

# BROADBAND BREAKFAST

## Experts Unsure if International Trade Agreements Will Harm or Help Digital Trade

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Experts are citing a lack of consensus on digital norms and regulatory tools between nations as the main reasons for a lack of alignment on international trade agreements.

During a panel hosted by the Cato Institute last Wednesday, experts from around the world gathered to discuss the benefits and drawbacks of creating regulations regarding digital trade.

**Henry Gao**, an associate professor of law at Singapore Management University, blamed different understandings of the relationship between technology, the government, the companies, and the consumer as the reason international trade agreements are difficult to strike. He focused on three models held by the United States, China, and the European Union. He said America has a “firm-sovereignty” model, in which the government allows companies to make regulatory decisions. China has a “state-sovereignty” model, in which the government controls regulations. And the EU has an “individual-sovereignty,” in which the privacy of the individual is of primary concern.

Digital trade has long been at the forefront of American politics, aided by the Trump administration’s tenure of strictly regulating physical products.

### *U.S. leadership in tech, partnerships to pressure China*

Since 2019, the digital space has become a new battleground between China and the United States. According to **Jonathan Hillman**, executive director of Stanford University’s Digital Policy Incubator, China’s digital presence could pose a threat to human rights and democracy. Experts suggest that at this stage, the US must take advantage of emerging technologies and craft its idea of what it wants the digital world to look like.

Hillman suggests that if the U.S. wishes to continue to compete on the world stage, it must begin to treat markets in South-East Asia and Africa as allies against China.

This area of international diplomacy seems to be an area of bipartisan agreement as the Biden administration has yet to undo previous policies that isolate Chinese technology companies. Hillman warned in March that whatever the US approach will be, it will need to be developed soon, because, “We’re living and still learning the consequences of not having done that ten years ago.”