team, working with like-minded Governments and like-minded countries to build country alliances.

We work by building broad alliances with other like-minded Governments. We do that through the European Union as well. One of our KPIs and one of the areas we are focused on is ensuring that the European Union and Europe as a broad entity gets a digital foreign policy, because, as Tobias said, given the geopolitical rivalry between the US and China, where technology has taken centre stage, if Europe is not to be completely squeezed and forgotten, it requires stronger foreign political co-operation on these issues.

Finally, we engage in forums such as the UN, the World Trade Organisation and the ITU, and ensure that this is also part of the global governance discussion.

**Q56 Andrew Rosindell:** Thank you. Ambassador Feakin, since you assumed



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your position, what have been the demands of your role and what sorts of thing have you been doing? How has the role changed and how do you see it evolving in the years ahead?

**Tobias Feakin:** That is a good question. Just as a bit of fun, I was appointed back in October-November 2016, so we might have been just ahead of you, Anne Marie, but we weren't positioned in Silicon Valley.

In terms of what I have learnt, it has been a real privilege to be in a position such as this for this amount of time and during this period of change. I alluded in one of my previous answers to the fact that positions such as ours were instigated because of what we were seeing go on in cyberspace and the prioritisation of cyber, internet and digital issues in government. I distinctly remember that I was brought into Government to uplift our international engagement—to bring together all the different things we were doing across Government and to project them out into the international environment on cyber issues.

Those issues have not gone away. As Anne Marie rightly said, we have just seen a plethora of global-scale cyber incidents, which have had significant impacts on our societies and continue to do so. I suggest that we will only see those increase as we get increased connectivity, more people online and further technological developments that rely on that increased connectivity. We will see more such cyber incidents, which create such an impact on our societies. That part of the equation does not go away.

I have studied aspects of tech policy for over 20 years now, and what has surprised me in that period is how quickly this array of associated digital technologies is maturing. The technologies in that array are maturing at a similar rate of knots, as is their combined impact and its significance. I am seeing how Governments globally are genuinely grappling with the breadth of the agenda and how to deal with that.

You ask how this position expanded to incorporate broader critical technologies in late 2019. Absolutely—my portfolio has expanded enormously, and you can drink from multiple fire hoses if you choose to. That can be in the sense of which technologies you prioritise and which particular areas of the technology cycle you are going to engage with. Are you going to prioritise industry engagement vis-à-vis Government engagement? Do you have the right resourcing to do all those things?

For Australia, it was vital that we restructured after this position was expanded. Just earlier this year, the Foreign Minister released an international cyber and critical tech engagement strategy, which lays out what Australia wants from this environment. Necessarily, it doesn't go directly into deep detail on all the different technology areas that we will look at; it is very much looking at that top strategic level of what we broadly want out of that technology environment and how we go about engaging in that.

One of the issues that I, Anne Marie and other positions around the world face is where we prioritise and what we target, given the resourcing that



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we have. Not only have we seen the traditional arenas of the UN and regional bodies—in my region, that would be ASEAN—the OSCE in Europe, and various other organisations; we are also seeing increased focus on technology standards bodies. Anne Marie mentioned the ITU, but there is a whole array of standard-setting bodies that are pretty vital for governing how technologies are absorbed into those global settings. There is a plethora of organisations there, and you have then to prioritise which bodies you put your resourcing into, to have the greatest impact.

To be frank, one of the challenges of this job is continually balancing the prioritisation of the work you are doing. Yes, we have a strategy that lasts for three years, but as soon as the rubber hits the road, you know that there are going to be shifts in the technology cycle—you might need to shift rapidly towards a different effort at any different time. That is a significant challenge for Governments in this area: equipping themselves so that they are able to shift very rapidly.

I would say one other thing about what I have seen during my time in this position. It may sound obvious, but all these technologies—offensive cyber capabilities, along with the more advanced technology cycle—are being absorbed anywhere you look in the world. That is potentially precarious, given that so many countries are developing offensive cyber capabilities but perhaps without the understanding of international law, norms and boundary setting around how that capability should then be applied in an operational sense.

There is still a great deal of work to be done there, despite the multiple agreements through the UN—the UN group of Government experts and an open-ended working group. Despite those agreements, I still think that there is a great deal of work to be done, including on the fact that certain states are willing to traverse the boundaries that we set ourselves.

As an international community, we are getting more exercised in attributions, sanctions and using other levers of government to try to exert pressure on those countries. The broader we can make the group of countries that are willing to exercise those powers in the public domain or in private, the better we will be placed to be able to constrain some of the activities that nation states are conducting. I may be slightly going off on a tangent, but we also mentioned the fact that non-state actors are becoming incredibly powerful in their own right here. That is not just multinational companies but serious organised criminal organisations, who, in the international context, are often blurring very rapidly with nation states—guns for hire, if you like. One of the methodologies used by some Governments is the use of serious organised crime syndicates to deliver certain payloads to have significant impact on a nation, with the added benefit of deniability. That is equally a challenge for us, and we are seeing that happen in the context of current ransomware issues. Again, it is one of those challenges that has really raised its head for Governments to deal with. It is a good example of how these different challenges arise, not only in cyberspace but in these other technology areas that we need to be able to rapidly respond to and have adequate answers to as policy



makers. It is that rapid shifting of this environment, and I have found that the ability to reprioritise quickly and re-task has been one of the most significant learnings in this area of work over the last number of years.

**Q57 Royston Smith:** Toby, you have touched on this, but I would like to push you a bit. Unlike traditional diplomats, you have a global remit. You talked about prioritising and priorities, but how do you prioritise who you are going to engage with?

**Tobias Feakin:** For Australia, the focus is predominantly the Indo-Pacific region, but we are also very invested in global processes. In terms of which countries we prioritise, that is essentially done through a whole of Government process that I chair with a whole array of different Government Departments.

One thing I did not say in that previous conversation is that, equally, one of the most difficult challenges here is looking at these issues through a complete national interest lens, because it is easy to miss equities if you are only looking at issues through a national security lens. You can have some significant economic consequence for your own country by making certain decisions, and vice versa. One of the ways we try to address that is very simply by meeting all my whole of Government colleagues who have various stakes in the game and talking through their various priorities in terms of what they are doing domestically and what they want to achieve internationally, and then matching that against which countries we deem to be priority areas. Then we genuinely go through processes of creating country action plans of what it is we want to achieve with that country.

The prioritisation can be through various different lenses. It could be that particular countries, for economic reasons, are a very strong focus. It could be for a national security purpose that they are a distinct focus. It could be that they are a focus for capacity building, to try to increase their ability to be more cyber-secure or to try to assist them in terms of their risk assessment process for new infrastructure builds in this technology environment. We have invested significantly in that area of work. From the Australian Government perspective, when I began, we were investing \$4 million over a four-year time horizon in that area of work. We are now investing just shy of \$100 million over a similar period of time in uplifting our regional partners' ability to respond to threats and assess new technology builds as they come through. The most obvious example there is the 5G telecommunications issue, where a whole array of countries are still making decisions around what telecommunications architecture they should be looking at and purchasing over the coming years.

It is genuinely a whole of Government effort. I was remarking only the other day when I was hosting one of these meetings that I remember when I began the job, there would perhaps be a handful of different Departments there. Now, the number of people who come along to those meetings is significant. To me, in an unscientific way, it is symbolic of how mainstream these issues are now across Government, and how a whole array of different Departments have interests and equities in relationships with different international partners and are keen to be part of that



conversation, engaging internationally and making sure that we are all making the right decisions together.

