



REPORT: WORKSHOP ON «ECONOMIC REGULATIONS IN A DIGITAL WORLD»

BY G. BEAUMIER & K. KALOMENI

Despite its many benefits, technology is often seen as an uncontrollable force that is capable of the best as the worst. To better understand the complex relationship between new technologies and global governance, two GEM-STONES' fellows, Guillaume Beaumier (Univ. of Warwick & Uni. Laval) and Kevin Kalomeni (LUISS & