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Emerging Regulation for the Digital Economy: Challenges and Opportunities for Multilateral Global Governance

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The role of information and communications technology (ICT), high-speed communication infrastructure, digital content and the digital economy is expected to grow in the post-pandemic society. Simultaneously, competition for digital technologies and solutions and the contest to influence norms, standards and regulatory mechanisms is escalating. The new regulatory mechanisms and approaches are concurrently being shaped in the key international institutions, including the United Nations (UN), the International Telecommunication Union (ITU), the World Trade Organization (WTO), the Organisation for Economic Co-Operation and Development (OECD), the European Union (EU), the Group of 20 (G20) and the BRICS group of Brazil, Russia, India, China and South Africa.

This article presents analysis of the current cooperation on issues of digital economy regulation within the main international institutions. The study aims to assess the influence of the existing and emerging regulatory mechanisms on the balance of power between the key international actors.

This assessment of the emerging mechanisms’ impact on the balance of power among international actors indicates that advantages and leverage capabilities accruing from them are distributed unevenly. The advanced members of the OECD and the G20 gain significant advantages, and there is a risk that the new mechanisms will consolidate the balance of power embodied by the Bretton Woods system, which has successfully resisted decades-long endeavors for its reform.

However, regulation of the digital economy is not yet built as an established order. A window of opportunity was opened in 2020, not only to implement the G20’s 2008 pledge to reform the international financial and economic architecture, but also to build a new digital economy governance system, ensuring that emerging markets and developing countries have a voice in decision-making commensurate with their weight in the global economy.

The article is structured in three parts. The introduction presents the research questions and objectives and describes the parameters of comparative analysis and influence assessment criteria. The second section reviews the emerging mechanisms and instruments and reflects on their influence on the balance of power. The third section puts forward conclusions and recommendations for enhancing the influence of emerging markets and developing countries on the shaping and functioning of the emerging digital economy’s regulatory mechanisms.

1 The editorial board received the article in August 2020
2 The article was written on the basis of the RANEPA state assignment research programme
Introduction

The role of ICT, high-speed communication infrastructure, digital content and digital economy (DE) as a whole is rapidly growing in the post-pandemic society. Simultaneously competition for digital technologies and solutions is surging, and the contest for influence on the norms, standards and regulatory mechanisms is escalating. Analysis of the cooperation and assessment of the emerging mechanisms impact on the international actors’ balance of power indicates that advantages accruing from the new regulatory instruments and mechanisms and the leverage capabilities are distributed unevenly. The advanced countries-members of the OECD and the G20 gain significant advantages. However, digital economy regulation is not yet built as an established order. How significant are the risks that the new mechanisms will consolidate the balance of power embodied by the Bretton Woods system which has successfully resisted decades-long endeavors for its reform? Is there a window of opportunities not only to implement the G20 2008 pledge on the reform of the international financial and economic architecture, but build a new digital economy governance system ensuring emerging markets and developing countries’ voice in decision-making commensurate with their weight in global economy? What cooperative actions are needed for enhancing the developing countries’ influence on shaping and functioning of the digital economy regulatory mechanisms?

The authors seek to review the existing and emerging mechanisms of digital economy regulation, assess their influence on the balance of power between the key international actors, and evaluate risks and propose recommendations for collective actions aimed at constructing a balanced system of digital economy governance.

Two methodological problems had to be solved: defining the documents’ sample and the criteria for comparative assessment of the institutions’ influence.

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3 This study does not aim to provide the definition of the DE or determine any parameters of its measurement. Many works are devoted to this issue, such as the fundamental article by Bukht and Heeks [2017].

Initially, the authors planned to analyze the entire range of documents of the international institutions considered in this article, which affect the international digital environment and shape the conditions for DE development and international cooperation, including recommendations, principles, reports, declarations, analytical reviews, roadmaps, decisions, initiatives, ratings, indices, best practices, etc. However, the initial selection and analysis showed that despite the influence potential of all the types of instruments listed, some of them could not be attributed as regulatory ones. Therefore, the sample included the existing and emerging legal instruments for regulating DE, analyzed in terms of the following aspects: legal nature; lobbyists and controversies; validity; openness to accession; main provisions of the documents (goals, objectives, principles); areas of regulation; implementation mechanisms; direct participants (signers) and actors indirectly affected by documents. For each document, a conclusion was made regarding its potential to influence the balance of power between international actors and risks it poses to sustainable development and increasing the competitiveness of the Russian economy. The final assessment of each institution’s influence takes into account the assessments for the whole sample of its instruments.

Papers devoted to assessing international actors’ influence mainly consider the influence of states and interaction between them. International institutions research mostly focuses on efficiency issues, rather than influence assessments. For example, Lindoso and Hall [2016] examine various approaches to assessing the effectiveness of international organizations and identify the limitations of these approaches. Lall [2017] uses quantitative evidence to support the idea that international organizations’ ineffectiveness stems from their use by member countries to advance narrow national interests as opposed to pursuing broader institutional goals. A number of studies examine the sources of international institutions’ influence. Heldt and Schmidtke [2017] examine interinstitutional differences and time dynamics of three main sources of influence – objectives, responsibility areas and resources – for six international organizations. Recently, much attention has been paid to assessing the legitimacy of international organizations as a source of their influence. The issues of gaining, maintaining and losing legitimacy from this point of view are discussed by Tallberg and Zürn [2019]. In their fundamental research, Costa and Jørgensen [2012] analyze the influence of key international institutions (WTO, NATO, UN Security Council) on the EU. However, they do not propose any methodology to compare the scope of these institutions influence.

5 The study examined the mechanisms of ITU, UN, WTO, OECD, EU, G20, BRICS, ICANN and ISOC. This article presents an analysis of intergovernmental institutions. The activities and influence of private corporations are discussed in the article by Vasilkovsky and Ignatov in this issue.
Tallberg et al. [2016] propose a performance-based matrix for institutions that can be used for comparative influence assessments. Within the framework of this study, the proposed approach was modified: six parameters (factors) of influence and characteristics of each of them were identified:

1) Dynamics (activeness) of norm-setting – the number of documents, the dynamics of their adoption within the institution’s work cycles, and in the context of changing environment.

2) Coverage (affected areas) – the number of regulatory spheres within the DE instruments affect directly or indirectly, as well as the degree of progress within a specific sphere, which is especially important for specialized institutions.

3) Potential of influence on signatories and actors, indirectly affected by the document, stemming from the dominant type of the documents – standard-setting, regulatory, norm-setting.

4) Degree of binding stemming from the dominant legal nature of the documents – obligatory, recommendatory, declarative.