**Q58 Royston Smith:** I saw you nodding along there, Anne Marie. Do you have something to add?

**Anne Marie Engtoft Larsen:** I just want to add two things. The Danish set-up has been that we have an office both here in Silicon Valley, working with both Silicon Valley companies but also with policy makers in DC. We have an office in Copenhagen that works very closely with our colleagues in Brussels and European capitals, and finally we have a small office in Beijing. From our perspective, being a small country in a big world, especially with a global remit in my mandate, you do need to be quite targeted. You need to ask, "Where do we find the biggest centres of gravity when it comes to shaping the technology that will define our future and shaping the policy arena around that and the frameworks that we will develop in tech. From our perspective, that is why we have been focusing on the US, China and Europe.

That being said, one of the recent things that we have done, quite successfully, is create a tech network of our embassies. We recognise that there is a great deal of tech development happening in India and east Asia, on the African continent and in a number of countries where I do not have an office, but where we are using and leveraging the embassies. That requires educating civil servants working at those embassies to understand and help us—everything from sending cables to understanding how technology is shaping in those specific regions—and working with legislators, policy makers, stakeholders and companies in those countries and regions when we do multi-stakeholder collaborations in some of our broader projects.

The ability to use the full foreign service and seeing tech diplomacy, not as a silo piece that has its own offices but working closely and in tandem with representations around the world, has given us an opportunity to have many more people working on the topic and to work much more agilely. The agility we get, with people in London, Brussels, Nairobi and Mumbai means that they can easily reach out to us and say, "This is happening here. How does that play into some of the work you are doing with this partner or stakeholder or is the issue relevant to some other tech diplomacy work?" Building out that infrastructure, just like we have been doing on climate change policy and other important geopolitical strategic priorities, can also be done for tech diplomacy.

**Q59 Royston Smith:** You have sort of answered my next question a bit. You have the offices in Beijing, Silicon Valley and Copenhagen, and I wondered whether the intention was to have any more. I suppose if you are using your network of embassies, maybe that is not the case.

**Anne Marie Engtoft Larsen:** I would love to have more offices because the agenda is growing, but we are building the network by proxy—building very strong collaborations with Brussels, with our colleagues in Berlin,



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Paris, London and the other key capitals in India, Singapore, South Korea, Japan, Nairobi and South Africa. Those are some of the hubs as we see it.

There are also challenges. We need to manage time differences and, as Tobias mentioned, to manage priorities, which shift at times and can be different in different office locations. We continue to see the combination of actors and presence at headquarters level, and engagement with policy makers and capitals, giving us a strong platform for conducting tech diplomacy.

One thing is that we bring Danish interests and values and understandings of technology out into the world. We also bring perspectives from the full global world back to Denmark. Understanding and being quite intimate in those ecosystems, whether that is in Silicon Valley or in Shenzhen allows us to bring much more holistic and better research information back home to the capital on certain issues. We are seeing tech ambitions and political directions that change quite dramatically at times, and the agility to quickly bring that back, not least to decision makers back home, has proven very important.

**Q60 Royston Smith:** Thank you. Toby, given your global remit, does Australia have any plans to extend its network or offices around the world?

**Tobias Feakin:** The way in which we extend our reach is through extensive training of our dip corps. Pre covid, we were doing this physically. We were hubbing out of certain key posts and pooling in diplomats from around that region to run training courses with our diplomatic network, so that they will then become cyber and tech diplomats in their own right. At present, we do not have plans to have offices as Anne Marie does, but we use our broader network to ensure that we have a wide range of reporting.

We do have specialist positions in certain key places around the world, as you would expect—in all the major capital cities that would probably be at the forefront of your minds right now. We utilise the breadth of our diplomatic corps, not only through the training, but regular outreach and briefings on different issues, so that they are current and up to date.

The strategy that we produced earlier this year, that our Foreign Minister launched, gives a blueprint for any diplomat in any post for Australia to go out and collect sensibly. It is very targeted. It has specific actions and objectives that we want to achieve across its entirety. It gives quite an easy architecture for a diplomat to reach into and be able to talk tech, even if they do not understand the depths of AI algorithm programming, for example. You don't need to. You can go and ask very sensible questions and collect good cabling material without having that depth of knowledge.

That becomes quite different when we do graduate training for our intake each year. It is always very stark, the immediate knowledge that all our graduate intake have as soon as they come through the doors. There is



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never any real explaining of why this is an important area of work. It is already at the forefront of their thinking.

We have both spoken about this: this is a process of mainstreaming this area of work and of ensuring that it is not seen as a niche, specialist area of diplomacy or Government policy, but that it is just an obvious part of what diplomacy and Government policy should be about. I think we are at that tipping point now. In the past, when Andrei Krutsky went to the UN—he is the Russian equivalent of myself and Anne Marie—in 1998 to first talk about information, ICT and the dangers of that in the international context, it was very much seen as a very specialised field. Now, in 2021 and 2022, we are seeing the world in which we live.

I frankly don't think it is good enough that anyone working in government or in any area of business should think that somehow these things all regulate and operate by themselves and they do not need very serious attention—they are absolutely central business for what we do.

- Q61 **Claudia Webbe:** When it comes to matters such as democracy, human rights and disinformation, what is the desirable balance between the notions of collaboration and autonomy between Governments and big tech companies or private companies?

**Anne Marie Engtoft Larsen:** Thank you very much for a very, very important question. Right now, I am experimenting with that for the first time in my lifetime. The very notion of democracy is being challenged. I think so many grew up in a world where we believed there would be more democracies and that more people around the world would see the need for democratic values and would want to go towards the model that we have been incredibly privileged to grow up in.

Right now, we are seeing the opposite. Autocracies are winning globally. We see more people living in autocratic states, and that requires us, as mature democracies who hold very strong fundamental values to our core, to ensure that those values, systems of government and opportunities to live purposeful and meaningful lives are strengthened and not compromised, and that we do not undermine democracy. I do not necessarily say that there is a causality, but there is correlation with how some aspects of technology are currently playing out in our lives, societies and communities, and in our global governance of these issues.

To your question about what the balance should be, to be honest, I believe that we are still in the process of finding it. I believe that for too long we have not necessarily been living up to the responsibility of deciding who sets the boundaries. The asymmetry between democratically elected Governments, Parliaments and the citizens they represent on one side, and tech companies on the other, has been too skewed, as I said previously. We need to re-find that balance because on the fundamental questions of democracy and human rights, the right to truthful information, and the right to democratic dialogue both online and offline, it is really Governments, Parliaments and citizens who inhibit and set the boundaries.



I also find that we cannot refrain from engaging in a dialogue with industry around this. So many of these questions are currently being highly, highly influenced by their platforms, their technologies. We need to learn from their strategical and tactical knowledge. In parts, we need to co-operate with them, and I think we need to speak to broader values. Many of these companies were created in nation states where those democratic values are held incredibly high. Some of them might even say that this is where they are held the highest. That is why we need to speak to a shared understanding and a shared values framework around this. While there is a need to bring corporations to the table to ask them to commit, to put skin in the game, and to realise that there might be a trade-off between their business model and how they operate, and how we want companies to operate within fundamental remits of democracy and human rights and truthful information. I believe it is in their best interests. That is how we are working with tech companies on these issues. If they do not live up to those standards, when we start to see the fundamentals of our societies deteriorating, we also see Governments who are much more willing to take much stronger stances on these issues, whether it is their business models or how they operate.

We come from it, as Tobias has said, from that whole-of-government approach. In the diplomacy part of that, we come to them and say, "Look, there are some serious challenges we need to solve. We believe you have to be part of that solution and we ask you to come to the table and put skin in the game on some of this." This cannot be left to "Perhaps we'll find a good solution tomorrow" or to more apologies about systems not living up to those fundamental values.

