Written evidence from techUK (TFP0022)

1. About techUK

techUK is a membership organisation launched in 2013 to champion the technology sector and prepare and empower the UK for what comes next, delivering a better future for people, society, the economy, and the planet.

It is the UK's leading technology membership organisation, with more than 850 members spread across the UK. We are a network that enables our members to learn from each other and grow in a way which contributes to the country both socially and economically.

By working collaboratively with government and others, we provide expert guidance and insight for our members and stakeholders about how to prepare for the future, anticipate change and realise the positive potential of technology in a fast-moving world.

2. Emerging technologies and their effect on the UK's influence

When considering the new technologies that could be key to future of UK foreign policy, it is important to consider not just the possible impact and implications of any single technology. The current global debate and discussion around the move towards the Fourth Industrial Revolution (4IR) is focused on how many of the emerging technologies, including AI, Blockchain, Digital Twins, Robotics, Geospatial Data, 5G, Edge Computing and IoT, work together to provide and enable digital solutions that can be transformative to key challenges, such as global climate change, mobility or the worlds ageing population. It is therefore important that consideration is given to not just the power of any single technology but the use and impact of how different technologies interact and work together.

The Committee's Call for Evidence highlights there are a number of current and emerging transformative technologies that present opportunities to the UK as well as possible risks and challenges that need to be considered. For example, the increased availability, adoption and deployment of data driven technologies such as data analytics and AI will enable organisations to unlock the power of data gathered from offline and online interactions increasingly in real time. The ability to unlock the power of data could help to boost economic growth, productivity, job creation as well as support the deployment and delivery of key public services and impact citizens everyday lives. However, the increased use of data driven technologies also raises wider legal, societal and ethical issues and questions

that must be considered and addressed. Particularly to ensure trust and confidence in the use of innovative data driven technologies is to be achieved and maintained.

techUK believes it is important to support a strong private-public sector cooperation on sectors like cyber. While recognising the importance of investing in new capabilities, the UK needs to also be able to look at other rapidly evolving tech ecosystem for where capabilities already exist and can be repurposed. This is particularly true if such capabilities come from close allies.

The FCDO also has responsibility over the UK application of the UN Guiding Principles on Business and Human Rights, as well as continued sponsorship of the European Partnership on Responsible Minerals. As policy evolves on the business and human rights agenda, the FCDO should look at exposure to risks and partner with like-minded nations to have a seamless approach that harmonises policy, as disparate single nation policies will cause confusion.

3. The responsible development and use of data and new technologies

There is currently a live international debate and discussion and the importance of the development, adoption and use of responsible and ethical digital data driven innovation. The good news is in the UK the digital ethics discussion and conversation has been progressing for a number of years. We have created bodies and institutions, such as Centre for Data Ethics and Innovation (CDEI), Ada Lovelace Institute and a thriving digital ethics community that includes key industry leaders, technology companies, academics, civil society and other key stakeholders. Also involved in this debate is the UK's Inofmation Commissioners Office. A key strength for the UK in this debate is the experience, expertise, and reputation of the ICO. It is seen around the globe as a respected, well resourced, world leading data protection regulator. By becoming more engaged and involved in the digital ethics discussion and debate, and the work of bodies such as the CDEI, the FCDO would be able to engage with companies and industry leaders as the conversation around responsible innovation is moving on from how it can be done to the practical action and initiatives that are being delivered and how they can make a difference. Private companies also have an important role to play in the conversation around responsible innovation. We need liberal democracies to not only develop a coherent framework, but also to partner with ethical companies that are able to deliver this. Without a homegrown industrial base committed to this, values and rules will be harder to enforce.

In 2021 the UK will be the host of the G7 Leaders Summit and Chair of the COP 26 as well as continuing to lead the work of the Global Partnership on AI (GPAI). This year there is a real opportunity for the UK to amplify and highlight the importance of digital ethics at a global level. At a time when nations share a number of common challenges, including climate change, food poverty and an ageing society, and are looking at how innovative technologies such as AI could be used, the UK has a platform in 2021 to showcase and demonstrate to the world how the adoption and use of emerging and transformative digital technologies can be done in an ethical and responsible way. This could help to drive the development of global best practice in the operationalisation of ethical principles and practices.

The UK should look to build on discussions at previous G7 meetings to lead discussions at the upcoming G7 Summit the key issues that must be addressed to build trust in the development and use of AI and algorithmic driven decision-making technologies. This is an opportunity for the UK to drive international debate on an issue that is core to the development and deployment of responsible, ethical, data driven innovations, and create a forum for building greater understanding and awareness of work already underway by existing international bodies and partnerships (such as OECD and Global Partnership on AI), and how these activities could be joined up, and for sharing best practice on how issues including trustworthiness, accountability, transparency, and bias, can be understood and how common solutions to overcoming these issues can be found.

The UK should adopt a clear approach to dual-use and military exports that neatly fits in with international arrangements and the policies of jurisdictions with similar profiles (namely USA and EU). There are clear processes for designating and highlighting technologies as risky or not in international law and techUK believes the UK should follow this approach.

TechUK has also been working with government and stakeholders on highlighting the risks of operating in certain areas and how companies in the cyber-surveillance arena can self-assess the human rights and end use risks relating to those technologies.

4. Leveraging international alliances to drive cooperation on emerging technologies

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?