5) Ensuring compliance – the presence and consistency in applying mechanisms for monitoring and assessing compliance with norms or standards contained in the documents.

6) Target group – the number of actors and target groups, including member countries of a particular institution, other countries and international institutions, and non-state actors.

This set of parameters made it possible to carry out a comparative analysis taking into account the specific activities of the institutions, the typology and nature of instruments they use. For each parameter, a qualitative assessment was provided based on the analysis of the instruments. Then, expert assessment of their quantitative values was made using the following scale: 0 – low, 0.5 – medium, 1 – high. The resulting influence assessment score for each institution was calculated as the arithmetic mean of scores for all six parameters.

Current state of cooperation in international organizations (IOs)

**United Nations**

Russia participates in the work of most key IOs, considering the UN as one of the priority formats, where the Russian initiative is discussed to develop the norms, rules and principles of responsible state behavior in cyberspace. Most experts assess the relationship between large-scale cyber attacks and the collapse of critical infrastructure as one of the key and growing global risks. Issues of international information security (IIS) on the agenda of the UN as the center of international organizations system have a long and difficult history. It started in 1998

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with the draft GA resolution “Developments in the field of information and telecommunications in the context of international security” proposed by Russia [UN GA, 1999]. Created in 2004 [UN GA, 2002], the UN Group of Governmental Experts (GGE) on developments in the field of information and telecommunications in the context of international security presented a report on possible measures to address existing and potential threats in the field of information security at the 60th session of the UN GA in 2005. The United States did not support the draft decision on the report due to differences in assessments of IIS threats, including disagreements on the issue of attributing the use of ICT to achieve military and political goals as such threat [UN GA, 2005]. Despite the contradictions, the number of participants and the range of issues discussed were consistently expanded during the work of the five subsequent GGEs.

By 2016, based on the results the 4th GGE work, approaches were formulated for the development of norms, rules and principles of responsible behavior of states in cyberspace and confidence-building measures. One of the stumbling blocks was the applicability of international law to the use of ICT by states [UN GA, 2015a]. As a result, the 5th GGE (2016-17) [UN GA, 2015b] did not reach a consensus. The initiative of Russia, China and Cuba to create a fundamentally new set of international rules and norms of behavior in cyberspace and establish a special Working Group within the UN, open for all states and guided by the principles of inclusiveness in decision-making, was interpreted by the United States as an attempt to nullify all the progress made by the GGE [The Guardian, 2017]. The United States and its allies proceed from the full and unconditional applicability of existing international law to the use of ICT. According to the Russian position, this approach entails the risks of not taking into account the specifics of the digital sphere (difficulty of identifying the source of a computer attack, possibility of using intermediaries, etc.), arbitrary use of certain international legal norms, including the right to self-defense, and implementation of countermeasures in the digital sphere bypassing the existing mechanisms, including the UN Security Council. 7

As a result of efforts to overcome controversy, two parallel tracks were launched in 2018 – the Open-ended Working Group (OEWG)8 and the Group of Governmental Experts (GGE).9

7 Statement by the representative of the Russian Federation to the First Committee of the 72nd session of the UN General Assembly Vladimir Yermakov in the First Committee on “Other disarmament measures and international security” cluster. Available at: https://russiaun.ru/en/news/1com_intsec2310 (accessed 15 September 2020).

8 The OEWG was established in accordance with the UN General Assembly Resolution “Developments in the field of information and telecommunications in the context of international security” of December 5, 2018 [UN GA, 2018b]. The resolution was promoted by Russia, co-sponsored by 32 countries. 119 UN members supported the resolution (mainly BRICS members (except Brazil), SCO members and other developing countries), 46 – voted against, 14 – abstained.

9 The GGE was established in accordance with the UN General Assembly Resolution “Advancing responsible State behaviour in cyberspace in the context of international security” of December 22, 2018 [UN GA, 2018a], put forward by the United States together with 35 co-sponsors. 139 states supported it, 11 opposed, 16 – abstained. Supporters included EU member states and other developed countries.
The objectives of the OEWG include the development of norms and principles of responsible behavior of states, based on a set of 13 rules, and ways of their implementation. The GGE is mandated to conduct a study of possible joint measures to address the existing and potential threats to information security, norms, rules and principles of responsible behavior of states, confidence-building and capacity-building measures, and the issue of international law application to the use of ICT by states. Despite these common objectives, given the competition between Russian and American approaches, there are high risks of stagnation in the process of developing universal “rules of the game”. Russia participates in the activities of both Groups, seeks to ensure the complementary nature of their negotiation processes and convergence of positions. However, the future document is expected to be based on the principle of the least "common denominator", limiting the UN influence in regulating IIS and strengthening tendencies towards promoting alternative approaches on other platforms [Henriksen, 2019].

**International Telecommunication Union**

The International Telecommunication Union (ITU) is the UN specialized agency in the field of ICT with a unique scope of membership (193 states, as well as about 900 companies, universities, international and regional organizations), as well as the greatest international legitimacy among intergovernmental organizations in this field. ITU sets technical standards and international norms for telecommunications. Its main products, Recommendations, are standards governing the operation and interoperability of telecommunication networks. They are not binding unless they are adopted at the country level. However, due to their high quality, the recommendations are largely integrated into the national legislation of the ITU member states. Just in the Telecommunication Standardization Sector (ITU-T) there are more than 4000 recommendations in more than 20 areas, including: general tariff principles; transmission systems and media, digital systems and networks; protection against interference; construction, installation and protection of cables and other elements of outside plant; data networks, open system communications and security; global information infrastructure, Internet protocol aspects and next-generation networks.