Q62 **Claudia Webbe:** Tobias, do you want to come in on that?

**Tobias Feakin:** Sure, thank you. That was an excellent answer from Anne Marie—you posed a superb question. For Australia, the first building block in our strategy is around values. You can see in the international system how so many values that we hold dear and democratic nations hold dear are being fundamentally challenged—not just in terms of how technology is being applied, used and created by tech companies themselves and authoritarian regimes. The regimes take those technological advancements and interpret them through a very different value set and lens. They are applying them in ways that are certainly not palatable to democratic values.

We place at the heart of our strategy the core values Australia has committed to for as long as it has been a nation—the rule of law, our core ethical principles, and the belief that human rights should apply equally to the online environment with these technologies as it does to the physical world. We think that is absolutely vital. It plays to the heart of what we are seeing: this almost triangle of authoritarian regimes, democratic nations and the tech industry. Unless we are in the middle, shaping the values upon which technologies are being innovated, designed and built and then absorbed into the global setting, you can see how these alternative visions are being scooped up—and not just by the usual suspects. The international aid space is also being influenced in this way.



You can see how authoritarianism in a box is being packaged up and delivered to countries to which that kind of solution is very attractive. The technology works with very strict control measures around it, which can give Governments very strong powers in terms of monitoring and the control of their societies.

We are in a moment in time where there is an opportunity to make sure that the balance doesn't shift too far in the wrong direction. Again, I fear it is a bit of a race against time to make sure that that balance remains in the right place. Tech companies, like any other companies, benefit from clear rules of the road. When you have an honest answer, certainly with those companies that have a more mature approach to policy and Government engagement, they will even admit themselves that they have been waiting for stronger legislation to come in for quite some time. Previously they might not have instigated it because it is not to their business benefit to do so. However, there is now a realisation that this is coming.

You are seeing that landscape change in the way that Governments are willing to challenge the tech landscape. I think the EU is a prime example of that—with the GDPR and a whole raft of other measures. We have done that ourselves here in the Australian Government with the news media bargaining code we introduced. We also brought in online safety reforms and regulations to protect individual internet users, especially children. We have done that. Other countries have done other things to try and regulate big tech. You can see that balance shifting. You can also see that big tech is reacting and trying to be pre-emptive. Facebook was mentioned earlier, and we have seen how it has established panels to provide some kind of regulation to themselves—to much criticism. You can see what they are trying to do. We are heading into a time now when companies are increasingly going to have to enter into this conversation with a multitude of different Governments. They would love it if we had a global set of regulations and norms in this area, but that is simply not going to be the case. I think they understand that big change is heading their way.

**Q63 Claudia Webbe:** Thank you. It is interesting that we talk about big tech companies, but for nation states—for Governments—the tradition has been to regulate and actually fine them for their profit-seeking ways. To what extent can Governments really partner with these big tech companies? Tobias, you gave the example of the Indo-Pacific region. How has that worked, in terms of the extent to which one can truly partner with such profit-seeking organisations?

**Tobias Feakin:** If I can use an example, the most practical way that I partnered with the tech industry and a whole array of different private sector entities writ large was through efforts to raise the bar, in terms of capacity building around the region. We have worked with companies that do not include the usual suspects that you would immediately imagine—obviously not the Facebooks and Microsofts of this world. We partnered with organisations like Qantas. Okay, they are an aviation firm, but they have a significant interest in cyber-security uplift around the region. We partner with companies like that. We have partnered with Australian banks



to increase the cyber-security awareness of their customer base across the region.

One of the important things that we equally have to remember is that, although a lot of this regulation is coming down the track, for positions like mine—Anne Marie, you can agree or disagree with this—by the very nature of what we are doing, we have to be multi-stakeholder. So much of the capability that we are talking about and engaging with rests with industry, so we have to be talking to them and engaging with them to understand the technology and where the trends are heading. We have engaged with big tech around process like the UN processes on cyberspace governance—essentially, norms and law on cyberspace—to understand what their perspectives are in that setting.

We have engaged, as the Australian Government, with platforms around issues like encryption and the harder-edged national security end of the equation. To be frank, those conversations vary from very amicable and collaborative to sometimes really quite sharp and difficult. I think that is a reasonable array of different conversations to be able to have. If it was just one end of that spectrum, the relationship we have with these companies would be unrealistic. Certainly, our experience as a Government engaging with the big tech industry has varied from the very positive engagement of seeking ideas, thoughts and their inputs to also delivering some very hard messages around requirements that we have on their platforms. I think you have seen that played out. The media code is one of those, and encryption is another.

Q64 **Claudia Webbe:** Thank you. I do not know if for you, Anne Marie, there are differences when it comes to Europe.

**Anne Marie Engtoft Larsen:** Let me give just two examples of how we think about multi-stakeholder partnerships. I often see it on a continuum. Over here, we have Governments' rights and responsibilities, legislation and regulation. In that sense, the multi-stakeholder aspect is really around a dialogue of understanding how companies are operating, and how that challenges, reproduces or affects the regulation that we have.

Another sense where we really see the push for multi-stakeholder effects is knowing that there are lots of these aspects that we are currently not regulating. If we are to address the challenges and problems that you rightly spoke about before—questions of democratic dialogue online—right now we see a global push to take away everything that is illegal content, but when it comes to all that which is lawful but awful, we still do not have the right regulatory measures, and there are questions of human rights promotion, rather than undermining it. Those are some of the aspects where we see the need for a multi-stakeholder push.

I will describe two of the ways we are doing that. One is that Denmark recently launched a tech for democracy initiative. It is a multi-stakeholder push for democracy in the digital age. The engagement with industry is threefold. One aspect is around a pledge that really is focused on this question: what are some of the basic requirements and prerequisites that



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we need to get right, and where can we find a values alignment? The second is on trying to foster adequate public-private partnerships. So one is on how we can make sure that all of those who are not currently represented in our datasets and therefore are not represented in much of our technology are better represented. A second one is around an awareness campaign, especially for children and youth, on how to engage democratically online without necessarily being sucked into the very negative aspects of it. Finding those partnerships where there is something in it for companies as well as for Governments is really important.

A third example I just want to highlight is that one of the ways we are working is by establishing a European tech alliance. We often see that, when we talk democracy and human rights, it is the big multinationals from the US or China that get drawn into that conversation, but just as Tobias said before, there is a plethora of companies who do not have their voices very much represented but represent at times different values in how they operationalise and develop their technology. Working with a much broader picture of what tech companies are and how we get a much stronger and more diversified voice on the role and responsibility of technology companies is one of the things that we are doing.

I think that the lessons from these multi-stakeholder initiatives and how they differ are, first, that you have to recognise that the dynamics are different from traditional diplomatic relations, simply because the dynamics in the corporations are very, very different. Secondly, while Governments have the responsibility and the prerogative to regulate, in the multi-stakeholder collaboration it requires commitments from both sides and a genuine commitment to come to the table and try to find a shared solution. Thirdly, in any multi-stakeholder collaboration, it is important that we ensure that the marginalised and less known voices are represented adequately and fully, and make sure that NGOs, civil society and activists also get a seat at the table.

**Q65 Claudia Webbe:** Thank you. We speak about global norms and standards. Given the differences that we have just as countries, to what extent are we able to get a set of global standards and norms that are agreeable? And on that point, what more do you think the UK should be doing in this arena?

