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India and Emerging Technology Coalitions

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Summary

As technology emerges as a geopolitical faultline, existing and emerging international regimes and frameworks are under pressure to create rules and address problems wrought by new technologies. Technology coalitions could address these problems. They are quickly gaining currency among the developed economies as a means to stifle China's rise as a technological power. However, India has been reticent at these new coalitions, cautiously appraising whether discussions will bind its hand before developing its own laws and frameworks.

In 2017, Russian President Vladimir Putin declared that the country which harnesses the potential of artificial intelligence (AI) research will dominate global affairs. This statement highlights the critical nature of technology in geopolitics.¹ As great power competition returns in the 21st century, a large part of the competition is centred on leading the world in technology development and deployment. As the United States (US) National Security Strategy released by the Donald Trump administration in 2017 states, "To retain U.S. advantages over our competitors, U.S. Government agencies must improve their understanding of worldwide S&T (science and technology) trends and how they are likely to influence — or undermine — American strategies and programs."²

The US has recognised China as its main strategic competitor in the Indo-Pacific. In this vein, China's technological leaps have raised concerns in the US and the Trump administration tried to asphyxiate the growth of China's big technology companies. It has pressured US allies and partners to ban Huawei from national 5G deployments, thereby preventing Chinese telecommunication companies from gaining a greater share of the global telecommunication market. It has also restricted access by Chinese companies to critical technologies by naming several of these companies to the Entity List. In response, China has doubled down on its efforts to develop its own technological solutions. It has funnelled huge funds into developing these technologies under the 'Made in China 2025' initiative.

However, China's rise as a technological power is a concern, not just for the US. Several countries like India and Japan, which have militarised disputes with China, also worry about its domination of the global technology sphere. A strategy that has been gaining traction is an attempt to build technological coalitions. This strategy envisions 'like-minded' partners working together to develop standards and norms which will govern the development and use of emerging technologies. The coalitions also aim to secure technology supply chains that, if controlled by China, can be used for economic coercion.

¹ James Vincent, "Putin says the nation that leads in AI 'will be the ruler of the world'", *The Verge*, 4 September 2017, <u>https://www.theverge.com/2017/9/4/16251226/russia-ai-putin-rule-the-world</u>.

² "National Security Strategy", White House, United States Government, December 2017, p. 20, https://trumpwhitehouse.archives.gov/wp-content/uploads/2017/12/NSS-Final-12-18-2017-0905.pdf.

Emerging Technology Coalitions

Why technology finds an important place in the emerging geopolitical competition can be viewed through two prisms. The first is its contribution to the economic rise of countries like China. Technological innovations contribute to the growth of new industrial sectors which form the base of a country's economic and military strength as it rises. The second is the role of technology in undermining the international liberal order by bolstering the capacity of authoritarian regimes to subjugate their populations. This is seen in the case of the proliferation of cyber surveillance tools and facial recognition software which can be used to trace activists and dissidents.

Countries are eager to devise new rules and frameworks to address a slew of technology related issues that no one state can address alone. New rules are required because existing ones cannot address these problems effectively; indeed, they are being questioned, reframed and broken. Private actors, multinational corporations and other malicious actors are acquiring increasing importance and relevance. Existing and emerging international regimes and frameworks are under pressure to create rules and address problems wrought by new technologies related to AI, big data, social media, automation, drones, autonomous weapons and malware incursions.

Technology coalitions are seen as a remedy to these two problems. These coalitions are a group of like-minded countries that commit to joint action on issues such as research and design of emerging technologies, standards and norms for their use and control over their proliferation. The approach has gained particular traction under the Biden administration. Several technology coalitions are emerging around existing multilateral gatherings such as the Quad, G-7 and the Trans-Atlantic Partnership. They are mainly centred on two themes – the development of standards and development of supply chains.

The Trump administration attempted to tackle China's rise by preventing access to markets and key technologies like semiconductors and chips. Trump officials also pressured allies and partners to prevent Chinese technology companies like Huawei from gaining a greater foothold in their markets. However, several of these initiatives were largely unilateral US efforts with little or no consultation with allies or partners. One of the few multilateral initiatives of the Trump administration includes the Clean Network Initiative. The initiative sought to remove Chinese technology from six areas to protect US' citizen's data. This not only included 5G network technologies, but also other means through which data can be collected such as mobile applications, undersea cables and cloud services. Countries and companies which didn't have any Chinese equipment would also be labelled a clean network.