The International Telecommunication Regulations (ITRs) [ITU, 2012], adopted at the World Conference on International Telecommunications on December 3-14, 2012 (WCIT-12) in Dubai are binding for signatories. They replaced the first ITRs adopted in 1988 and signed by 178 countries. During the negotiation process, the Russian delegation proposed expanding the

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10They largely reflect the basic Russian approaches to ensuring international information security. They include: the use of ICT exclusively for peaceful purposes; jurisdiction of states over the ICT infrastructure located within their borders; applicability of the basic international law principles to the use of ICT by states, such as state sovereignty, equality of states and non-interference in the internal affairs of other states; the need to substantiate and prove states’ accusations of organizing and committing illegal actions in the ICT area; the need for further joint collective work with the ultimate goal of developing a universal set of “rules of the game” in the IIB area.
ITU’s powers to control the Internet and granting greater control over information flows to national government agencies.\textsuperscript{11} Russia’s position was supported by seven countries, including China, Saudi Arabia, Algeria, Bahrain, Sudan, Iraq and the United Arab Emirates. This coalition presented its own edition of the ITRs, which envisaged strengthening sovereign control over web addresses, giving states the right to regulate access to sites, assign, seize and distribute IP addresses and domain names.\textsuperscript{12} If this proposal had been accepted, ICANN would have lost its authority to regulate the Internet (it oversees the allocation of domain names and IP addresses in accordance with ITRs-88). The attempt to create an international Internet governance mechanism based on the expansion of the ITU’s mandate under the new ITRs met with stiff resistance from the US, Canada, the UK and the EU. US representative Terry Kramer said that the Russian proposal “implies that Internet traffic can be addressed by countries, and the country will be able to decide how to route traffic ... We treat this proposal with concern” [BBC, 2012]. As a result, the United States opposed any mention of the Internet in the ITRs. The inclusion of the phrase “these Regulations recognize the right of access of Member States to international telecommunication services.” in the ITRs preamble was considered as an attempt to extend the ITRs scope to regulate the Internet and its contents and was used by the US, Canada and the UK as a pretext for refusing to ratify. As a result, 89 countries signed the document that came into force on December 31, 2017.\textsuperscript{13}

The likelihood of creating an ITU-based international mechanism for Internet governance is low. The ITU regulatory influence in DE is limited to the development of recommendations on technology standards, which are non-binding.\textsuperscript{14} In general, the work on technical instruments (ITU-T recommendations) is more successful than on the ITRs.

\textbf{WTO}

Similarly to the IIS, the history of the negotiation process for the development of digital trade rules and regulations is complicated. The Work Programme on Electronic Commerce (WPEC), launched in 1998 with the adoption of the Declaration on global electronic commerce at the Second WTO Ministerial Conference, aimed to create a set of international rules and regulatory standards for e-commerce that would enhance market transparency and

\textsuperscript{12} ITU-SG WCIT12 Contribution 47. Proposals for the work of the conference. Available at: https://www.itu.int/md/S12-WCIT12-C-0047/en (accessed 15 September 2020).
\textsuperscript{13} The USA, Australia, Canada, Japan, India and a number of European countries have not signed the ITRs-12.
\textsuperscript{14} For instance, Recommendation ITU-T Y.2060. Overview of the Internet of things.
predictability. Disagreements on the main “horizontal” areas quickly became apparent: the classification of the content of electronic data transfer; the relationship between e-commerce and development issues; the fiscal aspects of e-commerce (including levies and duties on e-commerce); and application of the existing WTO rules and norms to electronic commerce. By the 2015 WTO Ministerial Conference in Nairobi, the WPEC process had actually been frozen.

Controversial issues relate to both substantive and procedural aspects. There is no consensus on the status of electronic products as goods, services or mixed and, accordingly, on the need to regulate digital trade in the framework of GATT or GATS, as well as on the moratorium on customs duties in relation to electronic data transfer (the moratorium was updated every two years, while discussions continued on securing its permanent status). The African Group [WTO, 2017d], the Least Developed Countries Group [WTO, 2019c], India and South Africa [WTO, 2017b] oppose the moratorium, given the potential economic cost from maintaining it for developing and least developed countries and the negative impact on their emerging digital sectors. Bangladesh has proposed a differentiated approach – duty-free market access is provided by all developed countries as well as willing developing countries for all goods and services from least developed countries exported using digital platforms [WTO, 2017b].

The US and the EU advocate the principles aimed at maximizing the liberalization of information and communication networks and trade in digital services. The United States considers it important to pay attention to new digital products. For example, in 2011, given the growth of the market for mobile applications and cloud computing, it proposed developing the rules for international trade in these areas aimed at reducing cross-border barriers. The US position on regulating cross-border e-commerce has not changed with the appointment of the new presidential administration in 2017. For example, on April 12, 2018, the US made proposals on the basic principles of e-commerce as part of the Joint Statement Initiative on E-Commerce [WTO, 2019b].

The African Group, the Least Developed Countries Group, India, South Africa and Saudi Arabia believe that given the unresolved issues within the current format, it is impossible to start discussions on new problems in new formats. China also supported preserving the WPEC mechanism and proposed to ensure a parallel and complementary nature of work within the

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16 A joint statement from India and South Africa provides an UNCTAD estimate of the potential losses for developing countries from non-application of customs duties on cross-border data transfers - USD 10.075 billion in 2017 (see [WTO, 2018b]).

17 Briefing note: Electronic commerce. Available at: https://www.wto.org/english/dhewto_e/minist_e/min11_e/brief_ecom_e.htm (accessed 15 September 2020).
WPEC and the Proponent Group on Electronic Commerce, formed as a result of the 2017 WTO Ministerial Conference in Buenos Aires [WTO, 2019a]. Brazil’s proposals contain a number of concrete initiatives to revitalize the WPEC debate [WTO, 2018a]. In October 2017, Russia presented a draft decision of the WTO Ministerial Conference, providing for the creation of a Working Group on Electronic Commerce under the auspices of the General Council and extension of the moratorium on imposing customs duties on cross-border data transfers [WTO, 2017c]. Australia, Canada, Chile, the EU, Norway, Paraguay and the Republic of Korea have proposed a similar initiative [WTO, 2017a].

The WTO Ministerial Conference in Buenos Aires (2017) formalized the fragmentation of the WTO dialogue on e-commerce. The proponent group of the WTO members published a joint statement on e-commerce, indicating their intention to carry out preparations for launching negotiation process outside the WPEC.18 In January 2019, 78 WTO members19 initiated a new negotiation process on international regulation of e-commerce.20 Its dynamics are very high. In 2019-2020, seven reports on the progress of this proponent group were registered in the WTO database, as well as 60 documents with proposals and positions of states.21 Obviously, this initiative will face confrontation from the African Group, including South Africa, as well as some G20 members (India, Indonesia and Saudi Arabia) and other emerging economies. This opposition stems mainly from linking negotiating positions on e-commerce with a wider range of international development issues, including those of key importance within the Doha Round (for example, in the field of agriculture). The negotiation process, including within the framework of the proponent group, is also complicated by differences in approaches to regulating the digital sector between the United States, China and the EU, expressed, first of all, in their views on the necessary degree of state involvement. The general crisis of the multilateral trading system and the WTO remains a significant limiting factor. The fragmentation of regulation and negotiation leads to harmonization of rules in the framework of regional trade agreements22 and other multilateral institutions such as OECD and G20.23

**OECD**

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19 The proponent group included, among others, the following G20 members: Australia, Argentina, Canada, Brazil, the EU, China, Japan, Republic of Korea, Mexico, Russia, Turkey, the US.