**Anne Marie Engtoft Larsen:** One of the great challenges of modern tech diplomacy is to figure out exactly that. I will talk about some of the ways we are working. There are some fundamental aspects, and Tobias talked about them before: rule of law, respect for democratic institutions, and upholding and promoting human rights. These should be seen as, I think, very global standards and some of the things that we are pushing for with like-minded Governments across the world. But there is also recognition that there are very cultural differences when we look at how we operate and what we tolerate online. I come from a country where seeing a woman's nipple on a photo is not something that is out of the ordinary. Where I live right now, that is definitely not tolerated. However, where I am living right now, in California, seeing an advertisement for a gun is

quite normal, whereas in Denmark that would be seen as completely off the chart.

Navigating these cultural differences is where national legislation has to work in tandem, in parallel, in a great synchronised way, with global governance of these issues, and that is the importance of tech diplomacy. I think our importance is to do both things: we need to say there are some global standards around rule of law, democracy and human rights that we need to get right and where like-minded Governments such as the three represented here today really have to push, and then at the same time we need to recognise there are cultural, national differences and there is a prerogative to find ways of legislating, regulating or governing that piece in a way that is conducive to how we want our individual societies to operate but also what we are expecting from companies.

**Tobias Feakin:** I would agree. One area in which we are starting to make headway is through the international legal and normative space at the UN in drawing up what the boundaries are for states in cyberspace and what responsible state behaviour looks like. Really, we are down to a point where, through agreements that were made in 2013, countries have agreed that international law applies in cyberspace, including the entirety of the UN charter. In 2015, the UN agreed that there were 11 norms of responsible state behaviour that should be adhered to—real common-sense measures such as that critical international infrastructure should be out of bounds during peacetime; that computer emergency response teams should equally be out of bounds; and that states have a responsibility to address malicious traffic emanating from within their own borders. There is an array of others: 11 norms that are sensible measures. This year, again—reaffirming all those commitments and helping states to have practical pathways for how to implement those norms and ensure that they are adhering to them, and that they have the different mechanisms in place in order that they can be a responsible state adhering to the UN agreements.

As I remarked earlier, we now have the problem of having certain states pushing over those boundaries. Where we are now is that we need to be more confident as states in pushing back on that behaviour. We have so much good. That is an area where we have made so much progress—genuinely, for an area of international law. It is not like we are talking about UNCLOS, which took hundreds of years to agree to. This has taken decades, rather than hundreds of years—not fast-moving enough in terms of the technology that we are dealing with, but we have made progress.

The area that Anne Marie was talking about—global values and norms—is vital, as is how those permeate through the different bodies, such as the International Organisation for Standardisation, the International Telecommunication Union and various others, the plethora of standards bodies. That is where this context is taking place, of values, principles and norms, and the contest for other countries' attention in order that we reach the best position possible.



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You asked what more the UK could do in this area. I am very fortunate; as one of the Five Eyes partners, I work very closely with the UK on these issues. I have been at the ITU with the Australian delegation—as the head of an Australian delegation—working with UK partners across the plethora of different working groups that exist during a plenary in order that we can, first, counter things that we disagree with and, secondly, promote issues that we think are important to play out. What we see in many of these organisations, in somewhere like the ITU, is the continual mission creep of reaching out into new technology areas that are not really within the boundaries of what the ITU was established to do. You can see a very clear geopolitical slant to why those issues are being addressed and how.

Then you have a whole series of other standards bodies, which are predominantly engaged in by industry. To Anne Marie's point, this is an area where we need to be talking to industry very clearly, because as democratic states we do not exert enormous amounts of ideological influence over companies to deliver Government outcomes. However, we are dealing with other countries that do, and that have clearly state-owned enterprises in the room as private sector companies discussing various standard-setting organisations. That is an area that we need to be sharper at and more defined about. It is certainly an area for clear attention of all our Governments going forward.

There is a very firm commitment as far as Australia and the UK are concerned, which I see from my UK colleagues, to sharpen that up as much as we can and ensure that we are getting the greatest effect over the coming years in those bodies to ensure that our interests are protected and that our values are retained and, indeed, advanced in these organisations in the right way.

**Q66 Chair:** May I ask both of you very briefly a final question, just because you are speaking to a British audience? What should we do differently? How should we improve our game? I am sure that you could speak for hours on it, but you have given us a lot of very kind thoughts already.

**Anne Marie Engtoft Larsen:** First of all, I think the conversation here today is such a great starting point. There are many ways that we still look to the UK for leadership in this space. One of the lessons that we have learned, if I may so advise, is to treat technology as high politics. It should really be at the centre of conversations. It should be at the centre of how you think around the strategy, not least for technology diplomacy. Secondly, find ways to engage in dialogue with the tech industry. Treat them as massive players with the immense power that they have. Also work, as Tobias and I have been doing, with alliances of like-minded countries. It is about working in tandem between those companies, like-minded countries, global alliances, international governance bodies and, finally, NGOs and civil society.

The third is how to increase the co-operation with Ministers nationally. The whole of Government approach requires us, as members of the foreign service, to bring perspectives and understandings back home, and make sure that they make a difference in how policy is played out back in our



capitals. Finally, invest in staff tech skills. One of the things that we find most conducive is that when we go to a meeting we do not necessarily understand all the aspects of how you write algorithms, but we understand the business models and the technology developments. We are on top of both the geopolitical aspects and the technical aspects.

**Tobias Feakin:** We are very close to the way that the UK works on these issues because of the nature of our relationships. We were really welcoming of UK leadership at the G7 this year and the way in which there was a very core digital and tech focus. That was an excellent initiative in terms of pushing the international environment forward. One of the things that I have been envious of is the way that you in the UK have pushed investment into cyber diplomats globally. You have quite the cadre now of cyber diplomats out there. I would just say, "Invest in that further. Reinforce it." You have a good model at the FCDO. Invest further. Capacity building will go a long way to ensure that the development funding is sufficient. It is never going to run into hundreds and hundreds of millions of pounds per year, but reasonable investments go an incredibly long way in terms of building partners' capacity and their buy-in in these areas.

I would just make a shout for my colleagues at the FCDO, in terms of making sure that they are well resourced and helping them in making this ever more mainstream, but to be frank, everything that we are seeing coming from the UK is that these issues are mainstream. There is pretty sophisticated thinking going on. The integrated review, I think, illustrated that. We are very welcoming of the Indo-Pacific tilt that is encompassed within the integrated review, and we are already working out how we are going to co-operate on the cyber and tech aspects of the work going forward. I would say, "Congratulate yourselves." You are doing pretty well in this area. I would just say, "Reinforce it further." You have a good basis to significantly up your investments in this area.

**Chair:** Thank you very much indeed to both of you. I am extremely grateful for your time. You have been extremely generous. I know that it is not exactly conducive, on hours terms, for one of you, so it is particularly generous of you to be up at this unfortunate hour. I am going to close this session and move straight on to the next one without interruption.

## Examination of witnesses

Witnesses: Martijn Rasser and Dr Ulrike Franke.

- Q67 **Chair:** It is a huge pleasure to have with us Martijn Rasser and Dr Ulrike Franke. Martijn is the senior fellow and director of the technology and national security programme at the Center for a New American Security, and Ulrike is senior policy fellow at the European Council on Foreign Relations. Thank you very much to both of you for making the time to join us this afternoon—it is extremely kind.

I am sure you will have heard much of what was just being spoken about. In many ways, that was much more of a practitioner's element—who has



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done what, and how? I am very much interested in your thinking and in stretching the ideas from the practical to the more innovative. In what ways are technologies shifting global power balances, and what are the most concerning trends, in your view? This is clearly creating vulnerabilities. I was thinking particularly of things such as cryptocurrency undermining sanctions, or different ways of communicating undermining other forms of control that some nation states have tried to impose. Perhaps I can ask you to start, Martijn.

