

**Written evidence submitted by:
British and Irish Law, Education and Technology Association (BILETA)
(TFP0007)**

*Prepared on behalf of the British Irish Law, Education and Technology Association (BILETA)
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The British and Irish Law Education Technology Association (BILETA) was formed in April 1986 to promote, develop and communicate high-quality research and knowledge on technology law and policy to organisations, governments, professionals, students and the public. BILETA also promotes the use of and research into technology at all stages of education. The present inquiry raises technological, political and legal challenges that our membership explores in their research. As such, we believe that our contribution will add to the public discourse and the inquiry on technology and the future of UK foreign policy.

1. What technologies are shifting power? What is the FCDO's understanding of new technologies and their effect on the UK's influence?

- 1.1. Geopolitical norms have been disrupted by technological developments. This is prevalent through technology that seek to challenge the traditional modes of doing things. The gig economy is disrupting the norms of the economy, and the technology behind these innovations is becoming more dominant.
- 1.2. Ledger technologies and digital currencies also offer different norms for the ways in which influence develops. Methods of disposing of digital waste are also likely to challenge the traditional power and influence dynamics.
- 1.3. Technology such as e.g., Facebook, Google, and Twitter is assumed to be operating as a manifestation of American power but increasingly these innovations are being weaponised by states such as e.g. Russia during the 2016 election. The information revolution has a significant impact on power and influence.
- 1.4. Other examples are particularly evident in for example renewable energy technology, particularly given the electric vehicle revolution, and the diversification in oil-reliant economies to move to utility-scale storage for renewable energy supplies. The trend sees shifts where raw materials are in demand for technological innovation – notable for example with countries that are recipients of significant sums of foreign aid but which are raw material rich.
- 1.5. In other modes, technologies are being used to hold political actors, governments, and others to account in ways not seen before. The ability to protest remotely and visibly is challenging the ways in which political power changes hands – evident for example, with the US election insurgency, and riots in 2020.

2. How can the FCDO engage with private technology companies to influence and promote the responsible development and use of data and new technologies?

2.1. The FCDO should lead on working to establish a group of like-minded entities (taken here to refer to for example, entities having similar portions of market share, areas of business, or geographical market focus) that operate in similar areas / are focussed on developing new technologies.

2.2. Discussions as to what responsible development and use of data means should take place as a matter of urgency and should focus on the norms that ought to be applicable to such development.

2.3. Private technology companies should be seen as collaborative partners so as to ensure that their potential is utilised in the promotion of responsibility.

3. How can the FCDO engage with private companies to encourage internationally accepted norms for the use of social media as well as to maximise the benefits for diplomacy presented by social media?

3.1. The FCDO needs to ensure that it has working relationships with technology companies that encourage collaboration. This is dependent on the establishment and enforcement of norms.

3.2. The FCDO should lead on working to establish a group of like-minded entities that are willing to work together to form an alliance (see below at 3.3. for an example of how such entities could be grouped). This alliance could then be used to formulate norms for the use of social media for diplomacy, and 'sign up' to ensure that the norms are implemented.

3.3. Valuable lessons could be learnt from the ways in which the European Commission has worked with internet platforms to establish initiatives such as the Code of Conduct on Countering Illegal Hate Speech Online (2016) for example. Corporate social responsibility programmes could also offer some useful insights.

3.4. Other government initiatives have shown the power to bring stakeholders together to tackle contemporary challenges. The Department for International Trade and the Department for Digital, Culture, Media and Sports hosted a virtual roundtable on the role innovation and technology can have in fighting online harms in April 2021 in collaboration with German politicians.¹ The event attracted stakeholders from industry, government, law enforcement, and academia. This is one example of the ways in which the FCDO can work to further its agenda. More of this cross-sectoral work is to be encouraged.

¹ <https://blogs.fcdo.gov.uk/fcoeditorial/2021/04/07/spurring-uk-german-technology-collaboration-to-fight-online-harms/>

4. How can the FCDO use its alliances to shape the development of, and promote compliance with, international rules and regulations relating to new and emerging technologies? Is the UK taking sufficient advantage of the G7 Presidency to achieve this?

4.1. The FCDO should develop its alliances to ensure that the UK is at the forefront of compliance agendas and new international regulations addressing new technologies. This is likely to be of greater importance in the aftermath of the Brexit settlement.

4.2. The FCDO should seek to use its influence at NATO, UN, and WTO levels to ensure that there is international agreement on rules and regulations. While international treaties are unlikely to be easy to seek consensus on, especially for emerging technologies, norms should be agreed upon. It will be particularly important to avoid a digital 'cold war' so this should be a priority. Engaging with non-governmental organisations, as well as building new alliances should be a key part of this ambition.

4.3. The UK's G7 Presidency offers an opportunity for the UK to emerge as a leader on the development of compliance for new technologies. This will complement the UK's ambitions to grow its digital sector,² and to ensure that the innovation and commercialisation of digital business is at the heart of economic development.

4.4. Other nations have shown significant willingness to capture opportunities to advance specific agendas – as for example Portugal has done with its Presidency of the Council of the European Union during 2021.

4.5. The UK should ensure it is similarly opportunistic with the G7 Presidency.

5. Should the Government's approach to meeting the challenges of technology nationalism and digital fragmentation be based on self-sufficiency, joining with allies or like-minded nations or supporting a coherent global framework?