22 To date, 75 regional trade agreements that include provisions on e-commerce have been concluded [Monteiro and Teh, 2017].

23 Most of the G20 members participate in the proponent group. At the same time, the presence of opponents – India, Indonesia and South Africa – significantly weakens the G20 potential. They did not join the Osaka Track launched at the G20 Summit in June 2019.
Analysis shows the growing OECD influence in regulating the digital economy. The combined economic power and digital leadership of the Organization’s member states are important, but not the only factor of its growing influence. The reputation of the OECD as a unique international expert forum, the quality of its rule-making activities and intensive engagement with partners (international and regional organizations, partner countries and social partners) are also essential.

The OECD is characterized by high dynamics of norm-setting in DE regulation, prompt response to changes, new risks and challenges, regular assessment of the relevance of documents and their revision, if necessary. Currently, there are 19 legal instruments in force. Collectively, the documents are comprehensive, directly covering nearly 30 spheres. By the end of the year, another instrument regulating taxation in the digital economy is expected to be adopted [OECD / G20 Inclusive Framework on BEPS, 2020], and its influence will be determined not only by the number of member countries and G20’s support, but also by the scope of economic consequences of revising taxations laws concerning MNEs’ cross-border activities.

The OECD has a history of regulating different aspects of the digital economy for over four decades. The Guidelines Governing the Protection of Privacy and Transborder Flows of Personal Data adopted in 1980 [OECD, 2013a] became the first internationally agreed document in this area and had a significant impact on the state policies within the OECD and beyond. The general objectives were confirmed in the 1985 Declaration on Transborder Data Flows [OECD, 1985]. In the context of technology advances and increased risk, in 2013 the OECD Council adopted a revised Recommendation Concerning Guidelines Governing the Protection of Privacy and Transborder Flows of Personal Data [OECD, 2013b]. The Guidelines set out the basic principles for national application and international cooperation to realize the goal of promoting free data flows yielding economic and social benefits. Considering privacy as a prerequisite for mitigating the risks and barriers to transborder use of personal data, the Guidelines sought to strengthen cooperation between authorities responsible for enforcing privacy-protecting laws. The corresponding Recommendation was adopted in 2007 [OECD, 2007a].

Given the growing need for cryptographic technologies to protect privacy, including financial and personal data, store and transmit them in order to develop national and global

24 137 jurisdictions are involved in multilateral negotiations.
25 The document is expected to be adopted as a common G20-OECD instrument at the Riyadh Summit on November 21-22, 2020.
26 The current scenario for revising tax rights is estimated to result in a total increase in global corporate tax revenue of 4% or USD100 billion annually. More than half of this amount will be received from largest 100 MNEs [OECD, 2020b]. However, this calculation is based on the agreement option that does not rely on the principle of "safe harbor", which is a condition for the United States support to a multilateral solution (see International community renews commitment to multilateral efforts to address tax challenges from digitalisation of the economy. Available at: http://www.oecd.org/tax/beps/international-community-renews-commitment-to-multilateral-efforts-to-address-tax-challenges-from-digitalisation-of-the-economy.htm (accessed 15 September 2020)).
information and communication networks and technologies, as well as electronic commerce, the OECD agreed on Recommendation concerning Guidelines for Cryptography Policy [OECD, 1997]. This document is aimed at facilitating common approaches in the cryptographic policy of the member countries, compatible, interoperable, portable and mobile cryptography methods, practices and procedures. At the same time, the Recommendation provided a competitive advantage for OECD-based companies to strengthen their positions in the international open cryptography market. OECD member states had an opportunity to promote their methods, procedures and standards as a basis for universal international practices.

Given the critical role broadband plays in the workings of the economy and society, the 2004 Recommendation of the OECD Council on Broadband Development [OECD, 2004] promoted principles policies to assist the development of broadband markets, facilitate efficient and innovative supply arrangements and encourage effective use of broadband services to ensure the competitiveness of OECD member countries.

With an increase in cross-border data flows, there is a growing need for cooperation in combating spam, which causes significant social and economic damage, and establishment of an effective relevant international regulatory framework. The 2006 Recommendation of the OECD Council on Cross-Border Co-operation in the Enforcement of Laws against Spam [OECD, 2006] remains relevant today as the challenges of protecting against spam are aggravated by the digital economy growth and the need to secure the Internet.

The 2007 Recommendation of the Council on Electronic Authentication and the Guidance on Electronic Authentication [OECD, 2007b] have created a framework for compatibility of member countries’ policies on domestic and cross-border electronic authentication of persons and entities. The OECD has taken the initiative to promote such cooperation at the global level with the engagement of relevant international organizations.

In 2008, the Recommendation of the Council for Enhanced Access and More Effective Use of Public Sector Information [OECD, 2008b] was adopted to enhance the use of such information in order to improve productivity and economic efficiency.


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27 In 2019, the global software market size alone was USD7.5 billion, and it is expected to reach USD16.5 billion by 2024. The main players in this market are US companies. The hardware and technology market size in 2020 was estimated at approximately USD296.4 billion. The demand for crypto products and services will grow with the development of the digital economy. Key growth drivers are digitalization, the development of SMEs using new products, and data privacy regulation standards.
developing compatible approaches to Internet governance, based on voluntary codes of conduct and accountability mechanisms, internationally recognized and market-driven security standards and best online security practices. These documents also serve as a basis for building multilateral cooperation to develop globally interoperable technical standards, while creating opportunities for the OECD leading members, primarily the EU and the USA, and their companies to affect this process and global multilateral Internet governance.

The OECD initiative to design and promote policies aimed at expanding the use of green ICTs and “smart” ICT-enabled applications in all sectors, improve policy coordination in this area between member countries and at the international level, resulted in the adoption of Recommendation of the Council on Information and Communication Technologies and the Environment [OECD, 2010]. The Recommendation creates advantages for OECD companies producing and applying green technologies in ICT, energy, transport and other sectors. According to the 2017 assessment, the Recommendation adopted in 2010 remains relevant.

The OECD considers user confidence and protection as key conditions for the digital economy development. Given the rapid changes in the Internet environment, since 2017 the provisions of the 2012 Recommendation of the Council on the Protection of Children Online aimed at creating effective mechanisms and regulation in this area [OECD, 2012b] have been revised. The 2016 Recommendation on Consumer Protection in E-commerce [OECD, 2016a] replaces the first OECD document in this sphere adopted 1999. Their main goal is to create safe and reliable e-commerce environment by ensuring consumer protection, shaping new governance mechanisms, improving regulation, and strengthening cooperation between consumer protection authorities at the international and regional level based on OECD standards and instruments. The 2012 Recommendation of the Council on International Mobile Roaming Services [OECD, 2012a] is intended to ensure consumer protection, fair prices for mobile roaming services, and effective competition in infrastructure, networks and applications.