**Martijn Rasser:** Thank you very much. It is a great pleasure to be with all of you today. I look at the strategic competition that we are in as one where technology is very much at the centre. If you think of technology as an enabler of economic, political and military power, getting technology policy right is more critically important than it ever has been. What particularly concerns me is that, currently, China in particular has a strategic vision for what it wants to achieve with technology, and it is dedicating a vast amount of resources in order to make that vision a reality. Right now, the like-minded democracies in the world do not have that same type of strategic outlook. In particular, I think there is a considerable vulnerability in the fact that there just is not very much alignment between the democratic countries on these issues. There are some significant divergences in how each country views matters such as data privacy, data rights and the regulation of tech companies, but also more fundamentally in how to address the challenge that a country like China poses in this situation.

Ultimately, what we have to think about and debate is how we sufficiently address this in a way that we can promote our economic and national security but, at the same time, not compromise our values in the process. That is very much the fundamental case that we are facing right now. As you pointed out, with things such as quantum communications and cryptocurrencies the whole nature of the global system is changing the relationship between Government and industry, particularly the technology industry. Because technological developments are happening so rapidly, policy makers are having a hard time just keeping up. Regulation often lags. When there is regulation put forward, sometimes there is an overreaction, which thwarts innovation.

Ultimately, we need to think more strategically about technology policy generally. We have to make sure that our Government leaders adequately understand the breadth and depth of the implications of all these technological shifts, and ultimately we need to create our own strategic vision for what we want our technological future to be. Ultimately, we want that to be a beneficial one, whereby we can empower our citizens and live our lives according to our values. That is the ultimate strategic challenge that we face.

Q68 **Chair:** Thank you very much. Given that you mentioned quantum computing, I must refer the Committee to my entry in the Register of Members' Financial Interests. Maybe you could help with the question I was coming to, Ulrike. Countries are approaching technology in many



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different ways, and Martijn has just rightly mentioned the Chinese approach; the United States has a different approach. Could you talk about a European approach? Many different countries within Europe are in many ways more similar to the UK, yet their approaches are different.

Could you highlight some of the ways in which different countries—Germany, France, some of the Nordics—approach this challenge and draw some of the lessons that we might consider?

**Dr Franke:** Yes, of course. Good afternoon, and thanks so much for having me.

I wanted to briefly come back to your question about the shift in the global balance of power; I really believe that that is the main question of this whole inquiry and a main question that I work on. Let me add to what Martijn has said.

There are four concerning trends that are most immediate, most impactful or most overlooked. The most immediate concern is the Sino-American competition in the field of technology that Martijn has already alluded to. Linked to that is the rise of tech-empowered authoritarianism and a weakening of democracy. Technology really has become the central element in the competition between China and the US. I am sure that you have all seen the US National Security Commission on AI report: it was some 700 pages long and mentioned China 699 times. It mentioned Russia 64 times—you can really see the direction of the focus that the US has taken.

There is something of a mirror image in China as well. The US is focused on China, and China is focused on the US. We already see export controls or export stops between the two. It is really important to think about what challenge that represents for Europe and the UK in particular. It is rather clear that a confrontation between those powers is not in our interests, whether over tech or anything else. There are also more specific technological challenges, such as the danger that this competition could incentivise fielding technology that is not yet quite mature—especially in the realm of AI, including military AI. That could have catastrophic impacts.

There is also a danger of being squeezed in the middle. This is of relevance to Europe, but of particular relevance to the UK. Whenever I talk about this in an EU setting or I say this to EU countries, I always say that the challenge is that Europe has to look both ways—we have to look to China and the US when it comes to tech regulation and development. We have these technological spheres of influence emerging. But the UK increasingly needs to look three ways: to China, to the US and also to the EU and what it is doing.

The US-China competition is also framed as a competition between AI or tech-enabled authoritarianism and democracy; maybe we can come back to that. I also want to quickly throw into the discussion a global change in power that I see and that concerns me quite a bit because it might be the



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most impactful in the long run: the role that new technologies—AI in particular—can play in the military realm.

The overall idea is that there have been these moments in history when a new technology has evolved and been adopted in novel ways and changed the way in which war was waged. The typical example is the rise of nuclear power, which split the world into haves and have-nots and really had an impact on the strategic balance of power. There is a big question of new technologies, and whether AI can play this role. It may just improve all kinds of military capabilities, and that is good enough, but just in terms of impactfulness, it is quite important to understand that AI in the military realm can provide quite important advantages that we may want to take advantage of, or indeed can give our opponents advantages against which we need to be able to defend. AI might undermine existing capabilities, especially in the nuclear realm, which in the most extreme case could undermine the system of nuclear deterrence as we know it, which would be of particular concern to pretty much all of Europe. And there are of course developments in the lethal autonomous weapons realm that I think are quite important.

Finally, something that has been overlooked is the realm of AI nationalism, and to what extent we have a rival nationalism in new technology. I do not want to go into detail on that. You specifically asked about Europe and the European countries. We can definitely see that the topic of the impact of new technologies on diplomacy and on the balance of power has become a topic that has definitely got more attention in Europe more recently, after many years when it was not a topic. So now we have Spain publishing a digital diplomacy paper. France in particular is leading in this field because they have been thinking about artificial intelligence in a very geopolitical way from the very beginning. But some other countries are barely starting on this.

I made my way through all the AI national strategies in the European Union, and many of them do not mention the geopolitical elements and most don't mention the military element. So, so far the European Union has looked at this mainly through economic and social lenses but there is definitely a change happening now, particularly in Brussels. Of course, the Parliament and the Commission are increasingly realising that, as Martijn said, we need to think strategically about these challenges, as a context for the AI, cyber environment. So yes, a slow change when it comes to the geopolitical aspect and an even slower change when it comes to the military aspect, and that includes the UK at the head of the rest of Europe; but definitely some movement, but a big challenge for the European Union, bringing in all 27. There were some countries where this isn't a topic yet, and some others, like France, maybe the Netherlands, and Denmark are quite ahead.

**Chair:** Thank you very much. Royston, you wanted to come in on a similar subject.

Q69 **Royston Smith:** I did. May we continue along the lines of where the convergences and divergences are, across the Atlantic, and where we



should be trying to strengthen partnerships?

**Martijn Rasser:** In terms of convergence, as a fundamental we are finally starting to see better alignments between the United States and Europe on the scope and scale of the China challenge. That, of course, is critical to get to that common understanding. The divergence, though—and it is significant—is that there is still considerable disagreement between individual countries on how best to address this challenge. Germany and France in particular stand out as to how they propose to continue to engage with or push back against China, whereas countries such as the UK, the Netherlands and a few others are probably closer to the US position, where this is very much a long-term competition that will require some pretty drastic changes as to how we engage with Beijing and the regime there. Part of this will of course mean having a much more far-reaching approach to how you promote your economic strengths, and this includes being able to ensure that our respective companies can compete effectively in the global market, but there is also a protect element. That could be export controls, countering unwanted technology transfers and ensuring that norms and standards for technology use are much aligned with liberal democratic values.

There is an important partner component, because fundamentally there is no single country that has all the pieces of the puzzle when it comes to effective technology development or effective technology policy. So, how do you best align national interests with shared interests, forging the path ahead in a way that is co-operative and collaborative? Of course, even within like-minded countries there is an element of competition, although of a much friendlier nature than what we are experiencing with countries like China.

That is what I see as where we need to strive to be, but that divergence between some of the European countries and the United States in particular, and how to best tackle this challenge, is one that we need to address. We need to do that in short order because, frankly, we don't have the luxury of time in order to sort this out.