The Joe Biden administration has, however, shown a greater willingness to work through multilateral initiatives. Kurt Campbell, the coordinator for the Indo-Pacific at the National Security Council, has acknowledged the need to form niche and issue-based coalitions that can help develop and maintain a new order. Campbell argued that "rather than form a grand coalition focused on every issue, the United States should pursue bespoke or ad hoc bodies focused on individual problems" and that in the Indo-Pacific coalitions could be formed around issues such as "supply chains, standards, investment regimes, and trade

agreements".³ President Biden himself has called for working with partners and allies to develop "rules that will govern the advance of technology and the norms of behavior in cyberspace, artificial intelligence, biotechnology". The Interim Strategic Guideline issued by the Biden administration committed the US to "join with like-minded democracies to develop and defend trusted critical supply chains and technology infrastructure."⁴

For the Biden administration, there are several existing multilateral initiatives that can be used to foster such standards and norms as well as develop alternative supply chains. British Prime Minister Boris Johnson had proposed a D-10 alliance – a group that would include the G-7 member states as well as South Korea, Australia and India. The proposed grouping's immediate aim is to create alternative suppliers of 5G equipment to avoid relying on Chinese suppliers. Two policy approaches being discussed are establishing new market entrants or pooling funding to existing 5G companies through the D-10 Club.⁵ For now, Johnson's proposal has been met with approval and preparations are underway to invite South Korea, India and Australia to all sessions of the G-7 summit to be held in June 2021. The European Commission (EC) had also issued a report with recommendations for engagement with the Biden administration. In it, the EC recommend that the US and the European Union (EU) "join forces as tech-allies to shape technologies, their use and their regulatory environment."⁶

The EC report also recommends that they establish an EU-US Trade and Technology Council which will focus on "developing compatible standards and regulatory approaches for new technologies, ensuring critical supply chain security, deepening research collaboration."⁷ Technology issues to be covered include 5G, AI, cybersecurity and regulation of social media companies. Finally, the Quadrilateral Security Dialogue (Quad), a grouping of Australia, India, Japan and the United States, has also sought to develop standards on technology use. At their first Heads of State Summit meeting, the member states agreed to establish a Critical and Emerging Technology Working Group that looks to "develop a statement of principles on technology design, development, and use" and "facilitate coordination on technology standards development".⁸ All the Quad member states have engaged either bilaterally or tri-laterally in developing standards governing critical technology and technology infrastructure. When India and Australia elevated their relationship to a Comprehensive Strategic Partnership in June 2020, they signed a Framework Arrangement on Cyber and Cyber-Enabled Critical Technology Cooperation.⁹ The Australia-Japan-United

³ Kurt M Campbell and Rush Doshi, "How America Can Shore Up Asian Order", *Foreign Affairs*, 12 January 2021, <u>https://www.foreignaffairs.com/articles/united-states/2021-01-12/how-america-can-shore-asian-order</u>.

⁴ "Interim National Security Strategic Guidance: Renewing America's Advantages", White House, US Government, March 2021, <u>https://www.whitehouse.gov/wp-content/uploads/2021/03/NSC-1v2.pdf</u>.

⁵ "Britain pushing US to form 5G club of nations to cut out Huawei", *The Straits Times*, 31 May 2020, <u>https://www.straitstimes.com/world/europe/britain-pushing-us-to-form-5g-club-of-nations-to-cut-out-huawei</u>.

⁶ "A new EU-US agenda for global change", European Commission, 2 December 2020, p. 5, <u>https://ec.europa.eu/info/sites/default/files/joint-communication-eu-us-agenda_en.pdf</u>.

⁷ Ibid., p. 7.

⁸ "Quad Summit Fact Sheet", Ministry of External Affairs, Government of India, 12 March 2021, <u>https://www.mea.gov.in/bilateral-documents.htm?dtl/33621/Quad_Summit_Fact_Sheet</u>.

⁹ "Joint Statement on a Comprehensive Strategic Partnership between Republic of India and Australia", Ministry of External Affairs, Government of India, 4 June 2020, <u>https://www.mea.gov.in/bilateral-</u>

States Trilateral Partnership also looks to fund the development of undersea fibre optic cables in the South Pacific.¹⁰

India's Approach to Technology Coalitions

India could contribute to emergent technology alliances in three ways. First, it should work to shape new rules and norms covering technologies like AI, data and 5G, which are crucial to settling on a common regulatory approach or harmonising approaches across governments. India is going through a period of extraordinary technological change measured through increasing rates of digitisation, record digital penetration and use of the internet to structure patterns of political, commercial and social interaction. Momentum around and interest in the public development of technology has led to several initiatives that focus on AI, drones, blockchain, quantum computing and big data.

Undeniably, these technologies are having massive effects internally which need to be addressed through domestic laws and policies. However, India has an obligation to shape international rules with partners, specifically democracies, covering these technologies like 5G development, AI, data and digital taxation to enhance regulatory harmonisation. Passivity vis-à-vis digital rulemaking globally will raise costs for Indian firms who have to readjust their business practices and models and New Delhi that will have to reorient its regulatory approach. India has actively engaged discussions and negotiations covering data at various fora. This engagement has been accompanied by a reluctance to finalise mutually acceptable data rules due to the delay to finalise a domestic data protection law and framework that governs domestic and cross border data transfers.