Critical Information Infrastructure, has modernized the key concepts, expanded the scope of application, and taken into account the experience of implementing the previous documents. The objectives of the document are to develop optimal national policies and regulations that ensure digital security, but do not create barriers that inhibit economic activity, innovation and the digital economy, facilitate regulatory convergence and international cooperation. This cooperation is aimed at ensuring critical infrastructure security in OECD countries, shaping international standards (based on EU and US standards) and fostering the development of a global market for security services and products.

In 2019, two landmark documents were adopted – the Recommendation of the Council on Health Data Governance [OECD, 2019e] and Recommendation of the Council on Artificial Intelligence [OECD, 2019c]. The former document focuses primarily on domestic policies of the member states. Its objective is to improve coordination between different frameworks related to the availability of, access to and use of personal health data both within and across national borders; ensure security, privacy, interoperability and efficient exchange of data based on common principles, including, where appropriate, codes, standards and the standardization of health data terminology. The OECD Recommendation on Artificial Intelligence, called the first intergovernmental standard on AI, is designed to ensure the necessary regulatory environment and standards in OECD countries and encourage their international promotion.

The OECD recommendations are not legally binding, their implementation is ensured by the political will of the members, as well as compliance monitoring and assessment mechanisms provided for and clearly spelled out in all recommendations and consistently applied in practice for their revision and update. The recommendations create opportunities to consolidate and strengthen the influence of the leading OECD members, primarily the EU and the US, both through market mechanisms and agreements with partners and international institutions.

**G20**

The G20 influence on the digital economy regulation is not commensurate with its potential as a premier economic cooperation forum for the world’s leading economies. Since 2016, 11 documents have been adopted both at the leaders’ level and at the level of ministers responsible for the digital economy. 80 specific commitments have been made, and their monitoring demonstrates a fairly high level of compliance.

The first four documents were agreed and adopted at the leaders' level in 2016. G20 Blueprint on Innovative Growth [G20 Leaders, 2016b], G20 2016 Innovation Action Plan [G20 Leaders, 2016a], G20 New Industrial Revolution Action Plan [G20 Leaders, 2016d], and G20 Digital Economy Development and Cooperation Initiative [G20 Leaders, 2016c] were proposed
by the Chinese Presidency to stimulate G20 cooperation in the digital economy and innovation as the drivers of economic growth. Given the potential of new technologies to increase productivity and competitiveness, China and other emerging economies are interested in governing these processes, maximizing the benefits of anticipated technological change and industrial transformation, and mitigating their negative impacts. This initiative was an attempt to integrate developing countries into governing these processes, equalize opportunities for influence in the digital economy and bridge the gap between leading industrialized countries and emerging market and developing economies.

The documents set out the fundamental cooperation principles, directions and measures. A G20 task force was established as a mechanism for implementing the agreed decisions. Supported by the OECD, this task force should ensure cooperation, continuity and consistency, taking into account the priorities of future G20 presidencies. As a result of a compromise between advanced and developing countries, the provisions of the documents, in fact, provide for the development of a G20 dialogue based on the OECD principles and approaches, as well as its mechanisms and instruments, which were created by the leading industrial states in accordance with their interests, capacities and goals. Thus, from the very beginning the documents created opportunities to enhance the OECD influence resulting from the integration of its instruments and mechanisms into the G20 cooperation processes.

The G20 Roadmap for Digitalization [G20 Digital Economy Ministers, 2017], adopted at the first G20 digital ministerial meeting, reaffirmed the guiding principles and priorities of the 2016 documents. The main goals included: bridging the digital divide and using the potential of digitalization for inclusive economic growth; providing regulation that promotes competitive environment in order to encourage private sector investment; supporting the development and use of market- and industry-led international standards for technological products and services; building the trust based on effective protection of consumers’ and intellectual property rights, transparency and security in the use of ICTs. The 2017 documents consolidated the trend towards strengthening the OECD influence stemming from the reflection of its priorities and norms in the texts of the G20 Declaration and Roadmap through direct reference to specific instruments, mandates that strengthen the OECD role, and integration of specific provisions from the OECD documents into the texts without direct references.

In the 2018 Declaration [G20 Digital Economy Ministers, 2018], issues of the digital economy regulation are integrated in cooperation priorities aimed at creating the digital infrastructure for development and growth. Besides, the G20 Digital Government Principles were adopted. Measures were identified to accelerate the creation of digital infrastructure for
development and to bridge the gender digital divide, along with steps to further improve the digital economy measurement.

In 2019, Prime Minister of Japan Shinzo Abe put the creation of an international regime for data free flow with trust as a priority of the G20 presidency. One of the objectives in this regard was the launch of the Osaka Track as a framework to develop international norms for the effective use of data as a source of economic growth, led by the G20. However, this goal was not achieved. Decisions on the digital economy in the G20 Osaka Leaders’ Declaration [G20 Leaders, 2019] are limited to initiating a dialogue on harnessing the potential of data and the digital economy for sustainable growth and supporting the initiative to develop a multilateral agreement on trade-related aspects of e-commerce at the WTO, proposed by the trade ministers of 78 member countries in January 2019. As a result, the document did not change the balance of influence. The dialogue on international norms for the effective use of data as a source of economic growth is carried out within the OECD, whereas the trade aspects of e-commerce are discussed within the WTO. The internal G20 problems did not allow to bring the dialogue to the new level and use the G20 leadership potential to launch a truly ambitious Abe’s initiative.

The 2019 Joint Ministerial Statement on Trade and Digital Economy identified two key areas of cooperation to achieve the goal of “promoting national experiences and international policies to maximize and share the benefits from digitalization of our economies and societies” [G20 Trade and Digital Ministers, 2019]. First, facilitating the free flow of data based on compliance with domestic and international legal frameworks, ensuring their interoperability, protecting privacy, data and intellectual property, and strengthening consumer and business trust. Second, creating conditions for fostering public trust and confidence in artificial intelligence technologies and fully realizing their potential for economic growth and development. The G20 AI Principles drawn from the OECD Recommendation on AI were endorsed and the Recommendations on national policies and international co-operation for trustworthy AI were taken into account (Section 2 of the G20 AI Principles). Regarding security standards, conditions for free data flow and innovation-friendly policies, they are in line with the spirit and letter of the OECD documents on digital security governance, privacy protection and transborder data flows in the digital economy.

