

Reflections on a Cyber Study Tour

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About the Author

Fergus Hanson is the Director of the International Cyber Policy Centre. He is the author of 'Internet Wars' and has published widely on a range of cyber and foreign policy topics. He was a Visiting Fellow at the Brookings Institution and a Professional Fulbright Scholar based at Georgetown University working on the uptake of new technologies by the US government.

He has worked for the UN, as a Program Director at the Lowy Institute and served as a diplomat at the Australian Embassy in

The Hague. While working for philanthropist Andrew Forrest he led the establishment of the Freedom Fund in London and the Global Fund to End Modern Slavery in Washington D.C. He has been a Fellow at Cambridge University's Lauterpacht Research Centre for International Law and the Centre for Strategic and International Studies, Pacific Forum. He is a member of the board of directors of the Catherine Hamlin Fistula Foundation and Art Monthly Australasia. He is an Advisory Board member of the Cyber Peace Institute in Geneva.

Living in Australia at the epicentre of the most serious geopolitical upheaval since the Cold War focusses the mind. Sometimes too much. As China rises and President Xi Jinping pursues an increasingly assertive foreign policy, states in the region are feeling the pinch. Suddenly, ‘win-win’ has been replaced with the militarisation of the South China Sea, the arbitrary arrest of foreign civilians as punishment for hurt feelings and economic coercion to bully smaller states into submission.

For those living in the Indo-Pacific, the shift in posture is now part of our everyday reality. But for a while it seemed like the rest of the world thought this might just be a regional problem that did not concern them.

A deep dive with German and European Union policy makers, business leaders and officials suggested if this was ever the case, it is no longer the dominant view. On the other side of the world China’s ambitions are increasingly being viewed as global, with consequential implications for policy-making. One notable example was in the area of intellectual property, of which Germany has much. After years of its theft, German industry has begun to step up its public response.

A leading force in this change has been Germany industry itself. Doing away with a previously cautious approach that favoured quiet diplomacy over telling it like it is, Germany’s peak industry group, BDI, characterised the relationship with China bluntly: “systemic competition.” It also urged German firms to “keep an eye on the possible risks of a commitment in China”.

This stepped-up concern with some of the Communist Party’s more negative actions has spread to the European Union where

there are early indications the implications of China’s actions are also being considered through a more strategic lens. It recently labelled China a “systemic rival” and critiqued Italy for its engagement in the One Belt One Road initiative. For the machinery of Brussels this was bold stuff. It also reflected the success of German industry in moving this to a multilateral issue that the whole EU can tackle.

Listening to discussions in Europe was a little like *déjà vu* – many of the issues like whether to let high risk vendors build your most important piece of critical infrastructure – had already been debated and resolved in Australia. But there were also noticeable differences in the debates in Australia and Germany. Discussions in Germany, with its powerhouse manufacturing, focussed much more sharply on the theft of intellectual property. And while in Australia foreign interference is rife and is widely debated, Germany’s geographical distance from China (and perhaps its language) means foreign interference is much less of a concern (although not from Russia).

This difference of experience and stages of decision making opens up strong opportunities for deepening an already strong two-way dialogue. Around the world China has

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largely succeeded up until now in ensuring issues are dealt with bilaterally where it is easier for it to get its way. With the issue of intellectual property theft things briefly turned the other way, with the US leading a global effort to put this issue on the agenda of multilateral groups like the G20.

There is significant scope to expand the number of issues that states like Germany and Australia could collaborate on when it comes to China. The theft of intellectual property and 5G are great places to start. But there will inevitably be more as China continues to pursue its ambition to be a global power that weighs as heavily on Europe as it already does in Asia.

The KAS-sponsored visit to Germany and Brussels was a wonderful opportunity to hear first hand how Germans and EU officials are seeing the rise of China. While there are still marked differences, the trend is very clear. Everyone is starting to reassess China's trajectory and its willingness to play by the accepted rules. There is much that liked-minded states could do to ensure the rules-based order is protected and strengthened through this tumultuous period.

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