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TRANSCRIPT FROM CNAS TECHNOLOGY & NATIONAL SECURITY PROGRAM EVENT

CNAS Event Transcript: Common Code: An Alliance Framework for Democratic
Technology Policy

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I. Opening Remarks

Martijn Rasser: Hi. I'm Martijn Rasser, Senior Fellow with the Technology and National Security Program at the Center for a New American Security. It's my pleasure to welcome you to this launch event for the report, "Common Code." This report is the culmination of a four-month effort to create an alliance framework for technology policy. The project was a partnership between CNAS, the Mercator Institute for China Studies, and the Asia Pacific Initiative, and made possible with a grant from Schmidt Futures. With this effort, we set out to lay the foundation for proactive, broad-based collaboration on tech policy by the world's leading democracies. No existing grouping is equipped to navigate these waters. That is why we call for a new one to be created, a technology-focused multilateral focused on regaining the initiative in the global technology competition, protecting and preserving key areas of competitive technological advantage, and promoting collective norms and values around the use of emerging technologies.

Martijn Rasser: The report "Common Code" is the blueprint for what such a grouping should look like, how it should function, and what it should do. We've had lots of good discussions with leaders in government and industry this year, and I'm very encouraged by the traction that this and similar concepts are gaining. We have a tremendous lineup of speakers today. Each will bring their own perspective on the need for greater cooperation between the world's liberal democracies on tech policy.

Martijn Rasser: And we want to hear from you as well. Throughout the program, you can tweet your comments using the hashtag #CNAS2020. Following the keynote and during the panel discussion, you also have the opportunity to ask questions. There are two ways to do so. You can tweet your question using the hashtag #CNAS2020 or, if you prefer, email your question to mlamberth@cnas.org. All right, let's dive right in. Up first is Richard Fontaine, CEO of CNAS. Richard, together with Jared Cohen, is the author of "Uniting the Techno-Democracies," published in the current edition of Foreign Affairs. They lay out their vision for what they are calling a T-12. This is a very good and insightful article, so please check it out if you haven't already had the chance. Richard, great to have you with us.

II. Remarks from Richard Fontaine

Richard Fontaine: Thanks, Martijn, for introducing the event, and thanks to you and Ainikki Riikonen and the team for the visionary work that you guys have been doing together, with the partners that you mentioned, on this need for an alliance of democratic powers to coordinate technology policy. As we approach a presidential election, it's sometimes hard to think of big ideas that could take root, regardless of whether it's "Trump two" or "Biden one." And I think an alliance of tech democracies is actually one of those big ideas that can take root, irrespective of who wins on November 3rd. And the reason for that stems directly from the way our world has shifted in recent years. It's widely recognized today that the United States faces an indefinite period of great power rivalry with China as the most challenging actor. In the global pandemic fallout generating geopolitical consequences, each day seems to bring news of tensions between the United States and China across various spheres, ranging from economics and military to diplomatic and ideological.

- Richard Fontaine: And what's clear is that technology is at the core of this competition and that, as a result, concerns over trade, supply chains, economic dependencies, cybersecurity, data flows, these have all taken on new meaning and urgency today than they did just a couple of years ago. It's also clear that the geopolitical competition has dimensions beyond simply the United States on one side, China on the other. And thus, we see today various proposals for groupings of democratic countries that can coordinate their efforts in one domain or across all of them.
- Richard Fontaine: So, the United Kingdom has called for a Democracy 10. The Trump Administration has unveiled a Clean Network Initiative. Candidate Joe Biden says that if he's elected, he'll convene a summit of the world's democratic leaders. As Martijn mentioned, in the current issue of Foreign Affairs, my co-author Jared Cohen and I proposed the creation of a T-12 grouping to harmonize approaches to technology policy. And these and the other ideas that are out there like them show just how salient this notion is now of combining the power of democratic states, irrespective of who the next President of the United States is, or who may be in power in partner countries.
- Richard Fontaine: And thus, the work that Martijn and his colleagues on the research team have done here is critical. And in their report, the one that we're going to be discussing today, they lay out an alliance framework for democratic technology policy. They offer us specific agenda for that group. They discuss how it might be structured and they illuminate some of the choices and some of the trade-offs that would be involved as we go about doing this. The work that they've done takes place against a backdrop of rising stakes. What's in question today is the ability to shape a technological future as liberal democracies would like, and that's consonant with our values and our interests. The fact is that the world's democracies are not competing effectively or particularly well—they're largely disjointed and reactive. And that the status quo is on a bad trajectory.
- Richard Fontaine: We may be faced with a future where liberal democracies have to compromise their goals or their values, and maybe even some of their sovereignty, in order to get by. And against that backdrop, I think Martijn and the team and our partners have very rightly issued a bit of a call to action here, saying it's time to regain the initiative. Put together a group of countries that can share information, that can harmonize policies, that can coordinate responses to third country actions, that can build norms and standards, and do more.
- Richard Fontaine: There are different takes on some of the details associated with how to do this among the authors of the report, among the kinds of things that you see in different iterations of this in print and so forth. But the key thing is to be able to see the need for this and get the discussion going about what something like this might actually look like. Who would make for the best charter members of a grouping at the outset? What order would we want to tackle some of these key technology policy issues? How would tech leading democracies work together in order to shape a technological future that is consonant with each of their national interests, and what's our shared national values?
- Richard Fontaine: The report lays out this priority agenda and again, the details are up for some discussion and debate, but it seems clear that a straightforward and pragmatic agenda would include information sharing, remapping supply chains, setting norms for how technology should and how it shouldn't be used, including agreeing to multilateral export controls, the sanctions to

uphold key norms. More ambitiously, even investment coordination on supply chain resilience, joint R&D, and things like that.

Richard Fontaine: It's important, as the authors of the report have done, to think ahead about what some of the objections of some of this might be. You could say that we don't need a new group. We've got lots of international groupings, alliance frameworks, and stuff like that. The existing ones are sufficient. You could say there's not enough like-mindedness between key countries on issues like data privacy or freedom of speech. There's more that divides us than unites us. Or that creating a grouping that's explicitly linking together democratic countries would be provocative—provoke autocracies through an exclusivity.

Richard Fontaine: And it's worth discussing all of these kinds of objections. I believe, ultimately, they fall short. The stakes today—the need to do better in this crucial domain of geopolitical competition and the priority that I believe we need to place on democratic harmonization and that many countries are now emphasizing—all suggests that the time to begin on such a major project is now. And so, to that end, the report that Martijn and the team have published will represent, I believe, a really invaluable blueprint for the way ahead, worthy of debate and discussion and the conversation that we will have today.

Richard Fontaine: So, thanks for the time to make a few remarks on that and let me turn it back over to Martijn to take it from here.

Martijn Rasser: Great. Thank you so much, Richard. I think your point on the bipartisan momentum buying these ideas is particularly important. That's a key issue for our allies to bear in mind as we head into the new year. So, up next, we have a brief video of remarks by Akira Amari. Amari-san is a former Minister of State for Economic and Fiscal Policy and is currently a senior legislator in Japan's parliament. He was so kind to share his perspective on the role of a technology alliance in securing our digital future.

III. Remarks from Akira Amari (Translated from Japanese)

Akira Amari: Hello, my name is Akira Amari. I am a member of the Japanese House of Representatives. I serve as a team leader for Economic Security Policy for the ruling Liberal Democratic Party. Today, I am delighted with the release of the Technology Alliance report prepared by think tanks in Japan, the United States, and Germany. As we all know, the world is currently suffering from the COVID-19 pandemic, which is exposing social vulnerabilities.

