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Global Economics 2.0: data-driven, AI-powered, e-Commerce-focused, human-centric?

On June 28-29, Japan will host its first ever G20 Summit. The “premier forum for international economic cooperation” - whose participating nations represent 80% of global GDP - deals with a wide range of issues facing our world: development, climate, energy, digital economy, employment, not to mention other drivers of the international economy. Meanwhile, at the helm of the G7, Canada and France have been actively promoting human-centric, inclusive and ethical approach to AI through international cooperation.

Along with Singapore and Japan, Australia is spearheading an initiative to negotiate a global agreement on e-commerce under WTO auspices. Last but not least, through the Christchurch Call and other efforts, many governments are acting to tackle online terrorist or extremist content. There is no dearth of evidence that governments, and trade diplomats in particular, are increasingly keen to make the most of cutting-edge technology for the benefit of all.

To try and make sense of the above developments, DIGITALEUROPE gathered experts from various walks of government to share an update on where international cooperation stands from their perspective: H.E. Mr Kazuo Kodama, Ambassador of Japan to the EU; H.E. Mr Justin Brown, Ambassador of Australia to the EU; Ms Laure Chapuis, Deputy Head of Cabinet to Vice President Ansip; Mr Pascal Rogard, Digital Counsellor, French Permanent Representation to the EU; Mr Stéphane Lambert, Counsellor, Mission of Canada to the EU.

International cooperation is on a roll

Their views leave no doubt: **international cooperation is on the ascent**. Whether in the context of G20, with Japan’s safe hand on the tiller, or G7, with France succeeding Canada at the helm, the OECD, UN, ITU, etc, the world’s leading governments are busy addressing collectively the challenges of our digitally-shaped future, mainly via sets of high-level principles.

If recent, the eCommerce initiative at the WTO exemplifies the ‘wind of change’ blowing in the sails of our data-driven future.

However, the conversation on 18 June conveyed a distinct feeling that this was the easier part: much more daunting is the task to see to it that these broad-brush agreements on the direction of travel will be **implemented with consistency** around the world. Unless you bet on voluntary systems whereby stakeholders will commit to an agreed Code and accept to be monitored and held to compliance by third parties, as suggested by one expert...

In this respect, the European Commission’s ‘piloting’ of the recommendations heard from the AI HLEG provides a good example of the extra-mile gone collectively with a view to accelerate **widespread appropriation of leading-edge technology**: test-driving the ethical AI assessment list in real operations is arguably the surest way to get worldwide ‘buy-in’ from the industry, especially SMEs. In turn, a successful pilot phase will make the benefits of AI felt by consumers and citizens earlier, thus **dispelling mounting misgivings**.

In a nutshell, the coveted **silver bullet** may result from combining **multistakeholder process-**originated recommendations with **flexible implementation** suitable to specific sectors or geographies, by way of life-size tests of impact on business development and on markets.

The elusive inclusive growth

Leading governments or institutions have shared the view that the following items are critical to our data-driven societies:

- » Technology has to be **human-centric** if it is to enjoy mass-appropriation by people. This motto provides the under-carriage of Japan’s commitment to Society 5.0, DFFT and human-centric AI.
- » We all need **AI**, whether to meet the challenge of ageing populations or to unleash autonomous driving. AI will change the production and delivery of good and services completely and for the better: it brings us promises of **a new “growth jump”** in history.
- » **Human-centric AI** should inspire innovation, investment, digital entrepreneurship, R&D, scaling up, etc. As a matter of fact, **companies create scale and value** in a global market, no longer in nation States. Through a complex, cross-border web of supply chains, they more than ever depend on **policy makers** to be **collaborative** and not confrontational in their way of working. They need **harmonisation** of rules, regulations and standards to create value for society. This consideration takes on additional value as our experts seemed to agree that **AI-adoption by SMEs is going to help deliver on the UN SDGs**.
- » **Trust** is the quintessential value that will make or break the rise of ubiquitous connected services. This requirement should be encapsulated in the concept of ‘Data Free Flow with Trust’ (**DFFT**) floated by Japan Prime Minister Abe in Davos.

- » The **same rule of law** should apply **in real and virtual worlds**, as illustrated by the fast-track revision of Australia's criminal code following the Christchurch tragedy. Tighter international cooperation and technology-assisted interoperability should make sure that this principle is enforced across the world.

Osaka track

Japan harbours high ambitions for the G20 Summit scheduled on June 28-29. The main three pillars are:

- » Free and fair order for international trade
- » Digital economy
- » Widespread innovation, through developments such as IoT and AI, to addressing global challenges such as the SDGs, marine plastic litter, Africa, climate change, and quality infrastructure

In light of the G20 ministerial statements, also as a reflection of key milestones already enshrined in the Japan-EU EPA or in the TPP-11, there is reasonable hope that the upcoming 'Osaka track' will successfully blow a new breeze into the WTO, in particular to the WTO e-commerce negotiations, to harness the full potential of data and be remembered as **the foundation stone that reset online trust**.

Challenges on the way

Just as in past industrial revolutions, AI brings **societal disruption** with it. It challenges our habits and our built-in comfort with "as is" scenarios. In turn, this triggers a desire to control the future and prevent change from happening.

Security

Like personal data protection, **security** is a driving factor of trust. Governments have to address security gaps via industry- and market-led efforts with a global scope. Openness, transparency, **interoperability** should guide this collective mission. In December 2018, Canada and France have initiated a GIEC-style solution in the form of an International Panel on AI which will continue to be discussed by G7 sherpa track until the Biarritz summit which will aim at achieving a political agreement on the panel.

Not all data is equal

Managing data responsibly through engaging with all stakeholders has allowed some governments or public institutions to shine: New Zealand launched the D9 Platform; the EU

managed to revisit the PSI Directive in record time. Now that governments have led by example, it seems to be a worthwhile objective of public policy to make private data accessible, possibly via EU-wide and safe infrastructure where companies can test how to share data productively in keeping with GDPR and other relevant legislation. Responsible management of data is one thing, separating wheat from chaff by helping **identify high quality data** is another where public authorities should be able to give a hand.

Future of work

Some experts reckon that 85% of jobs available in 5 years do not even exist now. They say that 52% of the European workforce will have to be reskilled. The jury is still out as regards new jobs vs positions lost, but there is a consensus on a **big switch** rather than mass unemployment in the offing. No wonder some people take to the streets to make their discomfort heard, as exemplified by France's Yellow Jackets uprising. Such developments only point to the **need to shape a tech-driven inclusive growth**, not only within specific borders but globally: indeed developing countries are at the forefront of the digital revolution, as illustrated by the amazing achievements of ICT-powered growth across that continent.

Public awareness through mass communication

However genuine and effective the **combined efforts of governments and industries** across the world, the benefits of Global Economics 2.0 will not materialize fully until IoT, Big Data, AI, etc enjoy **unqualified public support**. To this effect, wide-ranging communication tailored to the specific needs of the main constituencies in **civil society** shall **dispel the sense of threat and suspicion** that is growingly associated with online activities.

Main takeaway

In short, international cooperation is well on its way to make the benefits of Global Economics 2.0 available to all. Building on globally agreed principles to facilitate appropriation of cutting-edge technology by all businesses and citizens is the next challenge, with experimentations mushrooming all over the world.

FOR MORE INFORMATION, PLEASE CONTACT:



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