The G20 Digital Economy Ministerial Statement adopted in April 2020 seeks to harness the potential of digital technologies and solutions to overcome the pandemic and enable economic recovery. “The COVID-19 Response” [G20 Digital Economy Ministers, 2020] identified six cooperation priorities: communication infrastructure development and network connectivity; exchange of data in a secure manner; research and development of digital technologies for health; use of digital technologies and solutions to enable economic
participation during the pandemic; providing a secure and trusted online environment; encouraging MSMEs transition to digitalized production systems, e-commerce and digital business models.

In the G20 Digital Economy Declaration adopted in July 2020, the ministers reaffirmed their commitment to strengthen cooperation in the digital sphere to overcome the pandemic, ensure recovery, and sustainable and inclusive economic growth. In contrast to the 2019 declaration, the ministers endorsed Section 2 of the AI Principles and made a commitment to advance them in accordance with national priorities. The progress on free data flows with trust and cross-border data flows was less significant, but areas for future work were agreed, primarily the exchange of experience and good practices, including interoperability and transfer mechanisms and privacy enhancing technologies (PETs). The approval of the G20 Roadmap toward a Common Framework for Measuring the Digital Economy and three-tiered definitional framework became the basis for further movement towards interoperability and common standards. In the security sphere, acknowledging that cooperation to advance security in the DE can ensure strong, sustainable and inclusive economic growth was an achievement. The transformation of the Digital Economy Task Force to a Digital Economy Working Group confirmed the increased G20 attention to DE issues and their inclusion in the long-term cooperation agenda.

However, despite a wide range of priorities, G20 cooperation in the digital sphere has not become one pillars for achieving the goal of strong, sustainable, balanced and inclusive growth. The objective of integrating developing countries into shaping the DE regulation was not achieved. The engagement with international organizations in the Digital Economy Task Force has so far created additional opportunities for these institutions themselves, rather than strengthened the potential for G20 influence. The Japanese presidency’s priority of launching the discussion on international norms for the effective use of data as a source of economic growth, with the leading role of the G20, was not realized. Parameters of G20 cooperation tend to be based on the OECD principles and approaches. Of course, their use cannot be a priori considered as contradicting the interests of developing and emerging market economies. However, through the G20 cooperation on the development and use of market- and industry-led international standards for technology products and services that are consistent with international rules and contribute to increased interoperability and security in the use of ICTs, the OECD creates advantages for promoting technology companies, products, services and developments of its leading member countries. At the same time, the integration of DE regulation issues into the G20 agenda creates potential opportunities for developing countries’ influence on future DE regulation, which they cannot otherwise use in the OECD.
Digitalization as a separate cooperation area for the first time appeared on the BRICS agenda during the Russian 2015 presidency. Russia proposed to hold the first communications ministers meeting and establish a special working group. By 2020, BRICS members have made 37 commitments on ICT development and digitalization. Overall, six documents of the “five” can be attributed to the digitalization sphere.

The ICT Development Agenda and Action Plan [BRICS Working Group on ICT Cooperation, 2016] adopted in 2016 represent an attempt to create a digital partnership and develop a roadmap for interaction between the BRICS countries to bridge the digital divide. The documents identified the key cooperation areas and priorities. However, they were not followed by any systemic measures to implement the Agenda.

The Framework for BRICS E-commerce Cooperation [Russia and China, 2015] and the BRICS E-commerce Cooperation Initiative [BRICS CGETI, 2017], aimed at deepening BRICS cooperation in this area, did not set the objective of shaping a collective BRICS position on relevant issues. Nevertheless, the implementation of some practical steps envisaged by the Framework could facilitate the BRICS coordination and promotion of common positions, for instance, in the G20 and the WTO.

The BRICS Action Plan for Innovation Cooperation (2017-2020) [BRICS Science, Technology and Innovation Ministers, 2017] approved the long-term BRICS priorities, including in the digital technologies area. Its implementation, along with the BRICS Science, Technology and Innovation Work Plan for 2019-2022 [BRICS Science, Technology and Innovation Ministers, 2019], should help accelerate the development and implementation of innovative solutions in advanced industries of the five countries to ensure sustainable economic development and bridge the digital divide.

The Work Plan for the BRICS Partnership on New Industrial Revolution (PartNIR) adopted in 2019 [PartNIR, 2019] includes a wide range of measures to promote the digital economy development; create new engines of growth and infrastructure development to meet the needs of the New Industrial Revolution; ensure industrial transformation of the BRICS countries. Filling the initiative with specific innovative projects and large investments, and establishing a powerful platform for innovative development can provide significant support for strengthening the digital economy cooperation between the five countries and bridging the digital divide in terms of innovation performance and practical implementation of digital technologies for long-term growth. As of 2020, the BRICS countries agreed on the terms of reference of the
Partnership Advisory Group and updated its Work Plan, but so far, these decisions have not been implemented.

The issues of DE regulation are currently not explicitly included in the BRICS agenda, as there are no documents containing the decisions and / or collective positions of the "five". Obviously, this reflects contradictions between the members on the issues of security in the use of ICT and electronic commerce. It is also obvious that in order to ensure the new DE regulation is in line with the interests of BRICS and other developing countries and emerging market economies, it will be necessary to consolidate the political will to overcome contradictions and act as a collective actor.

**European Union**

The EU is strengthening its influence in the international DE regulation. In 2020, it adopted a new Digital Strategy. One of its four goals is to secure the EU’s status as a global digital economy leader by developing and promoting digital standards and regulation using the full set of regulatory, diplomatic and technological means, external financing and development assistance instruments, as well as the authority and status of the EU and its member states in international organizations and agreements [European Commission, 2020].

The first Digital Single Market Strategy of 2015 included three pillars: better consumer access to digital goods and services across Europe; creating conditions for digital networks and innovative services to flourish; maximizing the growth potential of the digital economy. Since 2015, more than 30 regulations, directives and decisions have been approved, mostly focused on internal regulation. However, many of them have implications for external actors, as they actually set the entry and conduct rules for the EU market. Regulation covers the areas of taxation, facilitating and strengthening connectivity, e-commerce, consumer protection, data protection and processing, media and copyright, and cyber security. The full review requires a separate study, so we will provide just a few illustrative examples.