Akira Amari: The pandemic is also a factor leading to the acceleration of digital transformation. Through digital transformation, key technology will be implemented in society. We must address this transformation on two fronts. First, we must consider the international standardization of social infrastructure using digital technology. We need to define the value on which the international standard is established. Second, sensitive technologies such as AI, quantum, and other biotechnology are accelerating digital transformation.

Akira Amari: Setting standards during this constant change is an enormous task. Now, democratic society is facing challenges. The values of authoritarian nations and the values of traditional democracies such as we have in Japan, are confronting each other. As digital transformation continues to progress, we will encounter conflict between these authoritarian and democratic ideologies over what international standardization should look like. An authoritarian digital

transformation will result in a state surveillance capitalism. However, we want digital transformation and the infrastructure standards in our liberal democracies to be based on “sovereignty of the people”. In other words, we want our social system to be one in which citizens can have access to and enjoy key new technologies, rather than one in which the nation uses technology against citizens, for example, by putting them under surveillance. The competition between more liberal and more authoritarian ideologies control over international standardization will become more intense.

Akira Amari: In this social infrastructure, cutting-edge sensitive technologies, such as AI, quantum technology, and biotechnology will accelerate the convenience of the system. Sadly, the speed of authoritarian decision-making far exceeds that of decision-making by our democratic nations. The decision-making process under state surveillance capitalism is significantly faster. Under such circumstances, it is important for us as democratic nations to develop and reinforce key technologies earlier than authoritarian nations. We need to cooperate with each other and share ideas during this digital transformation. This will help secure the superiority of the new infrastructure of our digital society. We must make such a superiority the standard in international society to include international organizations.

Akira Amari: That is why it is so significant that think-tanks from three countries: Japan, the United States, and Germany, have teamed up to publish the Technology Alliance report. In the future, we will continue to add countries sharing the basic values of liberal democracy to the current framework and build a global infrastructure system based on popular sovereignty. As liberal democracy faces challenges from authoritarianism in order for our way of infrastructure to become an international standard, we must develop critical technologies earlier than authoritarian nations.

Akira Amari: We hope that this Technology Alliance report will promote greater international cooperation among countries that share the values of freedom and democracy, the rule of law, human rights, and respect for privacy. We also hope that the new social infrastructure in the 21st century will be built based on such values. Thank you very much.

Martijn Rasser: Thank you, Amari-san. As Amari-san pointed out, the issue of setting the norms and standards for emerging technologies is critical, and one where democracies working in concert is particularly important. This is a key theme in “Common Code,” and an area that we see as being ripe for effective cooperation in the near term. Now, let’s turn to the interactive portion of this event. I’ll introduce our keynote speaker in just a moment, but I want to let you know now that after the keynote, Kylie Atwood will take over as host.

Martijn Rasser: Kylie is the National Security Correspondent for CNN and formerly a reporter for CBS News. She’ll moderate a Q&A session and a panel discussion where you have the opportunity to ask your questions. Simply tweet your question using the hashtag #CNAS2020 or email mlamberth@cnas.org.

Martijn Rasser: It’s a distinct honor to introduce our keynote speaker. Marietje Schaake is International Policy Director at Stanford University’s Cyber Policy Center and International Policy Fellow at Stanford’s Institute for Human-Centered Artificial Intelligence. She is a former member of the European Parliament for the Dutch political party D66. Marietje is a leading voice on matters of technology policy, and I’m delighted that she is with us today. Marietje, welcome to CNAS.

IV. Keynote Speech from Marietje Schaake

Marietje Schaake: Thank you so much for that, and it's nice to hear the proper pronunciation of my Dutch name for once, so that's a bonus point. Thank you so much and welcome everybody. I really, really appreciate the invitation, because I can see this contour of a very common thinking emerging, and it's very exciting to me. So, what I thought I would do is to just kick off with a few thoughts, but I truly look forward most to the interaction, so I'll be brief. Going back a little bit to my work as a member of the European Parliament, but really also now that I work at Stanford, I'm very much motivated by striving to ensure more rights for more people, and that is an increasingly challenging agenda in the times that we live in. I personally went from hoping that the promising words of tech pioneers would actually lead to a prioritizing of freedom and rights to appreciating that, despite those big words and hopes, it didn't materialize.

Marietje Schaake: And we find ourselves at a very, very challenging moment where democracy globally, and also increasingly within our democratic societies, is under growing pressure. And so, it becomes even more essential and urgent to safeguard democratic principles in relatively new domains like the digital world. Having said that, I can't underline the urgency enough, but it's also clear that there is a huge backlog when it comes to governance and rule setting that I can only hope will be overcome still.

Marietje Schaake: The more the asymmetry between corporate power and democratic governments continues, the more I find it astonishing how democratic leaders have thus far failed to actually appreciate the high stakes of tech governance. Because democracies were in an advantaged position—one as guardians of an international rules-based order—and also when it comes to their relative advantage, when it comes to the tech itself, especially the United States with Silicon Valley, was really in an excellent position to be the first mover when it came to initiating rules of governance to preserve democracy in the digital world.

Marietje Schaake: But because of the prevalence of a more libertarian model that is so typical for Silicon Valley even today, a precious decade has passed—or a couple of decades have passed—relatively unused. And I think they gave way this time—without much initiative from the democracies, gave way—to roughly two alternative models of governance.

Marietje Schaake: One, the private governance model which is prevalent in democratic nations, and two, the authoritarian governance model which has been referenced earlier today which, of course, instrumentalizes technology for control and power. And the fact that that's happening should really not surprise anyone. I mean, we would not have even dreamed of regimes that always try to consolidate their own position and their top-down grip, first and foremost, to suddenly act differently when it came to technology. And the rollout of this authoritarian model is increasingly a global battle as well, where a number of countries that are yet undecided may be persuaded by taking on products from more authoritarian countries or more democratic countries. Or looking for inspiration when it comes to legal models, for example for data protection or rather more a national security-inspired top-down control efforts to use technology as well.

