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Framework for Canada's International Engagement Strategy for the Global Governance of Digital Technology

Issue:

The governance of digital technologies has become a critical arena of foreign policy. It is a growing geopolitical battleground for determining international norms and behaviour in human rights, trade and investment, and security, with significant implications for the future of democracy, the international rules based system and the development agenda. Canada requires an international engagement strategy that sets out a coordinated national approach for shaping the global governance of technology to reflect Canadian values and interests.

Context:

Digital technology defines the era we live in and the COVID-19 pandemic has underlined this reality. As in most fields, digital technology is re-shaping foreign policy. At stake are Canada's national interests: our democratic values, inclusive economic growth and recovery from the pandemic, national security, international peace and security, and our credibility as an international partner.

Democracy: Digital technology development has become a field of geopolitical competition, pitting democracies against authoritarian regimes, as each camp vies to gain the necessary edge to shape tech governance to its advantage. The authoritarian model is defined by surveillance, population control, and the steady demise of rights and freedoms. It is being actively exported, rendering it increasingly difficult for Canada and allies to advance human rights, democracy, and gender equality, especially in the Indo-Pacific. Meanwhile, private companies are driving the direction of tech development, exercising immense sway over societies globally. These big tech companies – largely unregulated – have the power to silence world leaders, to fan or flame violent conflict, and to drive popular opinion. At the same time, civil society organizations and movements around the world are actively organizing and advocating online with improved reach and mobilization, while researchers and investigative media are working to surface invasive and harmful uses of digital technology. These actors require support to counter censorship and ensure sustained impact.

Economic Competitiveness: Acceleration of tech innovation is raising the stakes for Canada's participation in the global digital economy. Canada's economy is intrinsically tied to the importance of data, and economic prospects will increasingly be tied to the protection and commercialization of high-tech innovations. Two-thirds of potential productivity growth in major economies could be related to new digital technologies over the next decade; the international powers and private companies with the greatest edge stand to profit most. Big tech companies have become geopolitical actors, affecting policymaking and the capacity of Canadian industry to develop internationally. Successful micro, small, and medium-sized enterprises (MSMEs) that emerged and prospered during the pandemic are at significant risk (e.g. foreign acquisition of Canadian made intellectual property, untapped commercialization and growth potential). Canada's ability to extract benefits from big tech companies, including taxation, data flow regimes, and digital trade agreements will have a direct impact on the innovation landscape of domestic industries and overall economic resilience.

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Security: The rapid integration of new digital technologies into military forces hold significant implications for the future of international security writ large. Cyber threats from state and non-state actors have already arrived. New technologies are at the forefront of hybrid activity, and defending Canada from foreign interference requires us to develop and deploy innovative technologies, cultivate human capital, build trust in human rights respecting technology and defend the international rules based system that provides the law and norms that govern state behaviour in cyberspace.

International Peace & Stability and Sustainable Development: Digital technology is widening rather than bridging the gap between haves and have-nots, with half the world still unconnected. Digital divides create instability within and between societies, as well as limiting widespread adoption of digital products and services, thus inhibiting economic productivity. Many emerging economies risk stagnation without long-term investments for basic infrastructure and digital access. Connectivity has fast become a tool of influence for authoritarian regimes like China that are building the digital infrastructure that will drive the future trajectories of Global South countries, including the advancing of digital authoritarianism. Digital and emerging technology's impact on the Global South will be critical to the achievement of the Sustainable Development Goals, poverty reduction, and the implementation of all of the FIAP's action areas, including gender equality and the empowerment of women and girls.

Shaping Global Norms: Canada risks forfeiting the opportunity to shape global norms, both hard and soft law, for the governance of digital tech and industry standards by not positing a comprehensive Canadian vision and strategy, as well as associated investments. Canada's credibility as a trusted partner is at stake as an increasing number of like-minded countries have developed broad, whole-of-government cyber and digital foreign policy strategies, as well as dedicated and skilled diplomatic resources, to influence the international agenda. Canada can build on its experience collaborating with like-minded partners in developing norms for responsible state behaviour in cyberspace to likewise shape digital norms. Canada's reputation and ability to promote democracy and digital inclusion in low and medium income countries could also be undermined by the lack of development assistance funding to these ends.

