

To Build Free Flow with Trust, We Need to Rethink Digital Trade Agreements:

SUSAN ARIEL AARONSON,

DIRECTOR, DIGITAL TRADE AND DATA
GOVERNANCE HUB, GWU

PRESENTATION TO
RESEARCH INSTITUTE OF ECONOMY, TRADE AND
INDUSTRY(RIETI), JAPAN



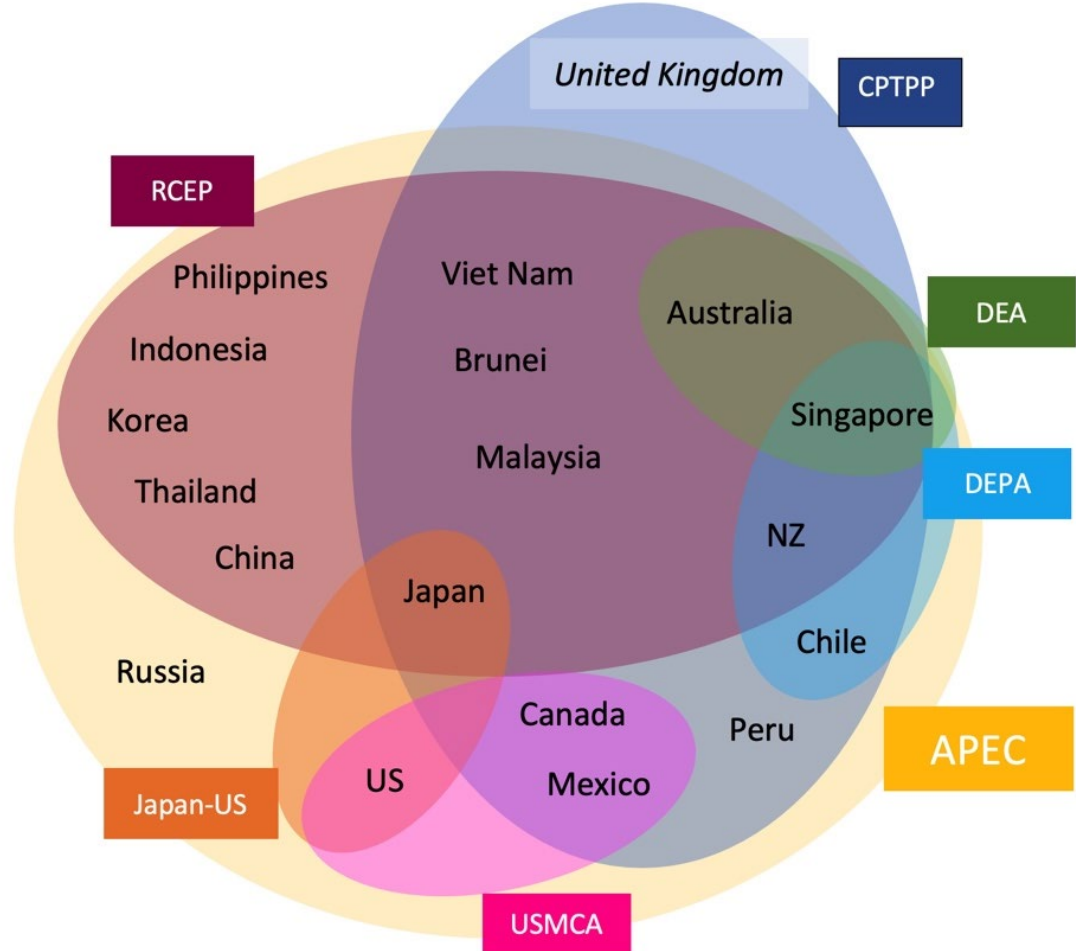


Figure courtesy of Stephanie Honey

The Future of Digital Trade is in Asia, but its past began in the US

Current approach: free flow of data is the default, trust is a possible spillover

Global framework for E-commerce, 1997 (US principles). Trust=openness privacy/consumer laws

GFF led to OECD Principles, which underpin most agreements

Bilateral/regional FTAs with binding language on data flows, trust through enforce your own laws, but not international or interoperable

Are these trade agreements expanding trust? Unlikely

More cyber-theft, malware, DDOS, disinformation, and privacy violations.

Public opinion polling reveals greater distrust and declining sense of security online.

Future of digital economy in developing world, yet developing world lacks digital prowess and data norms and rules.

Little digital economy and data governance capacity building



Why might these agreements be failing to build trust, which is essential to good governance (1)

The many types of data are hard to govern

No one knows what good governance looks like.

Platforms, major suppliers of information and infrastructure, hold bulk of data.

Platforms huge influence on data innovation. These firms are now essential to global economy and national security.

These platforms are global but located mainly in US and China.

These firms control and monetize data while individuals who provide that data have little influence.



Why might these agreements be inadequate? (2)

Platforms use political clout to influence global/national regulation, bully smaller nations.

Lack of reliable data to assess best practice in trade agreements.

Reliance on exceptions to restrict cross-border flows, in particular national security and exceptions.

Digital trade barriers limited to concerns of firms but not of netizens such as censorship and internet shutdowns.

On regulating privacy and spam, little effort for interoperability, focus on enforce your own laws.





Why might these agreements be failing to build trust?

Trust is supposed to be spillover effect, not direct effect.

Process of negotiating is opaque, time-consuming and indirect democracy



How to built trust within (build back better?)

Put trust at heart of agreements

Find ways to make regulations interoperable

Examine if DDOS, internet shutdowns, and censorship can be trade barriers impeding market access and if so develop UNICTAL model law to address.

Revisit trade policymaking—involve crowd-sourcing—develop a more interactive approach. Ensure netizens feel consulted and heard.

Provide data governance capacity building

ありがとうございました