- Marietje Schaake: So, there is a fierce global competition where I think democratic governments are risking to be pushed out of the equation, and it's important that democracies catch up. Now, I believe that domestic laws are still extremely important. Privacy protection, antitrust enforcement, the preservation of electoral integrity, democratic resilience—for example, updating election laws when it comes to the role that tech plays and making sure that it's secure, fighting disinformation and foreign intervention—the whole list of topics that is now so prominent in the United States with less than two weeks to go before the elections. But also issues like non-discrimination or updating media laws, funding innovation, research, and science, et cetera. There's a whole host of issues that countries need to work on within their own borders.
- Marietje Schaake: But clearly, and I think that's a central theme today, international cooperation is essential, and I'll get into reflections on the CNAS report in a second. But where we agree for sure is that the momentum to change the status quo is now. I believe that maintaining it—so, basically keeping this more hands-off approach on the part of democratic governments and giving an outsized role to the private sector—will continue to have a number of harmful effects, including touching on the very essence of the role of the state.
- Marietje Schaake: I could list a number of areas where private companies essentially are dominant in decision making and governance, but we could also turn it around and wonder, “In what areas can democratic governments still effectively manage without bringing tech companies on board?” The dependence is extraordinary. Anything from building critical infrastructure that involves data to defending it, but also creating offensive capabilities, that is now mostly in the hands of private companies, the entire artificial intelligence domain... but also the more basic systems to govern tax databases, social benefits, and electoral registers.
- Marietje Schaake: Think about currencies that could now be “minted” by businesspeople. And with COVID, healthcare and education have also significantly increased their reliance on tech connectivity. The information architecture that we all benefit from or use every day is built by advertising companies, critical infrastructure by consultants, and virtual currencies. Well, some well-known and other less-known businesspersons.
- Marietje Schaake: In any case, I think beyond trying to identify which sectors are at stake here and the power dynamics and try to weigh who's more powerful where, it's also touching upon the more philosophical, principled elements of liberal democracy. Anything from freedom of choice being under pressure—from micro-targeting for example, or questions about whether non-discrimination is really enforced in the digital world with bias that creeps into AI systems, whether it's intended or unintended—but also the very idea of justice. When you have the increased use of predictive policing tools, or the opacity of algorithms and data that's used, the question is, where does the presumption of innocence stay in that context?
- Marietje Schaake: And generally, the public good. Who safeguards the public good in the digital world? So, hopefully it's clear by now that I think there's an urgent need for a rebalance towards more agency and a stronger role for democratic governments which would include more transparency and accountability. Also, for researchers, journalists, law makers, so that we can have a more evidence-based discussion as a society in terms of where we should intervene and where we don't have to.

- Marietje Schaake: In a recent MIT Tech Review article I also made the case for a stronger international coalition, so it's interesting to see how similar some of the thinking is to the CNAS report that's presented today, but there's a difference. I would propose to create a democratic coalition that would develop a democratic governance model of technology, whereas your report focuses more on different coalitions on the basis of their technological capacity.
- Marietje Schaake: And I think that the fragmentation that this could lead to is something we may want to discuss, in particular when we look at the role of the European Union. I believe it needs to be empowered to act as a global and a geopolitical player, and especially when it comes to topics at the intersection of technology and geopolitics. And so engaging or peeling off individual EU member states could risk undermining a stronger stance.
- Marietje Schaake: There's also a sort of example that could be gleaned from the European Union, because it is a project that has experience in balancing state sovereignty and cooperation. It remains the most active when it comes to regulating technology, whether people like it or not. And, of course, there's work to be done when it comes to spanning the gap between its economic policies and the single markets, and aspirations when it comes to addressing national security concerns which is still done state by state. So, 27 different times.
- Marietje Schaake: But even having said that, in the field of cybersecurity, dual use export controls, foreign direct investment screening, vulnerability disclosure, antitrust, trade policies, a lot of progress has been made in terms of factoring in technological changes in the regulations as they stand. And there are a number of packages on the table such as the Digital Services Act which will regulate platforms, a number of legislative initiatives around artificial intelligence, a data policy, et cetera. So, a lot is still in the pipeline.
- Marietje Schaake: The EU is leading in pushing for continuing to invest in multilateralism, which I'm convinced is needed and should be revitalized to more consider and include in its mandates the specifics of technological developments. So, think of areas like trade, the World Trade Organization, rules and standards when it comes to behavior in peacetime and during war with the use of cyber tools, human rights questions in the digital world, setting standards, et cetera, et cetera.
- Marietje Schaake: My concern for the EU is definitely that there's not enough focus on growth and that it should act more as a geopolitical player, but by and large I think there's a number of areas to work with. So, to conclude, I see a lot of opportunity to cooperate between democratic nations, and I hope that the block can essentially be as large as possible between like-minded countries.
- Marietje Schaake: So, that is explicitly looking beyond the transatlantic relation, which I do hope can be repaired in the near future, but also including countries like Japan, India, and other like-minded nations. So, maybe that can be a basis for discussion. I don't think there's disagreement on the need for a coalition, but more a question about what exact kind of characteristics should bind members of the coalition and how can we organize for it. I really look forward to your questions. Thank you for your time and having me.

V. Q&A with Marietje Schaake

Martijn Rasser: Great, thank you so much, Marietje. So, Kylie is running a little late, so I'll just jump in with a few questions. So, first, what I wanted to touch on was your point with the EU. So, we did, as part of our framework, have the EU as a core member but not a voting member. And part of the reasoning behind that was being able to still have this tech alliance be able to be nimble in terms of its decision making. How do you envision working with an organization like the EU where you have 27 members, all with an individual voice, and still be able to not get bogged down in the bureaucracy? Particularly in areas where, for instance, the issues you mentioned, there's still a fair amount of divergence between the EU and the United States on matters of data governance and so forth. Can you talk a little bit about what your vision for this alliance of democracies would look like, in particular when it comes to bridging those gaps in understanding, and just the more bureaucratic considerations of the functioning of such an entity?

Marietje Schaake: Well, I mean for the EU, I think the bureaucracy is relative, because a lot of standards or rules are already shared within the EU. And it depends, I guess, on whether you enter the conversation from the tech policy angle or from the national security angle. When you start the discussion with national security, it's true that in principle, each and every member state still has its own national security policy but the pressure on changing that is increasing. We saw that with questions about Huawei and whether it is safe to use. In principle, any company should be able to operate on the European single market on the basis of one set of rules, a so-called level playing field. But effectively invoking national security concerns is a member state's prerogative.

Marietje Schaake: And so, an ad hoc set of principles was developed to better deal with similar questions. And my sense is that the pressure coming from the new realities that technologies bring could be so significant that this could actually accelerate the tempo within which the EU starts to bridge some of those gaps. And even if some of those gaps would remain, when it comes to market policies and tech policies, increasingly they are applicable to all 27. And I believe that scaling to the maximum critical mass is important. One, to have the most impact between democratic countries—for example, if there could be common trade rules or rules on the free flow of data, it would create a much more significant space for cooperation than what exists today—but also to have political leverage, the leverage of scale vis-à-vis tech companies, et cetera, et cetera.

Marietje Schaake: I think it's important in light of the global competition where, as I mentioned briefly, democracies are already finding themselves under pressure. So, big cooperative coalitions are probably a logical step. And I would imagine that a set of priorities would be identified and that, on the basis of that, countries could start working together. The alternative of having a smaller, more agile group of countries is that they might agree, but they do not reach the scale that would be needed to have a global impact.

Marietje Schaake: So, no doubt it's a balancing act, but my hope and also expectation is just that the urgency of what losing agency means and how quickly the technologies... Force upon everyone's agenda new questions about standards and oversight and principals could achieve. So, I think that the change can come fast, even if it's not always intrinsically motivated.