Recommendations:

Canada requires a whole-of-government international engagement strategy that sets out a coordinated national approach for shaping the global governance of digital technology to reflect Canadian values and interests, and define Canadian positions in key priority areas.

Scope: The first iteration of the international engagement strategy must **focus** on digital technology, to be expanded to other critical and disruptive emerging technologies in future iterations. It must be **broad** to encompass the horizontal nature of digital technology. It will need to integrate Canada's values agenda with our economic and national security interests:

- *Protect and promote human rights, democracy, and inclusion*, as well as the rules-based international system that supports these values.
- *Promote inclusive economic growth* by maintaining a technological edge, prioritizing the scale up of Canadian tech/digital firms, and serving as an influential actor in the development of robust rules for digital trade and in shaping evolving intellectual property rules and norms.

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- *Defend national security*, including safeguarding the digital economy, information ecosystem, and the rules-based international system that provides stability in cyberspace and in the use of advanced technologies.

The strategy must enumerate specific **short and medium term priorities** that address digital technologies critical to Canada's national interest, such as artificial intelligence (AI), technical standards underpinning 5/6/7G, and supply chain management. It should also consider autonomous systems, robotics, quantum information science, nanotechnology, advanced microelectronics, among others. Key themes will include online content (disinformation and misinformation, online harms/safety, diversity of content online), inclusion (algorithm, venture capital, data, etc.), gender equality, digital literacy, knowledge production and acquisition, and growing China influence.

The strategy must be **evergreen**, refreshed on a regular basis to reflect technology's rapid evolution. We propose a three-year timeframe for the first iteration, focused on digital tech (to be expanded to bio/genome/emerging tech in future iterations), to allow the Department to establish governance structures, begin implementation, and conduct an evaluation. The strategy should have a focus on growing **horizontal expertise** in digital tech and foreign policy as part of the future of Canada's foreign policy establishment.

The strategy must also be a **multi-stakeholder** exercise. It must be penned in collaboration with other government departments. Mandates and tech expertise currently span multiple departments (CSE, DND, Finance, ISED, JUS, PCH, PCO, Public Safety, Standards Council of Canada, TBS) requiring an interdepartmental approach that ensures we share common objectives and our international activities are aligned. Absent a Mandate Letter Commitment, a DM or ADM-level interdepartmental meeting chaired by GAC should be convened to secure high-level buy-in from OGDs to participate in the development of the strategy. It must also be consulted with industry, civil society, other government departments and provinces, and international partners.

Priorities: Priorities must be determined via the above-mentioned multistakeholder process, including public consultations. Possible priorities include:

- Work with likeminded governments to regulate the trade of sophisticated cyber-intrusion tools on the open market that threaten the protection and promotion of human rights and democracy.
- Increase ability to proactively shape norms and standards being developed in multilateral and technical institutions, as well as dissemination and implementation of these norms.
- Counter the rise of digital authoritarianism in the Indo-Pacific (and/or other geostrategic areas), particularly China's role (e.g., export of surveillance technology, data localization), by promoting Digital Inclusion and through dedicated diplomatic and HQ resources.
- Establish an international assistance envelope for digital inclusion and cyber programing.
- Establish a dialogue with Canadian industry on the intersection between digital technology and foreign/trade policy.
- Designate leads and an interdepartmental governance structure on tech to implement and deliver on priority action items to maximize coherence between domestic and foreign policies.

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Capacity: IOL will lead the development of the strategy (with support from IOC, PEC, KGAN, TMS and SFRAN), but may require additional resources or contracts to support this work. Implementation of the strategy will require additional resources, specifically a dedicated DG-led team of cross-stream experts at headquarters and missions supported by a governance structure that can be further elaborated as the strategy is developed.¹

¹ Recommendation for GAC Governance Structure: 1) DMT-led ADM intradepartmental table; 2) External advisory committee of multi-stakeholder experts; 3) DG-led interdepartmental team in I or P branch supported by expert leads in critical missions; and 4) Suite of CFSI trainings for FPDS, TC and Dev officers

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