I was very encouraged, for example, that the UK used the G7 as a forum to elevate the digital and technology aspect of this discussion, because, as Anne Marie and Tobias mentioned earlier, there are considerable headwinds and a distinct challenge to democracy around the world, and much of that challenge is rooted in technology now. It is critical that we get this right.

Q70 **Royston Smith:** I was going to come to you, Dr Franke. Do you recognise what Martijn said about Germany and France? What can we do to make them more aligned? Why are they are not as aligned as the UK and US, for example? What can we do to change that?

**Dr Franke:** I think that is a really important question. I am one of those people who believes that we have a bit of a trickier road ahead of us when it comes to co-operation between the US and Europeans than many people think. This kind of "China versus the US" and "the US is the best" narrative



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has pushed many to believe that it will be in the political interest of Europe to side with the US, and that is that.

Broadly speaking, this is correct. In the very big picture sense that is correct, but the devil is in the detail. It is clear that the views of many Europeans do not quite follow the new cold war narrative that the US Administration is currently pushing to the same extent that the US would like. Maybe more importantly, I think there is a preference of many Europeans, and certainly of the Brussels EU, to find European approaches on many of these questions, and not just go with the Americans.

I absolutely do not want to give room to the narrative that European digital autonomy or European digital sovereignty is about becoming independent from the US. That is not the point, but it is about empowering Europe and for Europe to be an actor in its own right. In the technological realm, this is matched to the idea of European digital sovereignty and the idea of building up European technological capability.

What this does, to some extent, is that in many areas when we talk, for example, about regulation in the other, the main target or object of this relation and of interest is often US companies and the US as a backer. These are the kind of companies that we look at and that we measure ourselves against, and possibly compete with. It is not necessarily China or Chinese companies.

Equally, there are other interests, such as Europe wanting to become the centre for trustworthy artificial intelligence and the place where AI can develop and be forged in a trustworthy way. I think that is a very good role, but there is a clear question and a clear tension between working with the US on that or going it alone. If you work with the US, that could be great in so far as you get a bigger reach and there are more partners, and the more partners the better, but, at the same time if trustworthy AI is seen as something of location advantage for the European Union, which really says that you want to stand out as the actor who does that, then maybe working with other partners, such as the US, may not be such an important goal.

Of course, many Europeans have simply expressed scepticism about the extent to which Europe and the EU are indeed aligned on, for example, privacy concerns and so on.

Basically, what I am saying is that there is a trickier road ahead of us for this transatlantic co-operation than many hope. Europe does not want to be squeezed in the middle or, indeed, just to go with the US, but it does want to become an actor in its own right on many of those issues. That is right, and it could be working for the US as well. But it is harder than just agreeing on where to go.

Q71 **Royston Smith:** That said, then, in that context are there any areas that the UK, the US and the EU should really be concentrating on that they are not? Maybe for that reason, but for any reason, are there any specific areas that perhaps they are missing?



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**Dr Franke:** I must admit that on these specific questions, at least from a European point of view—and maybe Martijn disagrees, because there are other forums of co-operation between the US and the UK—it seems to me that, in this specific transatlantic discussion, the UK has been a bit left out. There has been this focus on EU-US co-operation, specifically with the trade and technology council, and there is an effort to address different areas there.

It seems to me that, from an EU point of view, the exclusion of the UK appears to be somewhat of the UK's own choosing. On the one hand, it is simply a fact that the EU has quite a lot of work just focusing on the EU and working with the US. However, there is also an impression in Europe that the UK does not quite want to work with Europeans through the EU—yes, work with Europeans and Americans, but not with the EU. Especially the effort to fix GDPR is something that was seen as quite a strong signal by many in Brussels.

Basically, I am a bit worried about this triangle—US, EU and UK co-operation—because I do not quite see that it is working. What may be more interesting for the UK in that regard—and we may come to this later—is to use different fora, such as Five Eyes in particular, and NATO for the military realm, and to work with both the Europeans and the US in these kinds of fora, which do not include the EU, because working with the EU has unfortunately become rather tricky recently.

**Royston Smith:** Martijn, do you have anything to add to that?

**Martijn Rasser:** I think that there are some areas where there is room for pragmatic co-operation. Supply chains, for example, is one area where it makes a lot of sense to closely collaborate. I think in particular of something like rare earths and critical minerals. This is a pretty straightforward problem that the EU, the UK and the US all face, and the solution to that problem is pretty straightforward as well: it is primarily a matter of securing new sources of rare earths and creating new processing capacity. This is something where you could have pretty straightforward co-operation and alignment on how best to tackle these issues, just because all the political aspects can be set aside. I grant that there is quite a bit of friction between the UK and the EU on a whole host of issues, but this particular topic does not carry that baggage.

Similarly, one other proactive, affirmative effort would be an effort to promote the development of sustainable digital infrastructure around the world—projects in the Indo-Pacific and Africa, for example, where you help countries build safe cities, create new undersea cable landing stations and connect different parts of the world that, right now, are looking to Chinese firms to do that for them. So this is a good way to begin to counteract some of China's export of its digital authoritarianism.

Of course, it also helps bolster the economic security of the EU, the UK and the United States. Even with all the frictions that exist, there is a lot of room to have effective co-operation. Hopefully just the act of working together will set the stage to have more constructive dialogues about



some of the divergences we have, because the United States and the EU are not of the same mind on a lot of issues either—in particular, as I mentioned earlier, data rights and data privacy. There is a lot of concern in US industry about the digital markets Act, for example. We need to have these debates, but we should not let these disagreements stop us pursuing areas where there is a logical way forward on more effective co-operation.

**Q72 Chris Bryant:** I just wanted to ask a quick question. If, as you have suggested, the UK is to co-operate more with the EU, now that we are no longer part of the European Union and are not in the common defence and security discussions, do you think there is a need for some kind of structure for that?

**Martijn Rasser:** I have been a big proponent of moving towards the creation of a technology alliance. Frankly, I think the British proposal for the D10 was an excellent example of not only how such a grouping would function, but why a new grouping specifically for tech policy is necessary. I would love to see the United Kingdom continue to take the lead on pushing the dialogue and making the case for such an organisation, because ultimately that is where we need to go, when existing organisations such as the OECD or NATO or Five Eyes or the G7 just are not equipped to handle the new geostrategic reality we are facing—at least when it comes to tech policy. So yes, the short answer is that a new type of entity to discuss and act upon these ideas is exactly what is needed.

**Dr Franke:** I may disagree slightly. On EU-UK co-operation specifically: honestly, I am sure that the EU would love to have a more structured body of co-ordination for tech with the UK. That is how the EU works; it would make a lot of sense and would provide some structure. So yes, definitely. However, as far as I understand the current British Government, that seems rather unlikely.

On defence and security, since you mentioned it: I don't think it would be quite so necessary, simply because the EU is not as much of an actor in that realm as, for example, on regulation and trade, where it definitely has the competency. On security and defence, it is still in development, and most of that co-operation on the EU level is still being done on a bilateral or multilateral level, so the UK can definitely just plug in where it wants. I would say that it is not necessary.

I believe we should try to work within existing organisations as much as possible, so for security and defence NATO was actually a great place to work, and I would definitely recommend the UK turn to it even further for its efforts—and there have been many—and work with both the Americans and the Europeans in that organisation. I think that is really likely.

On the new structures being proposed: basically, let me relay the view from the European continent—the D10, T10, etc. The concern from the continent is that the proposals only include some European countries: the big ones. The UK may be there with Germany and France and I don't know who else from the continent, with of course the US and other international



players—but not all Europeans and, so far, maybe not the EU as a representative body either. That is something that, in Brussels and on the continent more broadly, is not being preferred.