- Martijn Rasser: Those are great points, thank you. Yeah, one thing I want to emphasize for everyone that's joining us today is this report also is not intended to be chiseled in stone. This is really the starting point of a conversation just like we're having today, where obviously we make a lot of recommendations, but that doesn't mean we're dogmatically sticking to everything, because people will disagree on points like this and people have ideas that we may not have thought of. And so, this is a great example of how I want this document to serve as the starting point for a good discussion on these matters because they're so important. And to your point, they're very urgent. So, yeah, point well taken.
- Martijn Rasser: We have a few questions coming in via Twitter right now, so let me turn to one of these. And this question is regarding the role of private companies. So, the role of private companies is significant. What is the role of governments, given the power differential between slow-moving bureaucracies and private actors who can move quickly and make the tech that governments want? And I think this touches on some of the points you raised in your Tech Review article, where you're talking about this gap between power and accountability, between the private sector and the public sector.
- Martijn Rasser: So, let's address that Twitter comment, and can you then also talk a little bit specifically about the types of actions that this alliance of democracies, this coalition that you call for, would take in response to the issue that our viewer raised?
- Marietje Schaake: Yep. Thank you so much. And first, let me also stress how much I welcome the report. So even if I don't 100 percent agree, I think it's a really good starting point for discussion and I think, by and large, there is a growing coalition of people who think that this is a path forward. So, it's a great basis for discussion and maybe more people will agree with your report than I would imagine, but it's a great start, I think.
- Marietje Schaake: So, congratulations on all the hard work, it has a lot of practical points which I also think are wonderful. Jumping to the question that was raised on Twitter, it's been a long-term challenge that policy is usually reactive. It's hardly ever proactive because really you don't want to intervene unless there's a problem, and a problem can only emerge once it has proven itself to be a challenge.
- Marietje Schaake: But it's true that technology's specific here because the tempo of change is significant, and I do think it requires adjustments on the part of lawmaking. And where I see great opportunity is to have more principle-based regulation with enforcement capacities in the hands of regulators.
- Marietje Schaake: So, let's take the antitrust model. Antitrust rules are relatively simple: Can't form a cartel, can't make price agreements or price discrimination, can't become a monopolist, and certain mergers and acquisitions have to be assessed before they can go through in light of the other principles. But it's a fairly straightforward set of principles, and it is then up to the mandated regulator to assess whether these principles are at stake. And it doesn't matter whether it is milk producers, truck producers, search engines, phone makers, pharma. Whoever violates these rules, or whenever there's an allegation of such violations, a lot of information can be inquired. A lot of research can be done, and if violations of antitrust rules or competition rules are found, significant sanctions are taken.

- Marietje Schaake: Now, I think it's high time to update antitrust rules. But principally, the idea that you have a number of agreements on what is not allowed—and you could also imagine that, for example, discrimination is one of those principles—then empower the regulator to inquire with the proper technological skills and mandates, whether that principle's at stake, whether it's in a hotel or on a hotel booking site, discrimination should not be allowed.
- Marietje Schaake: And so, making more principle-based regulations and having a more adaptive inquiry into whether the principle is respected should make it more technology-proof in the sense that you don't have to update for every relatively small change in the technological specificities. And that's important, because we've seen with, for example, copyright protection laws that initially, for example, the articulation of the law was around illegal downloading. But by the time the law process was finalized people were already streaming. And so technically speaking, the law would be outdated, and that's something that you want to prevent.
- Martijn Rasser: Great. Excellent, thank you. We have another question from Twitter. This person would like to know, can you talk a little bit about the role you see for civil society in developing norms and democratic frameworks? And how do you see new organizations, such as NGOs, factoring into the equation and not just leaving these discussions to an interplay between regulators, governments and international organizations?
- Marietje Schaake: So, I think that the role of civil society organizations is crucial. It's also a kind of role and facilitating of civil society that sets democratic societies apart from any other societies. It's not a coincidence that in many non-democratic societies, civil society organizations struggle, are under pressure, are banned. So, I would say that democracy is a multi-stakeholder process and it's something we should not forget just because in the internet governance context, so often people are pushing for multi-stakeholder models. And I think democracy as such is a multi-stakeholder model.
- Marietje Schaake: So, the role of civil society, to the extent that this is their focus—tech rights, civil liberties, privacy protection, cyber security, et cetera—I think it's significant, and hopefully there's an almost parallel shared agenda in the sense that if democracy suffers, civil society suffers. So, I've always benefited a great deal from the expertise of civil society organizations, not only in asking for certain changes, but also highlighting the very human stories of what is at stake.
- Marietje Schaake: I think too often, the technological is abstract, is technical, is hard to understand, and if we want to change the political momentum, it has to become more of a human story. And I think digital is already human, but this is where civil society organizations can highlight, you know, what is the impact of a cyberattack on a hospital, on the patient? Or the hacking of a human rights defender's device on the person that is trying to do his journalistic work in difficult circumstances, or protect women's rights, or whatnot. So, sharing stories, making what's at stake real, and representing the various people that this organization cares about, I think are all extremely important.
- Martijn Rasser: Great, excellent. Thank you. I'm told that Kylie Atwood has joined us now. So, let me turn it over to her for a few more questions, and then we'll head over to the panel in a bit. Welcome, Kylie.
- Kylie Atwood: Thank you. Hi guys, sorry I was late. Marietje, I want to throw a real-life example at you that we've seen here in the U.S. media over the last two weeks, and just get your thoughts on

how to tackle an issue like this because you've been obviously studying it for so long. So, in the past few weeks, there was the New York Post story about these alleged Hunter Biden emails from his laptop. Different technology platforms here in the U.S. dealt with that story in different ways.

Kylie Atwood: Now, at CNN, we weren't able to authenticate it, so we didn't deal with it in the same way that Twitter and Facebook dealt with it. But how do you see a future possible technology alliance effort here, with multiple countries, regulating something like this, and how these independent private tech companies would handle this kind of disinformation?

Marietje Schaake: Yeah, I think it's a crucial question that doesn't only speak to the power of tech platforms, but also to the responsibility of more traditional media, like a newspaper or a television broadcaster, because the publication did not start with social media, but it started with the newspaper. And the question of unverified claims is one that has had to be dealt with, irrespective of technology. And I do think there's some opportunity in looking at how media laws and media ethics and media principles can apply more broadly.

Marietje Schaake: The whole exemption of responsibility that social media platforms have enjoyed through section 230, I do think is challenged also by their own decisions, right? I mean, it's not like they're not intervening. Tech platforms are curating content constantly on the basis of commercial motives, maybe under pressure to remove hateful content or violent speech or whatnot, but the whole idea that they are neutral, and just a platform, I think is an outdated thought that has big impact not only in the United States where the First Amendment is a very, very powerful legal principle, but a lot of countries around the world do not have the First Amendment.

Marietje Schaake: And in a lot of countries, this information about someone can actually lead to immediate violence and worse. So, stepping back for a moment, and asking what we could do with a coalition that's based on democracy, I would like to see the lead being taken on where the limits of free speech lie and where harm should be prevented.

Marietje Schaake: I would like to see the initiative of definitions and exemptions with democratically accountable leaders and not by commercial advertising platforms. So, that's a general principle that I think would be better for safeguarding very, very important aspects of freedom of expression and protection of people. So, in an ideal world, this coalition of democracies would have similar definitions and standards. But certainly, more transparency and accountability on what corporations are doing in this very important space that touches on universal human rights would be really, really needed right now so that it's not just ad hoc decisions with self-made reports on how performance against these principles is doing, such as what the tech platforms are doing.

Marietje Schaake: They say, "We are now removing 90 percent of fake news within 24 hours." And it's hard to know what that means exactly, what the 10 percent is that's not being taken down, how it's done by humans or by automation. There are so many questions about the crucial aspects of information architecture and its governance that I think that that in and of itself, the fact that private companies are in the lead and democratic governments are sometimes guessing or [inaudible 00:47:30] at responding is bad in and of itself.

