China Development Forum 2021

China on a New Journey of Modernisation

21:40-22:40, 20 March 2021

Panel Session 7 - Venue 4

New Chapter of Global Digital Governance

Moderator
Liu Yuanchun, Vice President, Renmin University

Speakers
Zhang Xiaojin, Director, Data Governance Research Center, Tsinghua University
Lord Peter Mandelson, Chairman, Global Counsel
Liu Taoxiong, President of Party Group, School of Social Sciences, Tsinghua University
Ian Goldin, Professor, Oxford University
Merit E. Janow, Dean and Professor, School of International and Public Affairs, Columbia University

Synopsis
The digital revolution brings new opportunities and drivers for the development of global digital governance, but at the same time presents challenges. First, traditional macro problems such as unbalanced development, the lack of a sound set of rules and order in the global digital realm are becoming increasingly prominent. Second, deeper problems, including cross-border data flows; personal information protection; the localization of computer facilities; governance of digital intellectual property platforms, monopoly platforms and intermediary liability; digital security, AI governance, digital currency governance and new digital ethics are all bottlenecks to a new development stage.

As the digital economy thrives, global digital governance is now a matter of growing urgency. Liu Taoxiong pointed out that there is very limited international cooperation on the digital economy and data governance. Cooperation in global trade is coordinated internationally by the WTO, yet data cooperation remains fragmented, with no joint efforts from the major powers in particular. In the context of the boom in data, the issues of how to promote cross-border data flow and share data standards

globally have become urgent. The world needs a "World Technology Organization" or "World Digital Organization" to drive a consensus on a basic system of global digital governance before the digital economy reaches its peak.

Establishing a cooperation mechanism for global digital governance requires that multilateralism be upheld, the idea of zero-sum games be left behind, and a cooperative mind-set be established. Peter Mandelson emphasised that the international community should maintain the openness of the global economy and keep an open mind to interactions and transactions among businesses, rather than impose restrictions in the name of national security. At the same time, there is a need to be realistic about the differences in political environment and social norms among nations, as the future global system of digital governance will probably be a product that satisfies all as the greatest common factor.

Merit E. Janow also agreed that the international community must work together to promote cross-border data flow and the interoperability of digital systems, and make the systems of all countries compatible. This, however, doesn't necessarily mean the standards of one country can be applied to all.

Professor Ian Goldin proposed five principles for global digital governance. First, the world must cooperate to realize digital governance, as it is not possible to achieve this by one country alone. Second, an international cooperation agreement should be concluded as quickly as possible to drive cooperation between China, the US and the EU. Third, the engagement of more market entities should be considered, including the private sector, as it owns a huge amount of data resources and has a deeper understanding of the digital realm, so can provide more solutions. Fourth, identify what doors can be opened and the areas in which it is easier to cooperate. Digital currency, for example, is a good area for cooperation. Fifth, think carefully about the complexity of such mechanisms, including its participants, and take into consideration the fragmented nature of the Internet, the problem of the dark web, and other issues.

Digital governance should draw on existing global governance experiences, and explore regulatory innovations. Zhang Xiaojin advised that global digital governance could draw on the experience of the global education governance system, as well as the rapidly growing digital ecosystem in China in recent years, including the development of the digital economy, digital society and digital government.

Liu Taoxiong indicated that global digital governance also requires innovative regulatory approaches. Data governance is a key component of global digital governance, and data has been clearly defined by China as an important factor of production.

Compared with traditional factors, data has two important characteristics. First, data is non-competitive from a cost perspective, which means it can be replicated at almost zero cost. Second, from a benefits perspective, the value of data grows with its scale, which means the more data there is, the greater its economic value. The ultimate goal of data governance is to get the global data market up-and-running, and the application of policy tools is critical in this process, especially innovative regulatory approaches. For example, the regulatory approach of the industrial age that defined monopolies by scale would be unreasonable in the digital era, because with greater data scale, the economic benefits could become even larger. A new regulatory approach to combat monopolies is required to capitalize on the scale effect of data.

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