The Proposal for a Council Directive laying down rules relating to the corporate taxation of a significant digital presence [European Commission, 2018a] aims to ensure that profits are registered and taxed in states where businesses have significant digital interactions with users. The document defines the rules for establishing the tax base for digital companies that operate

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28 They manifest themselves in the dialogue on IIB within the UN. In the framework of the BRICS Working Group on Security in the use of ICTs, there is also no consensus on approaches to creating a legal framework for intra-BRICS cooperation on security in the use of ICT. The Russian Federation proposes the development of an intergovernmental agreement between all BRICS countries, Brazil - the development of bilateral agreements between the countries.

29 They manifest themselves in the WTO (WPEC and JSEC).

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cross-border without having any physical presence in a jurisdiction, “significant digital presence” indicators,\(^{31}\) and principles for determining taxable profits in the EU member states. The new regulation applies not only to corporate taxpayers established in the EU, but also to businesses that are registered or incorporated in any non-Union jurisdiction that does not have a double taxation treaty with a member country, where the taxpayer has a significant digital presence.

The Proposal for a Council Directive on the common system of a digital services tax on revenues resulting from the provision of certain digital services [European Commission, 2018b] should extend the tax regime to those digital activities of companies that are not yet taxable, but are profitable for agents carrying them out.\(^{32}\) Many EU member states are either in the process of adopting taxes on digital services or have already adopted them, for example, Austria (5%, December 2019), France (3%, October 2019), Hungary (7.5%, June 2019), Italy (3%, January 2020), Slovakia (limited list of digital services, 5%, March 2018) [KPMG, 2019]. This gives the Commission an argument for adopting a unified approach at the EU level in order to ensure uniform taxation of digital services across the Union, prevent fragmentation of the digital single market and eliminate the potential for unfair competition between jurisdictions.

No consensus has yet been reached on these initiatives. Large countries, primarily Germany, France and Spain, advocate the adoption of both legislative initiatives. Countries that have specially adjusted their tax regime in order to attract large corporations’ offices (for example, Ireland) to their jurisdictions oppose a common European tax and advocate the need to work in this area within the OECD. In March 2019, the Economic and Financial Council decided to continue its work towards an agreement at the OECD level. If no agreement is reached by the end of 2020, the EU will continue its internal tax reforms. In this case, the member states will be able to collect VAT from companies generating profits in their jurisdictions, which now enjoy the advantage of being registered in jurisdictions with more favorable tax regimes. The Commission’s coordinating role in the tax area will also increase. This measure will affect large businesses (American and Chinese digital and Internet giants, including Facebook, Google, Amazon, Ali-Baba) and will not put an additional burden on small businesses.

\(^{31}\) A “significant digital presence” is considered to exist in a member state in a tax period if the business carried on through it consists wholly or partly of the supply of digital services through a digital interface and one or more of the following conditions is met: total revenues obtained in that tax period and resulting from the supply of those digital services to users located in that member state exceed EUR 7 million; the number of users of one or more of those digital services exceeds 100 thousand; the number of business contracts for the supply of any such digital service exceeds 3,000.

\(^{32}\) Mainly digital interface services with the total amount of taxable revenues obtained by the entity within the Union during that financial year exceeding EUR50 million.
Other examples of the EU regulation’s influence outside the Union include Regulation (EU) 2019/1150 on promoting fairness and transparency for business users of online intermediation services;\textsuperscript{33} Regulation (EU) 2016/679 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data;\textsuperscript{34} Directive (EU) 2018/1808 amending Directive 2010/13/EU on the coordination of certain provisions laid down by law, regulation or administrative action in Member States concerning the provision of audiovisual media services.\textsuperscript{35}

Although the EU is not the leader in terms of the number of high-tech companies, it consolidates regulatory leadership and the ability to enhance its influence on other actors based on other factors. The attractiveness of the EU consumer market determines the need to follow its rules. The advantages of the EU also include a well-developed bureaucratic system that can pass regulatory documents quite effectively; very strong and comprehensive legal system, ensuring law enforcement; a kind of moral leadership that allows the EU requirements to be promoted as a priori correct; and significant EU’s role in international organizations.

**Conclusions and Recommendations**

The analysis indicates that advanced countries – members of the OECD, EU and the G20 have significant advantages for strengthening their influence through the existing and emerging mechanisms of digital economy regulation (Table 1).

**Table 1. Assessment of the IIs influence on digital economy regulation**

<table>
<thead>
<tr>
<th>Institution</th>
<th>Dynamics of the norm-setting</th>
<th>Scope of the spheres the regulation impacts directly and indirectly</th>
<th>Influence potential stemming from the dominant type of the documents</th>
<th>Degree of binding by the dominant legal character of the documents</th>
<th>Compliance ensuring mechanisms</th>
<th>Target group</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>UN</td>
<td>0.5</td>
<td>1</td>
<td>0</td>
<td>0.5</td>
<td>0</td>
<td>0.5</td>
<td>0.42</td>
</tr>
</tbody>
</table>

\textsuperscript{33} Any online platform or search engine willing to enter the European market and work with European consumers and businesses must comply with the requirements set out in the Regulation [European Parliament and Council, 2019].

\textsuperscript{34} The Regulation sets out the rules regarding the protection of individuals in relation to the processing and free movement of personal data. It applies to any actors (state and non-state) who in any way process any data of the EU citizens or do it on the EU territory. Companies based outside the EU must apply the same rules when offering services and goods or tracking people’s behavior within the EU. In addition, the regulation sets out rules for the EU’s provision of data to other countries and international organizations, which explicitly contain requirements for the protection of human rights and the rule of law. Given the possible contradictions and the obvious political aspect of this issue, the EU may refuse some actors (states and their companies) that do not comply with the EU requirements to process the data of its citizens [European Parliament and Council, 2016].

\textsuperscript{35} The requirements set out in the directive apply to all audiovisual content entering the EU [European Parliament and Council, 2018].
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| ITU  | 0.5 | 1 | 1 | 0.5 | 0 | 0.5 | 0.58 |
| WTO  | 0.5 | 1 | 1 | 1 | 0.5 | 1 | 0.83 |
| OECD | 1 | 1 | 1 | 0.5 | 1 | 1 | 0.92 |
| G20  | 1 | 1 | 0 | 0 | 0.5 | 1 | 0.58 |
| BRICS| 0.5 | 0.5 | 0 | 0 | 0.5 | 1 | 0.42 |
| EU   | 1 | 1 | 1 | 1 | 1 | 1 | 1 |

*Source:* compiled by the authors

The risks of deadlock in the negotiations on international information security are high due to the US and Russia competing approaches in the Group of Governmental Experts and Open-Ended Working Group, respectively. Problems stemming from these risks include obstruction of the UN influence in regulating IIS and strengthening of trends to promote alternative approaches on other platforms. A number of factors can be used to ensure progress. Working in both groups Russia could prioritize forging a consensus on the rules, norms and principles of responsible behavior of states deferring the issue of a new treaty on cyber security. This approach conforms to Russia’s principled position on central role of the UN, its universal norms of the international law and the UN Charter [Ministry of Foreign Affairs, 2019]. It will help preserve the influence, facilitate the process within the UN, and help de-securitize cooperation on digital economy concentrating security issues in the UN and economic issues – in other fora, such as the G20.