The UK is already a world leader in the debate and discussion about the importance of building a culture of data trust and confidence and how the ethical issues raised by emerging technologies can and should be understood and addressed. The UK is therefore well placed to help drive forward the global conversation about getting the adoption and deployment of emerging digital technologies right and identifying how and where multilateral cooperation on issues of data and digital ethics could support countries in the ethical and responsible take up and use of emerging technologies. For example, the UK has in place bodies such as the Information Commissioners Office, the Centre for Data Ethics and Innovation and other world leading centres of excellence including the Alan Turing Institute, Royal Society, British Academy, Wellcome Trust and the Ada Lovelace Institute, plus an active ethics community that stands ready to support the UK in this global conversation.

4.1. The G7 presidency

International fora and the G7 presidency in particular offer the UK an opportunity to convene and drive a conversation about how global cooperation in the following areas could be achieved at a time when the use of emerging technologies such as AI and automation is expected to increase dramatically:

- Establish cooperation on the regulation of AI, fintech and other emerging technologies. Such mechanisms should include specific provisions to maintain an ongoing regulatory dialogue including the sharing of information, experience, laws, regulations, implementations, compliance and best practices.
- Further measures to coordinate digital regulation. The very nature of the internet means that online threats and harms are not constrained by international borders. G7 presents an opportunity for the UK to continue leading the way in coordinating with other regimes around the world, considering the diversity and nuance of the global digital landscape and the need for context and collaboration when regulating online content and competition. For example, the UK is setting up a Digital Markets Unit in the CMA to open up the dialogue between regulators, technologists and consumers while aiming to develop expertise in digital markets and form effective and proportionate regulation for the wide digital ecosystem. The Digital Regulation Cooperation Forum (ICO, CMA and Ofcom) is continuing to make progress on coordinating this activity with other forms of digital regulation, yet the UK should strive for the same principles to be adopted globally to support innovation and encourage global investment in digital businesses and markets.

- Drive the debate on how to build trust in algorithmic decision making. The UK should lead discussions on the key issues that must be addressed to build trust in the development and use of algorithmic driven decision-making technologies. This is an opportunity for the UK to drive international debate on an issue that is core to the development and deployment of responsible, ethical, data driven innovations, and create a forum for building greater understanding and awareness of work already underway by existing international bodies and partnerships (such as OECD and Global Partnership on AI), and how these activities could be joined up, and for sharing best practice on how issues including trustworthiness, accountability, transparency, and bias, can be understood and how common solutions to overcoming these issues can be found.

4.2. International regulatory cooperation

For the tech sector, international cooperation on regulation is essential. Through its domestic regulation and international trade policy, creating channels of communication with like-minded countries allows the internet economy to flourish. This is especially important when it comes to emerging technology such as AI and fintech, where we encourage UK policymakers to make sure we don't raise artificial barriers in the digital economy and have honest conversations about the challenges of the digital economy.

techUK welcomes UK's government's commitment to facilitate cooperation between UK regulators and their international counterparts. ICO and CMA are world renowned regulators and it's been really essential for the development of the tech sector that they are in close contact and cooperation with equivalent regulatory authorities in countries we have strong relationships with, such as the EU and other trading partners.

Embedding international regulatory cooperation in government decision-making processes is also key to making sure we are aware and prepared for what other countries are considering in a fast-development space of internet regulation.

Harmonisation on regulation and compliance activity is also crucial for tech business and exporters of technology as it keeps prices low and lowers barriers to trade. To position itself as a global leader in existing and emerging tech, the UK should do all it can to promote harmonised regulation, mutual recognition of regulations and allow as simple as possible market access for technology businesses.

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?

5. Cryptocurrency

As referenced in techUK's paper Future of Digital Currencies there are different forms of digital currencies, from cryptocurrencies (such as Bitcoin) to Central Bank Digital Currencies (CBDC). Fully assessing the benefits and risks associated with each form of digital currencies is critical for consumer security and to enable continued innovation in financial services.

Cryptocurrencies have not been adopted by many consumers. The Bank of England stated multiple times that at present digital currencies do not pose a material risk to monetary or financial stability in the United Kingdom, particularly as Bitcoins represent only 0.003% of broad money balances.

However, the landscape is developing rapidly and both stable coins and CBDCs could boost adoption in the United Kingdom and in other jurisdictions. Many opportunities could arise with the implementation of distributed ledger technologies and digital currencies, including fostering financial inclusion, and techUK encourages the UK government to take this opportunity to develop a vibrant ecosystem and lead the way internationally.

6. Building resilience to minimize threats posed by new technologies

The primary method for managing end use of technology risks is export control and trade compliance regulation. There are still some uncertainties about how the UK will approach this following the EU exit. The EU Dual-Use Regulation is resetting the rules around human rights risks and the UK is yet to set out a clear vision for end-use risks of cyber-surveillance technology and future policy around military and dual-use exports of technology. techUK calls on FCDO, DIT, MoD and BEIS to adopt a more strategic approach in this area to provide a clear direction of travel to UK tech businesses.

techUK believes it is important for FCDO to show more leadership in the business and human rights debate. The UK is adopting a sector-by-sector approach compared to the EU

and other jurisdictions, and there is a real risk of industry confusion if the UK took a distinctively different approach from other markets on human rights due diligence, and how this extends to the end use of technology.

As a principle, the UK should not deviate from international conventions and look to harmonise its approaches on trade compliance issues. The Wassenaar Arrangement for example ensures a safe and ethical approach to dual-use exports, yet we are seeing divergence. The UK should see Wassenaar as the only way for countries to regulate the use of dual-use technology.

On sanctions too, the UK is starting to deviate from international sanctions lists, which means tech exporters face higher due diligence costs and run the risk of having to follow multiple regimes that can be contradictory. The UK generally faces the same security risks as five-eyes and EU nations, so should look to have a single, co-ordinated sanctions list that is easy to understand and implement.

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