- Kylie Atwood: Just so I'm clear, you believe that a technology alliance could and should set the principles, but then it would be up to the independent countries themselves to then revisit the laws in their country to actually make sure that there are laws in place that allow those principles to be upheld in everyday citizens' lives in each country?
- Marietje Schaake: Yeah. I think there should be coordination on the core principles, but the implementation may be a little bit varied from country to country, and a model for how that works is already existing in the EU. There would be an agreement on the EU level, and then the implementation happens country by country. But primarily, I believe some of these decisions are political ones. When leaders of democratic countries decide this is where we're going to draw a line, that is very important, and then it can be implemented as is necessary within the national context.
- Kylie Atwood: Right. Just following up on this conversation about independent countries and their decisions. You've talked about in some of your work, there needs to be a norm that pertains to everyday use of technology. But do you think that there needs to be separate conversations about how that norm applies to the lives of everyday citizens and how it applies to how the government uses it in the national security space? And what kind of challenges does that present for a technology multi-country effort when they're sitting down at the table and trying to develop these norms, but not wanting to share, necessarily, their trade secrets, their national security efforts that have to do with technology?
- Marietje Schaake: Right. So, I think that the example that you point to is very clear in the long-standing discussion about who should attribute, and how difficult, or how hard it is to attribute. For example, who is responsible for a cyberattack? And here, I think that by building trust within a coalition more should be possible, and that the urgency of closing the accountability gaps—so, preventing criminals and state actors from getting away with essentially very, very harmful behavior—is very urgent.
- Marietje Schaake: I mean, sure it might be hard to share sensitive information and there should be questions about what is needed to be shared, or how much of this is also a political discussion—where it's shared in terms of in a confidential setting, experts search between themselves, or the people who can actually interpret this data, and then attaching the consequences. But I think we've come to a point where the urgency to close the accountability gap after cyberattacks is so significant that hopefully political will can be created through understanding what is at stake also by doing nothing.
- Kylie Atwood: Right. As you talk about building this trust, and building these principles, obviously those countries—as you've cited, like the EU—could take collective action to strike back against any cyberattack, cyber intrusion. Are there any examples that you can think of that demonstrate just how effective that deterrence is to rogue actors and aggressive regimes like North Korea and like Iran?
- Marietje Schaake: Well, we can draw an example from traditional sanctions. So, sanctions not in the tech context specifically, but just to deter individuals or their governments from specific behavior. So, the EU has placed individuals from the Islamic Republic of Iran on the sanction list which means asset freezes, travel bans, naming and shaming. And I think it's pretty telling that these individuals would challenge their adding to the sanction list before the European Court. So, I think it shows that they're not quite happy with it then. Generally, I think we

should not only look at what these individuals think because some of them may just buy villas elsewhere and send their kids to other schools.

Marietje Schaake: I do think that a number of people who travel freely in an international community go to big sports events—this is all pre-pandemic, of course—but go to big sports events, go shopping in European capitals, send their kids to European universities, would like to continue doing that. Some of them have holiday homes. They want to be seen as belonging to a legitimate group of people and, if they're identified as not belonging there, I think it's not great for them. Similarly, when it comes to, for example, the tragic and very unnecessary shooting down of MH17, the fact that there is so much hiding of tracks and non-cooperation on the part of Russia in this case, leads me to believe that the accountability is not something that they are open to.

Marietje Schaake: So, I do think that there is a price that people pay and, irrespective of what the targeted individuals think, as a matter of principle, you have to attach consequences to violations of norms and behavior. You cannot just sit by.

Kylie Atwood: Right. So, stepping back, I think we have about a minute or two here until we open with the panel, the folks who have actually written this report. But Marietje, if they are successful, if the model is adopted—maybe some changes to it but with this technology democratic alliance—what do you see changing in 20, 30, 40 years down the road for the better globally?

Marietje Schaake: I think in a number of areas, there are currently relatively few rules. So, we may intuitively agree that it's not right or not the best way to ban an app ad hoc, or to see cyberattacks happening without consequences, but it may well be that the laws are not up to speed yet. Another example is the global trade in commercially-made surveillance systems. I think a lot of people intuitively feel that it may not be the best idea to have companies at intelligence services' levels selling top-level technologies to whoever wants to buy it. But currently, the laws don't prevent it. So, I think the improvement that needs to be made is that the laws are updated for the digital era and that there are institutions and mechanisms to enforce. And I think in trade, the dynamics have drastically changed because of digitization and the rules are just not yet there.

Marietje Schaake: So, there's not an enabling environment, as illustrated by the ad hoc ban on TikTok that the president of the United States proposed. It's very ad hoc. You could also say, had there been enabling standards, then irrespective of whether a company is from China, from Europe, from Africa or from Asia, it can just enter the market once it meets certain criteria, and that's the kind of rules that I think we need. Similarly, when it comes to war and peace, to the application of human rights law in the digital world, there is a lot of need for clarification and for the development of accountability mechanisms. If democratic nations would work together better, then in 30 years, there would almost be a seamless area when it comes to rules in the digital world between democracies, and I think that that's the best way to create weight and scale vis-à-vis other models, including more authoritarian ones, but also privatized governance models.

Kylie Atwood: Right. All right. I have a final question for you from someone who's tuning in on Twitter. This person says, they're curious if Marietje thinks EU institutional structure is fit-for-purpose in dealing with complex trade-tech-security nexus, it's not too siloed in the current structure. If so, how do we fix it?

Marietje Schaake: Yeah. No, I do think that it's too siloed at the moment, as illustrated by the example that I gave earlier, where the EU has a single market but it has individual decisions on national security concerns, but also on trade and technology. The world of trade is relatively traditional. I used to work on trade policy when I was a member of European Parliament, and negotiators work according to what they think are standardized protocols of how to deal with trading dairy products, and telecoms equipment, and all kinds of goods and services. But the layer that has come on top is digitization. So, it basically went from a lot of trading goods to what they call service suffocation of trade, and now the digitization of trade. I think it's definitely possible for the EU to update its rules.

Marietje Schaake: We in the European Parliament adopted a report, for example, with a large majority—and that's exceptional when it comes to trade policy, which is quite divisive—on an agenda for digital trade on the part of the EU, which I think had a lot of helpful pillars to work with in terms of the free flow of data, intellectual property, human rights protection, privacy, data protection, et cetera. I hope that the facts on the ground, so to say, the fact that there are so many urgent matters where it's important to have an enabling legislative environment instead of ad hoc decisions that, at the end of the day, give an advantage to those who want to advance their own plans.

Marietje Schaake: So, for example, while there is still discussion about whether network equipment from Huawei is safe, Huawei's investing in research, investing in telecoms networks, investing in relations with people in Europe. The advantage is definitely theirs at the moment that there's not consensus and not clarity. And so, with all of this, sure, we can point to bureaucracy and the lack of political will, which I largely agree with. There has just not been enough leadership. However, the tipping point may well be on the horizon if we see what's at stake, and I think it's also up to us to push political leaders to do more.

VI. Panel Discussion

Kylie Atwood: Well, there is certainly a group of folks who are trying to do that. So, I really appreciate you having this conversation. I am very sorry that I was late—I was at a press conference at the State Department. But it's really a pleasure to have you, it's an honor to speak with you. I think everyone who's been watching has learned a lot. So, let's continue to keep this dialogue open as we turn it over to the authors of this incredible new report, "Common Code: An Alliance Framework for Democratic Technology Policy." All right. I see folks coming in. This is fun. Hello, everyone.

Ainikki Riikonen: Hi. Good morning.