The probability of an agreement on the new International Telecommunication Regulations might have been higher if the proposal would have been limited to the expansion of the ITU competencies to Internet governance with a division of competencies between the ITU and ICANN. However, the proposal on the members’ sovereign right to establish and implement public policy, including international policy, on matters of Internet governance, and to regulate the national Internet segment, catalyzed opposition. As the result, only 88 members joined the Regulations, while 188 countries signed their previous version in 1988. However, the impact of ITU Recommendations on technology standards is still high. In this regard, cooperation in the ITU on developing recommendations on new technologies such as the Internet of Things and the fifth generation of mobile technologies (5G, or IMI-2020) is more productive and should be enhanced.

Substantive deliverables on e-commerce two-track negotiations at the WTO’s 12th Ministerial Conference (MC12) in Nur-Sultan, June 202136 would require significant endeavors. Russia could contribute to agreeing shared rules, promoting the two negotiating processes complementarity, as well as transparency and openness of the JSEC initiative for all WTO

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members. It could use the proximity of approaches on substantive and procedural issues for facilitating the dialogue with the EU and China in the WPEC and JSEC. The cooperation would also be useful for the EU-Russia relations. With Russia’s mediation the BRICS could become an important platform for bridging the positions with India and South Africa. Simultaneously, cooperation on e-commerce regulation should be promoted in the Eurasian Economic Union.

The OECD recommendations are positioned as regulatory, normative and value reference point, form common standards for the member states and are promoted in international practice through cooperation with non-members within multilateral, regional and bilateral, as well as markets mechanisms. Influencing the international regulation, the OECD members, primarily the US and the EU, build the global market for goods and services conforming to their standards. This creates advantages for the OECD members’ companies and technologies which are positioned as complying with the best standards, norms and principles. The main risks for non-members stem from the absence of opportunities for participation in and influence on the new regulatory instruments and mechanisms.

The EU is enhancing it influence on the digital economy regulation both within and beyond the Union. The EU Digital Strategy adopted in 2020 includes actions aimed at developing the digital single market and promoting the EU digital standards and regulations globally. Given the EU role as one of the key economic partners it is vital that Russia monitors and assesses the impact of the EU legal initiatives undertaken in implementation of the Strategy on the EU-Russia trade and economic cooperation. It is especially important in the context of Russian goals of expanding digital products exports. Given the EU influence in international institutions, consolidation of efforts would be consequential, wherever it meets Russia’s interests. For instance, European and Russian interests coincide on the digital economy taxation rules negotiated in the OECD. Taxation of large corporations with significant digital presence generating revenue in the Russian market would increase budget incomes without exacerbating the tax load for national companies. As one of the EU priorities is the promotion of its standards and regulation in the CIS countries, including the EEU members, positive agenda should include the development of the EEU digital economy regulation with due account of the best EU and OECD practices, as well as building cooperation between the EEU and the EU, thus balancing the influence and creating conditions for the EEU-EU cooperation in other spheres.

The G20 influence on the digital economy regulation is not commensurate with its role as a premier economic forum the world’s largest economies cooperation. The arguments in favor of strengthening the G20 cooperation on digital economy are manifold. Most importantly, the G20 has a successful experience related to the reform of global financial regulation and digital
economy development is mandatory for attaining the G20 goal on strong, sustainable, balanced and inclusive growth.

The post-pandemic recovery needs, the established foundation of cooperation and the G20 2020 decisions create a window of opportunities for upgrading cooperation and enhancing the G20’s role in shaping the digital economy governance. This is important in view of minimal scope for developing and emerging market economies’ influence in the OECD, difficulties experienced in the UN and the WTO negotiation processes and absence of the BRICS decisions on digital security, Internet governance, digital infrastructure development and other digital economy regulation priorities.

Integration of the DE regulation issues into the G20 agenda would create opportunities for enhancing the developing and emerging market economies’ influence on the fledgling regulation. Even if the initiatives are deliberated based on existing or evolving OECD documents, as might be the case with critical infrastructure security, Artificial Intelligence Principles or Recommendations on Consumer Protection, there will be more room for the developing countries’ interests’ consideration in the G20. In the context of anti-pandemic measures and bolstering health systems, there is a need for strengthening data governance.  

In this regard and given the importance and role of data for the DE, as a first step the G20 initiative on data governance could be put forward with the aim of developing common approaches to data governance at the national and international levels, including issues of availability, accessibility, integrity, use and security.

Moreover, in view of the digital platforms’ influence on economy and society, their regulation, extensively discussed in recent years [Dominioni, 2019], should be considered in the G20. The problem of the digital platforms regulation cannot be resolved at the national level, though such proposals have been elaborated. There is also relevant experience [European Parliament and Council 2019], plans and proposals [Strowel and Vergote, 2016] at the EU level. The OECD is currently studying the economic and social impact of platforms [OECD, 2019a].

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37 The identified cooperation areas include agreeing on principles to ensure privacy, trust, accessibility and exchange of data; improving national policies; building capacity to use and share data across sectors and countries [OECD, 2019a].

38 Progress in the digital transformation of the economy and society largely depends on the quality and accessibility of data. According to OECD estimates, data access and exchange can provide an economic growth increase of 0.1% to 1.5% of GDP in case of public sector data, and of 1% to 2.5% of GDP if private sector data are considered [OECD, 2019b].

39 For instance, for the US proposals see [Kimmelman, 2019; Feld, 2019; Stigler Center and Chicago Booth, 2019]. For the UK proposals see [Digital Competition Expert Panel, 2019].

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2019a] and discussing approaches to their regulation, primarily in terms of taxation [OECD, 2019f, p. 12].

The establishment of a new institution responsible for the development, coordination and monitoring of the DE regulation with participation of key international organizations and invited countries, can reduce the risks of legitimizing the norms and standards formed by the OECD through the G20. In analogy with the Financial Stability Board, it can be called the Digital Stability Board [Fay, 2019]. This cooperation mechanism may help avoid the crisis caused by the weakness of the DE regulatory system similar to the 2008 crisis rooted in the systemic financial regulation problems. Simultaneously it would enable major developing and emerging market economies participation in shaping global governance and regulation of the digital economy.

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