There is a question about how well these smaller countries will be represented, how this works and whether this body can decide something that the EU then has to implement, so there is definitely a reticence from the EU when it comes to the creation of new bodies. That does not mean that they are not engaged in the making, more or less, but it is worth putting it out there that there is a bit of scepticism. Generally, I would just be worried about fragmentation. If we create something new, let's keep it to creating one new thing and not many, because there are already lots of proposals and that may not be helpful.

**Q73 Chris Bryant:** I know the UK is always a bit obsessed with Five Eyes; I am slightly more sceptical. It is not that I want to tear up Five Eyes, but if I look at misinformation campaigns from Russia, for instance, they are remarkably similar in Ukraine, Montenegro, France, Spain over Catalunya and the UK over Scottish independence. They are remarkably similar, and I wonder whether we capture that properly in the structures that we have.

**Dr Franke:** Five Eyes is interesting, and I am certainly not enough of a Five Eyes expert to go into detail about what exactly they should work on. Something I have definitely picked up on, though, which maybe Martijn can add to, is that from a US perspective, Five Eyes seems to be the preferred first port of call. For example, when you look at all the work the US National Security Commission on Artificial Intelligence has done, Five Eyes appears many times—more often than the EU, NATO or any other organisation, I would say. I think that has to do with the level of trust that there is within the Five Eyes. Basically, if played right, Five Eyes could on a very small, tight-knit level be an interesting forum in which we could start discussions about co-operating on certain technologies, which could then be broadened to further partners in the D10 or T10, however you want to call it. My impression was that from the US point of view, Five Eyes was definitely of interest; from a defence and security point of view, I would say NATO is the better partner.

**Chris Bryant:** Martijn?

**Martijn Rasser:** I agree with Ulrike. Particularly for the Department of Defence and the US intelligence community, Five Eyes are very much trusted, go-to partners. Working with NATO tends to be a bit more difficult in terms of information-sharing, given the size of the organisation. An interesting shift that has been taking place of late is the United States' looking to other organisations—the Quad in particular stands out here. That is an interesting development, particularly given how the United States now views the Indo-Pacific, bringing in and working with Japan and India much more closely on a whole range of issues. That is just the tip of the iceberg in how the United States is looking to engage with a range of allies and partners around the world.



But, again, because those entities, NATO and Five Eyes, are very much security and defence-focused, the Quad is an interesting shift; largely thanks to Australia's leadership, it is increasingly becoming a forum for technology policy debates. The thinking ultimately will be that similar types of arrangements will be created with the UK and the EU, potentially as part of a Quad-plus-plus or some type of additional grouping to coordinate all these issues. That is where I see things heading in the coming years.

**Chris Bryant:** Two thoughts on the back of that: first, I worry sometimes that we lump China and Russia into the same category here. Actually, their strategies and modus operandi are very different. Secondly, Australia has a very clear interest in China; it has a less clear interest in Russia. You could argue differently for all the various countries. Anyway, they are just comments. I am not expecting you to reply to them. I worry.

**Chair:** I think we all do.

**Royston Smith:** Just not as much as you.

**Chris Bryant:** Sorry; philosophical there.

Q74 **Chair:** Thank you. I was going to go on to talk about some of the shift toward pursuing digital sovereignty. You will have followed very closely. Indeed, you have already touched on it at various different moments. There is not just the quest for semiconductor sovereignty but also the quest for various different forms of financial sovereignty—Alipay is one example. There are various different ways in which states are looking at this. To what extent do you think this is going to have an impact on our global relations? How do you see this potentially causing a split in our connections? Is there something we can do to mitigate it? Are we going to end up with a sort of Checkpoint Charlie interchange between different systems? Dr Franke, maybe?

**Dr Franke:** Since it relates to that, I will make a brief comment on the Russia-China question. I agree that these two powers, in general and with technology, are quite different. Russia has definitely chosen the role of spoiler power for itself. It uses cyber-incursions and cyber-attacks to gain advantages, collect information, and then use them in special political disinformation campaigns, as we have now seen in Germany. China is, rather clearly and more in the technological realm than in any other realm, including the military, trying to create these spheres of influence, bring in different countries and become a standard setter. It wants to become an important and crucial, if not the dominant, actor in this sphere. They have very different ambitions in their very different tactics.

What does this mean for global power relations? I definitely think there is a danger of these spheres of influence emerging. When you think about the vulnerabilities that are created by these technologies, I would say that one new challenge is that new dependencies are being created. If you are in the technological sphere of influence of one actor, you are so dependent on this one actor and they can use their influence to impact your own



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behaviour on things that may have nothing to do with technology, like foreign policy more broadly. That is something that is emerging. We need to mitigate as far as is possible.

That being said, given global supply chains and the nature of the digital technology, I would expect—though we are in a realm of speculation here—that this kind of bifurcation that people are seeing as a new cold war will not be as clear as it was in the cold war, where you could really cut links. I don't expect this to go to quite the same extreme, but this is speculation. How do you mitigate? Quite honestly, do what you always do in diplomacy. Keep channels of co-operation open. Avoid fuelling techno-nationalist tendencies.

That is something that I mentioned at the very beginning. I worry that because there are such enormous gains being promised by new technologies, you have more and more countries or groups of countries trying to adopt protectionist—mercantilist, if you like—policies to keep the gains for themselves, and that ultimately fuels a nationalist agenda that is quite dangerous. That is something that we generally need to keep an eye on—by the way, including in Europe, with the whole European strategic sovereignty and the like.

Keep the channels of co-operation open and avoid nationalist tendencies. I would not feed this narrative of the AI race—the AI cold war or the tech cold war—that we hear so often. Also, understand what is important for your partners and your opponents—especially your partners. As we were saying, the UK, the EU and the US broadly agree that we should be working together, and broadly of course we share the same values, yet there are so many sticking points, problems and political issues that make that much harder, so understand why your partner is doing what they doing and what is really important to them, and act accordingly. That is definitely to be recommended.

Q75 **Chair:** Thank you very much. Martijn, did you have any views on that?

**Martijn Rasser:** On this whole move towards digital sovereignty, there is already this fragmentation, if you look at the regulatory crackdown in China of late—the passing of the latest digital security law and the personal information protection law. All this is making it exceedingly difficult for foreign firms to operate in China. At this point, you are essentially forbidden from extracting any of your own data from China, and from being able to monetise that. That also impacts the regulatory oversight of financial statements and impinges on law enforcement investigations that pertain to firms in China.

This fragmentation is, by and large, already there. It is not going to get any better. You already have a bifurcation of the internet through the great firewall, and what Moscow has done with its internet—it effectively wants to be able to shut itself off from the global internet and create a continent-wide intranet. Now we see Chinese firms potentially not being able to list themselves on foreign equity markets anymore, so you have complete isolation going on on that front.



Combine all that with technological indigenisation efforts, and yes, we will see a severe fragmentation of the global economy. Some of it will actually probably be to the benefit of western countries, but a lot of it won't be. We have not even begun to discuss the repercussions of what these trends mean, because they are happening very rapidly and they are extremely wide-ranging. Yet again, that is a reason why the UK, the EU and the United States need to work together much more closely on how to navigate these waters, because it is very much uncharted territory ahead.

**Q76 Chair:** In recent years, we have seen the different ways in which autocratic states have tried to do exactly what you are saying, Martijn. They are taking over organisations such as the International Telecommunication Union and—I am sure you have seen these reports as well—are trying to create a centralised, rather than a decentralised, internet. They are effectively making sure the firewalls, whether it is the great firewall or any other firewall, actually have some form of control.

