Cybersecurity concerns – Huawei case

What is the issue?

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The Huawei episode raises serious concerns over issues that are relevant to international business and trade.

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What is the background?

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- One of the world's largest telecom companies, Huawei, is at war with a few powerful western nations led by the United States.
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- Recently, the chief financial officer (CFO) of Huawei Ms. Meng was arrested in Canadafor allegedly breaking U.S. sanctions on Iran by way of bank frauds.
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- The CFO is alleged to have tricked financial institutions into making transactions that violated US sanctions against Iran. Click here to know more.
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- Thus, the U.S had asked Canada to detain her.
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- A Canadian court has granted her bail, but she could face extradition to the U.S.
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- The incident, which has led to an uproar in China, has left Canada embarrassed, as any decision will have a bearing on its ties with Beijing.
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What are the charges made against Huawei?

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- China, along with Russia, has long been suspect in the eyes of the West for

spying.
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- The basis for this being proven instances of online attacks and unestablished cases of breaches in western computer systems.
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- In the case of Huawei, the western line is that as it is a corporation close to the Chinese establishment, its activities cannot be purely technological and commercial.
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- They had also alleged that the founder of Huawei has links with the People's Liberation Army (PLA).
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- The specific charge against Huawei is that in every piece of hardware sold by it, there are microchips and devices that provide substantial information to the Chinese authorities.
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- However, there has been no major irrefutable evidence communicated to the rest of the world to substantiate this charge.
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- Western agencies say that Huawei is so smart and skilful that it is impossible to find out such evidence.
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- But Huawei has dismissed the charges against it as fanciful and motivated by the U.S.
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What does the conflict reveal?

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- The conflict between China and the West, especially the U.S., raises serious concerns over issues with respect to international business and trade.
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- The first is its impact on the troubled state of international relations and international law that operates in such cases.
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- Some experts cite the concept of 'long-arm jurisdiction' in support of the U.S. action.
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- Such jurisdiction empowers a nation to enforce its laws and rules over foreign entities, generally through courts.
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- However, this concept has a political colour to it and, therefore becomes

questionable in cases such as Ms. Meng’s arrest.
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- There is also the issue of the apparent ease and arbitrariness with which a nation determined to outwit a rival can hit the latter hard.
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- The detention of Ms. Meng was obviously meant to send out a signal not only to China but also to prospective violators of U.S. sanctions.
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- The case also reveals that a nation acting so peremptorily may have to brace itself to meet retaliatory action by the targeted nation.
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- Also, there does not seem to be an ethical set of rules, if one country violates the permitted sanctions.
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- Thus there is a need for a protocol between nations in the area of criminal justice.
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- Also, there is a continued fragility of cybersecurity as far as the average computer user is concerned.
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- Breaches even in highly protected environments across the globe hardly instil confidence in ordinary customers.
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- There is, therefore, a growing reluctance on the part of many large corporations to invest more in cybersecurity.
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- This has led to a view that one should not be unduly agitated over inevitable cyberattacks, as long as they do not cause major loss, economic or reputational.
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Source: The Hindu

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