Kylie Atwood: People who I know by just your names, it's wonderful to see you pop up here on the screen. I just want to introduce: We have Martijn Rasser. I met Martijn just recently. He is a Senior Fellow in the Technology and National Security Program at the Center for New American Security. He is one of the authors along with Ainikki Riikonen. I'm sorry if I butchered the pronouncement there. She is also at the Center for New American Security. Down on the bottom here, we've got Rebecca Arcesati. She's an Analyst at the Mercator Institute for China Studies. And lastly, we have Shin Oya. Shin is coming to us from the Asia Pacific Initiative, where he is a Senior Consulting Fellow. Welcome, everyone.

- Kylie Atwood: First of all, I mean, you guys have put a tremendous amount of work into this report and to just exploring all of the possibilities that are out there and trying to synthesize them. So, those of us who are trying to learn more about this space, I want to say, thank you for doing this report. Before we dig into the specifics of the report, I wonder if one of you would like to give any responses to the remarks that we heard from Marietje, and some things that she said about the report that she would do a little bit differently, or that she liked. Is there anyone who wants to jump at that before we dive into the report itself?
- Ainikki Rikonen: Sure. I mean, I think thematically, she had mentioned that democratic leaders really need to appreciate the high stakes of technology governance, and she noted that so far policy has been reactive and ad hoc. And so, I think that's right on the money in terms of the things that we were trying to address. How do you make policy not something that's just reactive, but something that's proactive and takes into account the consensus of other countries that think a little bit the way that we do, coming from the U.S. perspective.
- Kylie Atwood: Cool. I love that. Shin, go ahead.
- Shin Oya: Yes. She mentioned that what is appropriate size of this institution—new grouping—actually, this was a very difficult question for us. If a number is too many, it's very difficult for us to find a very good single solution kind of things. So what we think about is outreach is very important. Even though some countries are outside of this core group, we think it's still very important for us to outreach and listen to opinion. For example, ASEAN is very important from the viewpoint of Japan. So, even though at the first stance, they are not member of this small group, I think outreach is very important, I think.
- Martijn Rasser: Yeah, that's a great point. So, one thing I'd love to emphasize is that this core grouping that we're proposing, it's not an exclusive club in the sense that we place heavy emphasis on having there be a mechanism for other countries and other organizations to be able to work with this technology alliance on a whole range of technology policy issues. I mean, the reason that we want that core group to remain small, however, is to make sure that decision making and taking action ultimately is as efficient and effective as possible. That's the primary rationale for keeping the size of this core group around 10, 11, 12 countries. That's ultimately the sweet spot, we think, for the most effective number of countries to work together on matters like this.
- Kylie Atwood: Great. So, you have teed us up for something that I was curious about when I read the report. You do talk about these 10 countries, plus the EU becoming members of this democratic technology alliance. I just would encourage you guys, why not use the G7, or some other platform, international body that has already been established? You addressed this a little bit in the paper. I'm sure that you guys have more thoughts as to why you'd want to create this new alliance that's separate from any of these other international bodies, but I'd love to hear more on that thought process. Rebecca, do you want to hop in because we haven't heard from you yet?
- Rebecca Arcesati: Yeah, sure. Thank you, Kylie. Thank you so much and let me emphasize how grateful I am to represent MERICS in this project, and how excited I am about the report. It's been great to collaborate with API and CNAS on this. On your question, we do survey a wide range of international, multinational institutions working on several aspects of technology policy. One thing that we noticed is that there isn't a single forum that is equipped to really navigate the

challenges of 21st century technology competition. That's because a lot of the institutions that we see were created before the digital age, and they were created when the international context was very different.

- Rebecca Arcesati: The organization that would resemble what we're proposing a bit more is the G7. Problem with the G7 is that it doesn't include some leading technology powers that we propose to include in the technology alliance. Another issue is that it hasn't been that active on technology policy issues so far. Yes, we have seen individual countries taking initiatives within the G7. For example, Canada and France are proposing a Global Partnership on AI, which was done within the G7. But the organization itself is simply not designed in a way that allows for what we are proposing here, unless it's fundamentally reformed.
- Kylie Atwood: Okay. Well, I think that answers the question. Another aspect of just the fundamentals of how this would look, I think big picture: You guys propose that this is not a treaty, that it is an alliance. Why? Martijn?
- Martijn Rasser: Well, it's very important. In order to get an organization like this off the ground, we wanted it to be as informal and as flexible as possible. A lot of the feedback we received during the workshops that we hosted to discuss these issues—we also provided a survey to hundreds of leaders in industry and government around the world—where the appetite was, if you start looking at proposing something like this, by and large, the feedback we received was that “Don't create a formal treaty-based organization with a physical headquarters,” and so forth.
- Martijn Rasser: So, start with a network-based architecture for the organization, keep it informal, and then you start building on that as this new grouping becomes more effective. So, that's why we called this report “Common Code,” because we identified a few key areas of technology policy where there was overwhelming consensus that yes, these are the areas that we should focus on. And based on the feedback we received, these were the areas where we believe we can get all these countries that we propose to work together to actually go about and start taking concrete action in the relative near term.
- Kylie Atwood: Got you. So, when you do talk about the speed of setting it up—and I think everyone would agree that there is a need for something like this. I mean, we hear it all the time from lawmakers in Washington, we now hear it on the international stage a lot—technology is without the constraints or the grounding principles that you guys are proposing here. So, say there is a new administration potentially who agrees with the ideas that you have laid out broadly. How long do you think it would take to set up this alliance if the U.S. is on board, and then other countries slowly come on board? Then my second question is, I know you guys spent a tremendous amount of time talking to folks and collecting ideas that helped you inform this report. What was the most surprising thing that you discovered in those conversations? Who wants to take that one? Ainikki, I see you smiling.
- Ainikki Riikonen: Yes, always smiling. Sure, I'm happy to take this one. I mean, I think in timeline, it's an interesting question only because you're already seeing the little sprouts of different countries looking into this in certain similar initiatives. You had the U.K. looking at perhaps a D10. Here in the United States with the State Department, it's been interesting to see the iterative approach the U.S. government has taken from saying, “We don't like Huawei,” versus, “Oh, actually there are some Prague Proposals, and here's some reasons why,” and then really trying to get allies and partners on board. So, I think part of the key for a

technology alliance—well informally, but somewhat more formally—is to just stitch these efforts together and have an actually cogent and an intentional approach to this. Again, looking to create proactive policy instead of being just purely reactive.

Ainikki Riikonen: I think for me, one of the surprising things—sitting in on a number of our workshops—was to see that in terms of substance, there was a lot of alignment that, “We need to have this, it needs to have a value-based proposition, we can no longer do the ad hoc thing.” But just in terms of the framing here in Washington and in the U.S. government, there’s a lot of discussion about what does great power competition look like. I think more broadly with our international partners, there have been more remarks about what does it mean to have a shared future for prosperity. In my mind, just my individual opinion, I think the two are very closely connected, and so we really tried to bridge those two schools of thought into a more common image.

Kylie Atwood: That’s awesome. Super helpful. I just want to see if anyone else would like to say anything on that, and I’ll just add one additional question. I know you guys talk to lawmakers, diplomats, technology experts. To what degree did you engage with the private sector in your conversations for this report? And what could you sense about their willingness to be a proponent for this, or their hesitation, and perhaps the fact that they would become a road bump to trying to prevent countries from signing on to anything that would, in effect, put controls potentially on what they’re doing? Do you want to go, Shin or Martijn? Go ahead.