Given those attempts to close down outside influence on technology; given the various crackdowns on innovators and achievers, which we see in the case of Jack Ma, Didi in different ways, and other innovators in the Chinese space; and given the massive corruption and, indeed, the danger of success in countries such as Russia, is there not a possibility that countries are putting walls around themselves that will trap them in their own misery, rather than see them succeed against the innovators and free markets of other countries?

**Martijn Rasser:** To a certain extent, yes. For the CCP, it is all about control. It would be one thing if that control was focused inside their borders, but they are increasingly interested in exporting that control to other parts of the world, and that is a direct challenge to the liberal democracies of the world. That is why it is also important that we continue to engage with China, in the sense of pushing back against the take-over of international standard-setting organisations, and pushing back against what is going on in the United Nations.

The original intent of these organisations is being subverted to Chinese and Russian objectives—on cyber-security, for example—and we need to push back, as I mentioned earlier, by promoting sustainable digital development and digital infrastructure around the world. By and large, a lot of countries are receptive to these types of exports—from China primarily, and to a certain extent from Russia—because there is no good, cost-effective alternative right now. I know I am beating this drum constantly, but closer alignment by the world's liberal democracies is required if we are to have an effective counter to these trends. Right now, we are still too disjointed. We are not focused enough on the issues to do that effectively.

Again, that is why the UK's efforts—we have mentioned the D10 and having the G7 ministerial focus on these issues—are so vital. Together with other countries like Japan and Australia, countries other than the United States really have to step up to the plate and articulate an affirmative vision of what we want our future to look like. It is a time of



tremendous danger and vulnerability, but it is also a time of opportunity, particularly for some of the middle powers on the planet; they could really step up and make a huge difference.

- Q77 **Chair:** There are clearly some areas where we need to be rather more active in shaping the standards. We have just mentioned the ITU, and you just mentioned liberal democracies. Dr Franke, on a European basis, there are competing views here. The European Union has set up some standards in some areas, but it is not unreasonable to say that some countries, such as Poland and Hungary, have different views from others—say, the Netherlands and Ireland. How do you see the European Union and European states, including the United Kingdom, working with countries such as Japan and the United States to help shape these international standards—in some cases, pushing back and, in some cases, co-operating with more autocratic countries?

**Dr Franke:** I believe that there is a big appetite for doing so. You are right to say the EU is 27 countries and they do not agree on everything, but the EU is also the Brussels institutions. On these things, it is the Brussels institutions, particularly the commissions, that are leading and that are ahead of other places. They are definitely looking into working with other like-minded partners. In many European countries, this became more of a topic throughout the Trump Administration, partly as a way of mitigating the cracks in transatlantic co-operation. The Germans in particular have been looking into an alliance with multilateralists for the last few years, but I believe that there is a big appetite for working with like-minded nations. Japan and Australia come up often, so that is definitely something that the Europeans are looking into.

That being said, there are some things that you can co-ordinate at the international level, but when it comes to very practical regulation, it is much harder to do this in a multilateral framework, because it may not have been done yet. There may not be a way of organising this, and I think this is where the EU also sees its own role quite strongly. It is saying, “We are going to use Brussels. We are going to use our capabilities in shaping trade rules and coming up with regulation, which then needs to be picked up by others.” I think it is both: it is about trying to work with like-minded partners around the world—that includes the UK—and doing things at EU level that can be adopted and used around the world. That is another focus.

- Q78 **Claudia Webbe:** There was clearly a big clamour to get to the digital high table, and even to become a technological superpower, but I am concerned about those who are left behind—not only communities, but countries in the global south. The G7 declarations that you alluded to set out the framework of more inclusivity, but there are questions about whether we should roll out broadband, for example, to all, and about the extent to which that applies to the notion of better inclusion. It is the left behind who could hold countries and powers to account. Do you think we are doing enough in this area, and is the UK playing an effective enough role in holding to the G7 declarations and in doing more in relation to that? Who will go first?



**Dr Franke:** I have only one observation. You mentioned the tech superpower narrative. I find that striking, because any more or less developed country in the world lays out, in its strategy, the ambition of becoming a tech superpower and a leading power in something or other in tech. That is not how the world works, and it will not be possible. Including tech in development projects is being done increasingly. There is basically an effort to including support for digital infrastructure in particular in new trade deals and development aid. Are we doing enough? Certainly not, because, in these fields, we never are. The rest I will leave to Martijn, because I have not looked specifically at the development aid angle. It is not the highest priority of all the challenges that we outlined—that much is clear.

**Martijn Rasser:** I agree with Ulrike. There is not enough being done right now. Beijing in particular has stepped into that void. If you look at the digital silk road and BRI, that is the main thrust of what they are doing. There is a lot that the UK, the EU and other allies and partners can do to provide the alternative that I was talking about.

I would underscore that it is not just about technology; it is also the normative aspect, and how those technologies should properly be used, because any technology could be used for good or for bad. Communications and surveillance technologies in particular can be abused, and if we step up our support for those types of infrastructure projects, it is critical that we also ensure that they are used in accordance with our values and norms. That is a continuous dialogue to which, so far, we have not been willing to dedicate the time and energy. Ultimately, a fundamental shift will be needed in how we approach the whole broad concept of technology policy to make sure that norms and standards are a central feature of it. In the past couple of decades, we have taken our hands off the steering wheel when it comes to those types of issues. We really need to refocus our efforts and make sure that technology use is front and centre when we talk about all these issues.

Q79 **Claudia Webbe:** How should the UK use its G7 presidency to tackle global challenges relating to new technology?

**Martijn Rasser:** Yes, you have this tremendous leadership opportunity now, right? In a lot of respects, the eyes of the world are on the UK to see how it leads the largest economies on the planet. It will be about coming out with more than statements, and actually implementing some of these concepts to show how the world's leading democracies can make a meaningful change. The other day, the Lithuanian Foreign Minister called for a viable alternative to BRI, for example. That is the type of discussion that we need, so that we can demonstrate collectively that there are alternatives that are good, long-term, sustainable—and, most importantly, affordable. There will be an element of financial assistance that goes along with this, because the countries most vulnerable to digital entanglement with autocratic regimes oftentimes do not have sufficient financial resources to fund alternatives.



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The United Kingdom and other G7 member states can make a substantial change in relatively short order, but it will require committing pretty significant sums of money. The UK in particular is well placed to make the case for why that needs to happen, and why it should happen now.

Q80 **Claudia Webbe:** Ulrike, do you have a message for the UK on its G7 presidency and how it looks at global challenges?

**Dr Franke:** I have nothing to add on the G7; Martijn laid out his points well. Maybe unsurprisingly, my final word on this to the UK is that it should have a think about where it wants to place itself with regard to EU efforts in this realm. There are different ways of doing this; everyone has their preferred way.

The UK will need to realise that on some things, such as the G7 presidency and development, it certainly has an important role to play in the world and has important influence. On some things, the UK can do a lot. On other things, the UK has become just one country. When it comes to standards setting and regulation, it will need to find alliances and work with others. Those others do not have to be the EU, though they can be; they can be the US, or other nations. It would be good to send clearer signals to Brussels about where the UK, having come out of Europe, feels it fits in when it comes to tech regulation, because otherwise the EU will just do it on its own, and the UK will not be included. Whether that is the best situation for the UK is questionable.

**Chair:** May I thank both of you enormously? You have covered a huge range of subjects with very good grace—I am very grateful—and have taken us through many of the challenges that we are beginning to look at. I have no doubt that you will think of something that you wish you had mentioned, and we will think of something that we wish we had asked. If you would like to, write to us; we may take the liberty, if you will forgive us, of writing to you, too. Thank you for coping with the awkward time zone issues as well; you have been very understanding.