Second, countries have to ensure domestic policies covering the screening of technology investments and export controls are compatible with key partners to protect domestic technologies and technological ecosystems from threats posed by China. Policies here would entail coordinating foreign direct investment policy changes with partners, especially to clarify what kinds of technologies and sectors are open to Chinese investment. India has not advanced this cause either, emphasising the role and interests of the Indian state, relative to private firms. For instance, India has consistently pushed for global data rules that advance the role of the Indian state. This tack was front and centre at the 2019 Osaka G20 Summit where India opposed the Osaka Track that called for data sharing between leading economies.¹¹ Unsurprisingly, India's positions have been an extension of its domestic policy ambitions, embracing 'data sovereignty', countering 'data colonialism' and retaining publicly generated data to propel state power, particularly when it comes to public service delivery and welfare provision.

documents.htm?dtl/32729/Joint Statement on a Comprehensive Strategic Partnership between Republic of India and Australia.

¹⁰ Abhijnan Rej, "Australia, Japan, US Trilateral Partnership to Fund Undersea Cable for Palau", *The Diplomat*, 21 October 2020, <u>https://thediplomat.com/2020/10/australia-japan-us-trilateral-partnership-to-fund-undersea-cable-for-palau/</u>.

¹¹ Shubhajit Roy, "G-20 Osaka summit: India refuses to sign declaration on free flow of data across borders", *The Indian Express*, 29 June 2019, <u>https://indianexpress.com/article/india/g-20-osaka-summit-narendra-mod-india-declaration-on-free-flow-of-data-across-borders-shinzo-abe-5805846/.</u>

And third, depending on threat perceptions, countries should look to deepen economic and technological cooperation in areas like AI or quantum computing where the Chinese government has made clear strides. It is necessary to fortify existing technological ecosystems, supply chains and innovation clusters by establishing norms that govern the development of technologies and their subsequent use. It is important to ensure technologies do not abet surveillance practices that advance domestic political and economic objectives. India has remained passive on multilateral discussions covering 5G technologies at the Prague Conference while leaving the door open, until recent tensions with China, for Huawei's participation in India's 5G network. The Prague conference framework will likely expand these discussions focusing on shared best practices and tools to tackle emergent 5G security threats. For now, India appears to be charting its own course on 5G security standards. New Delhi has set up a committee to notify standards on 5G security and develop a list of 'trusted sources' of telecommunication equipment.¹² However, at this point, it is unclear what a 'trusted source' means or what are the standards of evaluation. This May, the Indian government approved certain telecommunication service providers to begin 5G trials, a list which excluded Chinese equipment manufacturers like Huawei and ZTE.¹³

Despite disagreements on norms governing development and deployment of emerging technologies, India does seem to find common ground on the issue of fortifying supply chains, especially those related to technology. India will likely engage with coalitions like the D-10 and the Quad that have a focus supply chain diversification. Speaking at the Davos World Economic Forum in January 2021, Prime Minister Narendra Modi said that "India also has the capacity and capability to strengthen the global supply chain, and most importantly reliability."¹⁴ Furthermore, India, along with Japan and Australia, launched the Resilient Supply Chain Initiative described as "an initiative to reduce long-term exclusive reliance on Chinese products and technology."¹⁵ However, as noted above, for such initiatives to be successful, India needs to be able to align its economic policies with that of its partners.

Globally, governments have discussed AI, largely through the scope of ethics or by devising norms that regulate how countries develop AI tools and deploy them. Fears of rules stymieing innovation has driven the impetus for ethical AI frameworks. The Global Partnership on AI (GPAI) – originally called the International Panel on Artificial Intelligence - was commenced to address ethical questions and issues around AI, devise rules and principles that would guide AI development in specific countries.¹⁶ All G-7 members

¹² Manjeet Negi, "Govt issues national security directives on telecom, only 'trusted' equipment to be acquired for 5G", *India Today*, 16 December 2020, <u>https://www.indiatoday.in/india/story/govt-issues-national-</u> security-directives-on-telecom-only-trusted-equipment-to-be-acquired-for-5g-1750246-2020-12-16.

¹³ Ashish Aryan, "DoT approves telcos' applications for 5G trials; no Chinese tech for trials", *The Indian Express*, 5 May 2021, <u>https://indianexpress.com/article/india/dot-approves-telcos-applications-for-5g-trials-no-chinese-tech-for-trials-7302039/.</u>

¹⁴ "PM's address at the World Economic Forum's Davos Dialogue", Prime Minister's Office, Government of India, 28 January 2021, <u>https://www.pmindia.gov.in/en/news_updates/pms-address-at-the-worldeconomic-forums-davos-dialogue/?tag_term=pmspeech&comment=disable</u>.

¹⁵ Amitendu Palit, "Resilient Supply Chain Initiative: A Political Driver to Revive Asian Regional Growth", *Georgetown Journal of International Affairs*, 30 January 2021, <u>https://gjia.georgetown.edu/</u> 2021/01/30/resilient-supply-chain-initiative-a-political-driver-to-revive-asian-regional-growth/.

¹⁶ "About GPAI," About, Global Partnership on Artificial Intelligence, last modified 7 May 2021, <u>https://gpai.ai/about/</u>.

reinforced the need for such AI rules except the US that has batted for a soft-touch approach on AI. Though India is a GPAI member, it has largely emphasised the business and development case of AI without wading into the ethical implications, which are of immense importance to domestic governance, given ongoing questions around the erosion of constitutional rights by the current government.

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