IGF 2017 Reporting Template

- Session Title: Digitalization and International Trade
- Date: 19 December 2018
- Time: 09:00-10:00
- Session Organizer: UNCTAD
- Chair/Moderator: Mr. Torbjörn Fredriksson, Chief, ICT Policy Section, UNCTAD
- Rapporteur/Notetaker: Mr. Torbjörn Fredriksson, Chief, ICT Policy Section, UNCTAD

- List of Speakers and their institutional affiliations:
Mr. Torbjörn Fredriksson, Chief, ICT Policy Section, UNCTAD
Mr. William J. Drake, International Fellow and Lecturer, University of Zurich
H.E. Mr. Julian Braithwaite, UK Permanent Representative to the UN and WTO in Geneva
Mr. Tarek Kamel, Senior Vice President, ICANN
Ms. Anriette Esterhuysen, Director, Global Policy and Strategy, the Association for Progressive Communications
Ms. Marietje Schaake, Member of European Parliament from the Netherlands

- Key Issues raised (1 sentence per issue):

Experts and policymakers expressed concern with the trend, saying that trade negotiations limit the Internet to the commercial activities it facilitates, whereas the web's value lies also in the way people use it to express and exchange political, social and cultural ideas.

Many issues related to e-commerce, such as the flow of data across borders, hit on non-economic concerns because they affect, for example, people's right to privacy.

- If there were presentations during the session, please provide a 1-paragraph summary for each presentation:

Mr Fredriksson (UNCTAD) gave a brief summary of the main findings of the Information Economy Report 2017: Digitalization, Trade and Development. He stressed that we are on the cusp of a new digital era, and that digitalization will offer both opportunities and challenges for developing countries. While the digital economy is evolving fast, there are huge digital divides. Ensuring that no one is left behind in this transformational process will require much more attention to ICT and digital dimensions in global development policies. The cross-cutting nature of digitalization also requires much more collaboration across policy areas as well as across stakeholders. Special emphasis was given to the need for more dialogue between the Internet Community and the Trade Policy Community as more trade goes online.

Dr Drake (University of Zurich) explained the need for improving the interaction between the Internet and trade worlds, drawing on his work with the World Economic Forum and UNCTAD. He stressed that In fact, many issues related to e-commerce, such as the flow of data across borders, hit on non-economic concerns because they affect, for example, people's right to privacy. The worry is that the trade negotiation process goes forward on an intergovernmental basis with people who are skilled at trade negotiations but not deeply embedded in a holistic understanding of the Internet as a fundamental catalytic force for socio-economic development. Because trade agreements often bring together developed and developing economies, the fear was that economic and politically stronger nations could use binding obligations on e-commerce to challenge other governments' Internet rules and policies as trade barriers. He then outlined possible ways to address the need to bridge different policy fields.

- Please describe the Discussions that took place during the workshop session (3 paragraphs):

One of the cultural clashes here is that trade negotiations are very much done in a government-to-government, state-to-state fashion, whereas the Internet governance discussion and policy developments are much more multi-stakeholder. The closed nature of trade negotiations has become critiqued among the Internet community. But such negotiations are not closed to all non-state actors, and those critical of international trade talks say big companies find ways to exert influence over the outcomes, while other stakeholders, such as non-governmental organizations, are denied a seat at the table.

At the Internet Governance Forum, civil society representatives sit next to people who represent multi-billion-dollar corporations and some of the world's most powerful economies. And the processes and discussions are done in a very transparent manner, often broadcast for the world to see. As a result, the two communities have increasingly worked in "silos", with limited communication. At the IGF, there is a lot of Internet policy expertise in the room, but not so much trade policy expertise. By contrast, at trade policy meetings, such as the WTO ministerial conference in Buenos Aires, there is lots of trade policy expertise but not so many people representing the Internet community.

This scenario is unfortunate for the Internet and for trade, participants said. Data localization could be a good place to start a joint conversation because this is an issue where both communities could find common ground.

- Please describe any Participant suggestions regarding the way forward/ potential next steps /key takeaways (3 paragraphs):

Three parallel tracks to bridge the gap between the two worlds were proposed. The first track would focus on strengthening the role of non-treaty-making intergovernmental forums, where trade officials and Internet experts could work together on "soft law" declarative statements, free from the immediate pressure of trade negotiations. Such work has begun within certain forums, such as the Group of Seven (G7), the Group of Twenty (G20), and the Organization for Economic Cooperation and Development (OECD), but could benefit from greater consistency and coordination, the report says.

The second track would promote more inclusive dialogue in intergovernmental processes, to pave the way to broader consensus on e-commerce issues, which would ultimately give greater political legitimacy and support for the final decisions that governments adopt. This could be done through a two-tier, concentric circles model, the report says, which would increase the inclusiveness of the processes while allowing governments to retain the last word on final decisions. The inner circle would include experts from both communities working on an equal footing to develop a clearer picture of the costs and benefits of different policy approaches. And the outer circle would comprise a broader range of interested stakeholders, with online platforms providing public access to documents, reports and consultations. Participants said that UNCTAD would be a relevant organization to provide face-to-face encounters between the two communities, for example, through its E-Commerce Week, and its new Intergovernmental Group of Experts on E-Commerce and the Digital Economy.

The third, most progressive track aims to make trade policy negotiations more open, and allow Internet community representatives to track the proceedings' broad developments and contribute their perspectives and experiences, ultimately increasing their buy-in of Internet-related trade policies. Such an approach may be unfolding among some WTO members. Although no outcome on e-commerce was reached in Argentina, 70 member countries -- including more than 20 developing economies -- signed a joint statement expressing their intent to look at what trade rules should underpin online transactions, but to do so in a flexible way.

Gender Reporting

- Estimate the overall number of the participants present at the session:
70

- Estimate the overall number of women present at the session:

- To what extent did the session discuss gender equality and/or women's empowerment?
Not much, since the focus was on the link between trade policies and Internet policies. However, it was highlighted that there is still a significant gender divide in the case of Internet usage.

- If the session addressed issues related to gender equality and/or women's empowerment, please provide a brief summary of the discussion:

See above.