Martijn Rasser: Yeah. Let me touch on that real quick because that’s a very important question. From the outset, we wanted to ensure that all stakeholders were involved in these discussions, because—particularly in the case of private industry, as you pointed out—they’re going to be directly affected by this on many, many levels. So, industry was invited to all the workshops that we did. We included industry respondents in the survey. We’re also going to have follow-on discussions in November and December to dig into some of the more difficult issues, because we talk a lot about multilateral export controls, for example. This is something that is going to affect quite a few companies.

Martijn Rasser: The broader discussion, when you start talking about restructuring supply chains, there’s a lot of second-and third-order consequences that we need to talk through with industry stakeholders in order to really fine-tune the recommendations so that they’re actionable but can also be implemented in such a way that we don’t harm the competitiveness of companies in the tech alliance countries. Just to go back on the timeline: So, I’ve personally sketched out a timeline where, you know, about a year, that you could go from, let’s say the United States takes the initiative to set something like this up where the president starts calling his counterparts in these countries, to having the first meeting of heads of states, to announce this tech alliance and put it into motion. I think that can be done in about a year. A lot of that, the purpose of this report, was to do as much of the up-front work as possible to get over that initial hump of thinking about all the bureaucratic considerations that go into it.

Martijn Rasser: So, that way you get the discussion going more, as to fine-tuning the different recommendations, and not have to have those initial discussions on everything that needs to be considered. Then finally, on the point of what surprised me most was, I was very pleasantly surprised by how quickly all the folks that we’ve spoke with coalesced around these five core recommendations that we have in the report, these top priorities. So, it was

really heartening to see how much agreement there was; that cooperative action in these areas was not only necessary, but also urgent. But I'd love to hear what Shin and Rebecca have to say on that point as well.

Kylie Atwood: Yeah. Go ahead, Shin.

Shin Oya: Yes, regarding the cooperation with private companies, I think our recommendation was two elements. One is promoting the technology area, so supporting private companies' activity for them to become more competitive. And another area is protecting this technology. So, this includes investment screening and export control. And this protecting portion—yes, there is a possibility that some companies—it becomes a little bit difficult for them to do business, because protection becomes stringent and stringent.

Shin Oya: But having said that, right now, coordination between like-minded country is not sufficient enough. So, one country's export control suddenly occurs to and affects another country's companies. Therefore, even this fear of a protecting portion... I mean, this kind of a mechanism can benefit individual companies. And of course, in sphere of promotion, this can definitely benefit companies. So, there is a pro and con from the viewpoint of the companies, but I think we listen to many companies, and we continue to listen to companies' opinions because they are very important and that the people that are in the center for the democratic [inaudible at 1:15:15] are capitalist countries.

Kylie Atwood: Awesome. I want to just dig into the jugular of one of your recommendations, and then we'll turn to some of the questions that are coming in on Twitter. If you get to the end of the report, there's recommendation 11 which is to codify norms and values for technology use. That is a massive goal. So, what exactly does this mean? And could an alliance like this determine which cyberattacks are considered an act of war by these countries? And do you think that the alliance should adopt a policy of collective defense such as NATO's Article Five—is that something that is on the board here? And what do you guys think about it? Rebecca?

Rebecca Arcesati: Yes. Maybe I can comment on the first part of your question on norms and standards which, indeed, is something that we emphasize in the report. I think what we see, clearly, is that the reason why illiberal countries—authoritarian countries—can push for certain uses of technology which are not in line with democratic principles, and we make the example of China in the report, is that China is able to step into the regulatory space for technology because democracies have failed to collectively craft standards and norms for technology, especially emerging technologies like AI, and how those should be used. We see China being very active in international standard setting bodies like the ITU with proposals, for instance, to regulate facial recognition technology. And because technology goes faster than regulation, what we propose is for democracies to really come together and craft those standards instead to make sure that technologies are not used in ways that violate human rights, for example. So that is really a critical point.

Kylie Atwood: Yeah, that's great. Anyone want to take the collective defense proposition? Shin, go ahead.

Shin Oya: Yes. On collective defense, I think of course, Japan, the U.S. has a mutual security agreement, and even cyberattack can be considered as an attack, and this Article Five can be triggered. But we have a law, a treaty. Now, we are discussing this Common Code and tech

alliance and, as Martijn mentioned, this informal forum for sharing information and cooperating regarding investment screening kind of things. So, it's overstatement. We mentioned this is a starting point of a collective defense, and that this can be harmful for us to say that this is a starting point of a collective defense. Of course, we should not exclude any possibility. In future, that's kind of things will happen. But at this stage, this is a technology-sphere cooperation and norms are important. That's my understanding.

Kylie Atwood: Understood. Alright. I want to turn, unless anyone else has anything to say on that, or are we good? A few nods. Okay, great. I want to turn to a question that is being proposed to us from Twitter, and that's, "To what extent do you think the EU's current lag in AI limits, limits its future ability to act as a key player in geo-strategic technology competition?" Martijn, you're at the top of the screen, so you've got this one.

Martijn Rasser: Sure. Well, I think Europe's position on artificial intelligence right now, it's a bit of an obstacle, but you know, it's definitely not something that is insurmountable either. Yes, they'll have less influence over the near term, but Europe has a tremendous amount of potential to do great things in artificial intelligence. France, for example, was one of the leading voices behind creating the Global Partnership on AI, so I definitely don't see this as being a long-term hindrance. And in fact, by taking this technology alliance approach, I think Europe in particular is very well positioned to make significant improvements in its digital economy. So, I think this tighter collaboration along the lines of what we're proposing will do a lot for Europe's long-term competitiveness in these technology areas. It's a really great question, but I think I'm a bit more optimistic on the outlook for Europe on this front. Because again, if you look at the human capital and the S&T infrastructure that Europe has in place, that's a tremendous advantage that it has.

Kylie Atwood: Rebecca?

Rebecca Arcesati: Yes. I'd like to jump in here and I second Martijn's point. I think I'm also more optimistic about the prospects for Europe to play a role in AI, because I think that Europe clearly has advantages when it comes to talent, when it comes to basic research. Really excellent institutions for AI research are located in Europe. Plus, I think Europe itself has realized that it was focusing on AI regulation, but not so much on AI development—that there wasn't enough capital being injected into AI companies, for example—and this is something that the EU is doing really a tremendous amount of work in addressing. I would point to the latest strategy on AI that the European Commission has put out, which I think is a really good sign that there's a lot of movement in Europe to address those weaknesses and to make sure that Europe doesn't only research AI, but also develops competitive technologies based on AI. So, I'm also optimistic about Europe's future in this sense.

Ainikki Riikonen: If I could add here as well. I think the question about AI leadership in general is kind of interesting, because there's so many constituent parts—as Rebecca mentioned, there's a human talent part—but I also think it's interesting to see the role Europe is playing in thinking about how we manage data and what those principles look like. Here in the U.S. we kind of have this patchwork approach.

Ainikki Riikonen: And so, I think the EU, in some ways, is playing a leadership role in looking at what do the constituent parts of the things that go into AI look like. And the other thing I would point out too, is thinking more broadly about this question of, "What does it mean to be a player

in geo-strategic technology competition?” It’s not just going to be AI, it’s not going to be just 5G or just quantum, or any of these critical or emerging technologies, but it’s also about how do you go about digital development and how do you work with other states as well. And so, I wouldn’t count Europe out just on the basis of this one question of advanced AI.