5.1. The UK needs a competitive edge post Brexit. It is undeniable that our success in the future will be largely measured by their respective capacity to innovate and adapt and absorb emerging technologies. In our view it is sensible, if not imperative, that the ideal response to technology nationalism and digital fragmentation would be to develop an optimal balance involving self-sufficiency and partnering with likeminded nations, such as allies or those with similar coherent policy ambitions.

5.2. However, there must be a win-win collaboration, while at the same time the UK will need to develop new policy initiatives and institutions to encourage innovation, expand the skills and knowledge base of its population, and facilitate

² <https://www.gov.uk/government/publications/uk-digital-strategy/3-the-digital-sectors-making-the-uk-the-best-place-to-start-and-grow-a-digital-business>.

entrepreneurship. A technological 'cold war' will benefit no one. It cannot be overlooked that the capacity to innovate and produce more advanced technologies relies on international scientific cooperation, the movement of people and ideas, and international supply chains which contradicts technonationalism and the protectionism.

5.3. Hence, a comprehensive international framework would ensure development and distribution of technology be established, ensuring equitable access to technology across the world. In the long run this would bring economic benefit to UK.

5.4. Having said that, the current global computer chip shortage reveals the vulnerability of the UK to international events, and it is undeniable that the UK should be making steps to preserve its own domestic supply of basic electronic components. Not doing this will have considerable impact but on the basic supply chain within the UK, which is becoming more important given the increasing demand, the impact of weather events upon chip manufacturers in the US and Asia, and the acquisition by overseas companies of domestically produced products such as electronics made by ARM.

6. What opportunities and challenges do cryptocurrency and distributed ledger technologies such as blockchain present for the way the FCDO does diplomacy (for example, enforcing sanctions), and how can the FCDO harness these technologies as new tools of influence or to promote compliance and transparency in international agreements?

6.1. Cryptocurrency naturally provides a challenge to traditional banking, in the sense that it is more independent of state banking regulations. However, there has been attempts to set up centralised banking services (CBDC), and these are likely to become more popular in future as they are used by the banks and larger companies. The current crypto mining craze is driven not just by large private organisations, but also financial services seeking to profit on the current cryptocurrency boom. In this sense, there are some elements of centralisation taking place in crypto currency, and doubtless over time more centralised crypto will become the norm.

6.2. A distinction should be made between cryptocurrency and ledger technologies. Ledger technologies can be used to enable the distribution of physical and online content, consequently in reality can provide a means to be able to track and trace the use of that content. In that sense, Ledger technologies can be useful and helping with the enforcement off agreements, and he could be especially useful when dealing with intangible properties. Although Ledger technologies are often used in a manner that is supposed to enhance anonymity, that is not always the case, and they can be used to enable track and trace. This could be a particularly effective way of combating the illegal money trade.

6.3. In terms of influence / international agreements, London has long been a centre of insurance and legal dispute resolution. The use of the above ledger technologies could be leveraged to make the capital even more preferential for such services in future. Ledger technologies can be highly effective in establishing chains of evidence for legal disputes, which is something that is currently being developed by Dr Griffin and Dr Nousia at the University of Exeter.

7. How can the FCDO help build resilience in civil society, in Government, business and foreign relations against the threats posed by abuses of new technologies by state and non-state actors? Can the FCDO support trust-building networks?

7.1 As the FCDO are no doubt aware, encryption is critical for the resilience of systems. Aside from the usual monitoring methods, there have been attempts to monitor information passing through computers with the insertion of microchips, for example on motherboards, but to date the information collected appears to be quite limited. In that sense, resilience needs to begin with critical hardware design and manufacture, if domestic networks are to remain secure from potential backdoor attacks from hostile states and actors. The FCDO could seek to follow two paths, namely firming up traditional (domestically produced) infrastructure with encryption, but also look into more devolved technologies such as ledger technologies to help with more secure operation of distributed devices. The FCDO could look into assisting with the development of secure standards. For example, there could be certification requirements for IoT devices to achieve before being marketed, which would require certain levels of encryption and ensuring removal of backdoor access. As an example, there are numerous wifi connected cameras which can be accessed online through a simple web browser. This sort of access is nothing new (e.g. older IP phones can be badly set up, allowing access to the microphone in seconds) and the best way to combat shoddy security practice is to mandate it through certification that the State, businesses and also consumers will buy into (namely, better security). Nothing is ever completely secure, and certainly nothing is protected forever, but a higher level of security overall should prevent chance brute force attacks to which the UK is likely to be open to at the moment.

8. What would the implications be of the dollar losing its dominant position for international transactions? Will digital currencies force a change in the balance of power?

8.1. Beyond its role as the world's dominant reserve currency, the USD's pre-eminence in global trade and financial markets has persisted since at least the end of World War II.

8.2. The COVID-19 pandemic could herald the start of a process that marks the fall of USD from its preeminent position. Of course, for the dollar to lose its status as the global reserve currency, there need to be alternatives. It could also hasten

the acceptance of the renminbi as the main rival to the Dollar. But it could have consequences for the functioning of the international monetary system. Renminbi (RMB) internationalization has been a strategic goal for Beijing. So far RMB has been playing a marginal role in international finance.

8.3. A weak currency can also signal weak economic growth and instability and is a reflection of those economic drivers as much as an impetus.

8.4. However, we do not foresee a change of position in the near future as Dollar has been a dominant currency for decades, the perceived safety and liquidity could prove to be a significant barrier to competing currencies, including Euro and REM.

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