CARL BILDT

Minister of Foreign Affairs of Sweden

Thank you. Much has been said – in fact most things have been said – but let me make some remarks. The world is changing very fast. In this respect we are in the midst of the most revolutionary scientific and technological revolution that mankind has ever seen. What we see now is that the world is going broadband, the world is going mobile, the world is going cloud, the world is going Big Data and the world is going into hyper-connectivity and doing so very fast.

The mobility part of it is very important. We are used to a world of copper lines and fixed networks. That will all disappear when we go mobile. If present trends continue, within five years 65% of the population of the world will be covered by mobile networks that are more capable than the ones we have in Europe today. This transforms everything. There is no business model left that will be able to withstand the pressure of change. There is no government, no economy that will not be profoundly affected.

The economic impact and the economic opportunity are of course fairly obvious. The World Bank has tried to calculate the economic opportunities that are coming, looking primarily at the developing world, as they should. They are saying in broad terms that if you have a 10% increase of broadband penetration you have an increase of 1% to 1.2% in the economic growth rate. If that is true, and I have no reason to doubt it, it is the most powerful development tool that we have ever seen. It is the most powerful tool that we have had to bridge the gap between the rich and poor around the world. I would argue that the famous digital divide that we all talk about is not going to be a question of geography. It is going to be a question of generations. The digital divide is within every business, within every society and within every nation.

It reminds me of a story told by a friend of mine, David Meridor, who used to be the Israeli Minister for Intelligence or Security. He told me that when they were setting up different working groups within his sphere of responsibility, with broad indications as to what each did, he had the rule of thumb that he wanted a number of people on each working group who were below 18 years of age. Otherwise he said they would not understand what is going on in the world. I tried to apply that in Sweden, but I have miserably failed.

The transformational power of what we are seeing is enormous and the opportunities are vast, primarily for the developing world. China is the biggest Internet user in the world and yesterday I stumbled on the fact on the flight here that Nigeria is the seventh biggest Internet user in the world. Within three years Nigeria will be the fifth biggest Internet user in the world. Most people had not foreseen that happening. The security issues are fairly obvious and we see them on all sorts of levels. We have to personally make certain that the systems we use are secure. If you are in business, as many of you are, financial services are of course extremely dependent on security. If people go to their banks and deposit their money they want that money to be secure against digital theft. Intellectual property theft is another issue to consider. In one Swedish high-tech industry there are roughly 30,000 serious attacks per week from intruders in different countries trying to steal intellectual property. Protection against that is extremely important from a security point of view.

We need to protect our national infrastructure and we need to protect the global infrastructure. The global infrastructure is fairly resilient and fairly redundant, but it still needs to be protected. We had an incident a couple of years ago when traffic between Europe and Asia was suddenly seriously impaired. It turned out that someone had accidentally cut a couple of cables outside of Alexandria in Egypt. A lot of the fibre cables go through the Suez Canal and if you have an anchor or something else that ruptures the cables then you are in trouble. The redundancy in cables and satellites is enormously important. It is fairly redundant, but we still need to think about it. Self-defence is important in various respects.

Then there are the more serious security issues. Stuxnet was the Rubicon of our time. We had active cyber warfare for the first time with a nation-state actively destroying the infrastructure of another country. The laws of war apply. Under the laws of war that nation had the right to strike back by whatever means they considered appropriate formally

speaking, but then of course the problem of attribution is there to some extent. Who is responsible? However, there are increasingly ways to sort out the problem of attribution. Cyber weapons have one feature that is different to normal kinetic weapons. If you bomb someone the bomb goes off and the bomb is gone. You cannot reuse the bomb for rather obvious reasons. However, if you deploy a cyber weapon the cyber weapon is often there. If you are smart enough you can take the cyber weapon and re-engineer it. You then have the weapon and you can use it yourself. Therefore if you deploy a very sophisticated weapon against someone be careful because it can be sent back against you and it can proliferate. Someone has tried to develop theories about cyber warfare comparing it to nuclear war. I think the appropriate analogy is probably biological warfare. You do not know where the virus will end up. It is profoundly dangerous.

Power issues are very important. What we see now is that networks are challenging hierarchies everywhere – from Tunisia to China to France to Russia to the Ukraine – and hierarchies are fighting back with whatever means they have. They are building their great firewalls to try to protect them. They are instituting vast systems of cyber censorship of different sorts. However, I would argue that so far the hierarchies are losing the battle against the networks. What we find is that at the other end of the networks are these immensely innovative teenagers, mostly boys but sometimes also girls, who nearly always outsmart the hierarchies.

We also face political battles here. The battle for the freedom of the Internet is the new frontline for the battle of freedom in the world when it comes to challenging authoritarian and dictatorial regimes. Even North Korea will not be able to withstand the digital world intruding upon the powers of the dictatorship. Then there are all of the difficult issues of privacy and surveillance. States have security responsibilities and those responsibilities apply in the domain of the Internet as well, but they must be regulated by law and they must be exercised in ways that citizens regard as legitimate. There is an ongoing debate about this that is quite profound. The other day the French Senate passed a law which is extremely wide-ranging in terms of giving the French government rights of online surveillance and intrusion.

Privacy will be increasingly important. It has been mentioned that the European Union is aiming to pass regulations in this regard in 2015. It is a very difficult issue because different generations see privacy in different lights. It is also an issue of profound economic importance. One of the big drivers of economic change is going to be Big Data and if you look at it from a European point of view versus America we see the American economy with an enormous competitive advantage in terms of energy, which is going to affect us more and more, and a second big advantage for them is going to be in Big Data if we mess up our privacy protection. We Europeans cannot afford to our competitive advantages in both energy and Big Data. That will impact upon these issues as well.

Governance issues will be at the forefront. We have the ecosystem of governance, the infrastructure, the Internet Architecture Board, the Internet Engineering Task Force and the 13 root servers – most of which are in the United States – that actually run the Internet. This ecosystem of governance is under attack by some governments, such as Russia, China and Saudi Arabia, but it has to be said that this system of governance has been exceedingly successful. It made possible the fastest and widest diffusion we have ever seen of a technology revolution. It has made the technology freely to more or less everyone. It has contributed to profound entrepreneurship and innovation in cyberspace. We should be very careful not to make that over-regulated by international bodies to such an extent that we play into the hands of regimes that might have a slightly different agenda from the agenda of entrepreneurship and innovation and open societies.

A big battle ahead is going to be over whether we keep a global Internet and an open governance system or whether the Internet becomes balkanised. We will either have an open, transparent and dynamic Internet in the future or a closed, controlled and static one with all of the implications of that. This is, among other things, going to be one of the big political battles ahead. These are just some of the issues. They are vast for each and every one. These are the issues that will rapidly grow in political importance throughout the world. This is the new domain of diplomacy. This is the new domain of international politics.