- Kylie Atwood: Great. So, let’s see where I want to go with this. You know, when you talk about technology development, one thing that you guys discuss in the report is the need to jointly invest in R&D and to diversify supply chains which, at the top level, most people can agree with that in order to compete with what China is doing in a lot of ways, of course. But when you get into the nitty gritty there, how challenging do you see that actually being in practice? Because you’re going to have all these countries who are theoretically signing onto a set of technology norms, a common code, but ultimately, they’re going to be worried about their bottom line.
- Kylie Atwood: They’re going to want to do the R&D in their countries, they’re going to want the supply chains, in many cases, to go through their countries. So, how do you guys see that tension, that real tension, playing out? Martijn, maybe you can take that.
- Martijn Rasser: Yeah, absolutely. One of the fundamental arguments that we make in the report is that no one country can go it alone in trying to solve these very difficult, complex issues. And there’s no question when you’re talking about diversifying supply chains, doing complex joint R&D. Yeah, it’s going to be difficult, and it’s expensive, and it’s time consuming, but it’s also very necessary and urgent. In terms of attacking these problems, there’s much more to be gained by working in concert on these issues. Because one thing that we emphasize in the report as well is that there’s a lot of talk about onshoring everything. There’s protectionist sentiments... that isn’t the answer to the dilemmas that we’re facing right now, because bringing everything—your supply chains—back from China, bringing manufacturing back, isn’t going to address the fact that you’re creating vulnerabilities again. By highly concentrating your supply chains in a small geographic area. That just shifts the problem to a different part of the world.
- Martijn Rasser: What we think as a much better solution is to diversify geographically. But in order to do that in a secure and effective way, you have to do that with countries that you can trust. So, the governments that will not arbitrarily cut you off from accessing a manufacturing facility because they have the rule of law in place. And that’s why we emphasize the democratic aspect of this alliance so much, is because you want like-minded countries that you can work with and rely on in times of need. And I think in particular, we start thinking about the need to be able to ramp up production of certain items in a crisis, like we’re facing with the current pandemic.
- Martijn Rasser: That type of resilience only makes economic sense if you can share that burden. So yes, there will be some sacrifices that have to be made in the near term in terms of the bottom lines of companies. But we also have a lot of proactive proposals on how this grouping of countries can work together to minimize the impact of that. And ultimately, you’re setting the foundation for much longer-term benefits. And so, you know, 10, 20 years from now, these countries will be in a much stronger position than they are today, particularly if they try and tackle these problems on their own.
- Kylie Atwood: Right. So, one thing I want to ask you about is India. It’s mentioned in the report as a country that could potentially join the alliance. You guys indicate that they weren’t interested

in being an original member of the alliance. At what point do you think they would be interested in joining, and what would they have to do in order to become a member? Shin, do you want to take this one?

Shin Oya: Yes. The reason we mentioned that they are not, at this stage, starting member is... We take their temperature informally in March, I think. So, the situation is changing rapidly, so I think it's possible that in the near future, India starting to think that that is a very useful element for them. And of course, India has a lot of talent regarding the software and also technology. And also, another element is—that you asked and Martijn responded that supply chain diversification—India has a huge expectation that Japanese company relocate from China to India. So, this initiative itself can benefit them. So of course, I'm not saying that they are joining tomorrow kind of things, but there is room for them to reconsider their position. And India is, again, a democratic country and huge potential, and that's very important, I think.

Kylie Atwood: Does anyone else want to add to that? I think that was a pretty clear answer.

Martijn Rasser: Yeah. I would just say real quick that I hope the timeline for India joining would be much sooner rather than later. And just the events of the past couple months, I think is showing that India is much more open to the idea of joining a grouping like this. If you look at their relationship with the Quad, for example, that's becoming a lot closer. So, in fact, it might be that once discussions on creating this type of technology alliance start in earnest that India does want to have a seat at the table from day one, which I think would be a fantastic outcome.

Kylie Atwood: Yeah. So we are close to finishing here, but I don't think this conversation would be complete unless we had at least a short conversation to wrap things up that focuses on China. So, I want to read something from the report. You guys write, "The Chinese government is undertaking a systematic and multi-pronged effort to access and acquire cutting edge foreign technology through legal and illicit channels. The scale of the challenge warrants a coordinated response." You guys then go on, however, to say that you're not proposing decoupling, or even partial decoupling. But I'm curious, particularly when it comes to the military-civilian fusion strategy of the Chinese Party, are there even any areas in the technology space where you think that a technology alliance could indeed work with China, or is this effort just essentially to compete with China?

Rebecca Arcesati: Maybe I can take this one. On the first part of your question, I think China is definitely a big topic in the report. It does come up, especially when it comes to technology protection, as you mentioned. I think a relatively easy place to start would be better information sharing because we're seeing a lot of gaps in terms of how democracies face the China challenge, specifically on technology protection. Simply, here isn't enough information sharing on this sophisticated technology transfer architecture that China has. We're talking about an FDI, so acquisitions of technology companies and Europe is definitely very effected by this. We're talking about research and innovation partnerships with universities. And in some cases, Chinese actors really exploit the openness of the innovation ecosystem in liberal democracies, but without information sharing about, for example, risky partners, and how certain technology are used in China—so, end uses of this technology—I think we cannot have an effective response.

- Rebecca Arcesati: So that's why we think simply by having this group sharing information, sharing databases, about risky partners and how to navigate that entanglement with China, it needs the innovation ecosystem. The tech alliance will be able to really tackle this. Maybe Ainikki wanted to add something, or Shin.
- Ainikki Riikonen: Rebecca, I would just echo everything you just said. And I think in terms of information sharing is especially important because there are a lot of country-neutral approaches you can use to mitigating technology theft that I think are essential for maintaining interoperability between research ecosystems, whether that's universities and so on and so forth. So, I think the more that we can build consensus around this issue, the more we'll be able to sustainably have a sort of common approach to managing the situation.
- Kylie Atwood: Shin, it looks like you're muted. Are you back?
- Shin Oya: Can you hear me, right now? Yes. One thing is that total decoupling is not good way because it will weaken the economy. So, of course, economic security and national security, but weakening the economy will not support good national security. So, decoupling is a way which weakens the economies. Therefore, we have to be very strict about how we are going to protect technology. Of course, there is critical technology, and how to define critical technology and the common understanding of this definition is very important, but my opinion is that complete decoupling is against the benefit of democratic countries.
- Kylie Atwood: Awesome. Well, I think we have officially gone past our allotted time here. I want to thank everyone who tuned in and watched, and I'm really hoping that we can come back and hear an update from the authors as you guys get more input from folks on this final report, which I know has been a lot of sweat and tears put into it. So, I appreciate that you guys asked me to moderate the conversation. I can take no credit for the work you guys have done. So, thank you all. And with that, I want to conclude the event. Thanks everyone.
- Martijn Rasser: Great. Thank you so much, Kylie. This was a great discussion. Thank you to our viewers for all your great questions. I do you want to take a moment and acknowledge a few people. This event would not have been possible without the hard work behind the scenes of my colleagues Shai Korman, Jasmine Butler, Chris Estep, Cole Stevens, Melody Cook, Megan Lamberth, and JJ Zeng. Of course, I want to thank our speakers very, very much. Marietje Schaake, Richard Fontaine, Akira Amari, and Kylie Atwood. And of course, my partners on this project, Rebecca Arcesati, Shin Oya, and Ainikki Riikonen. Our work on the Technology Alliance project will continue into the new year. We're looking forward to ongoing engagement with stakeholders and government, industry, and civil society around the world. Thank you for joining us today. Be well, be safe, and see you next time.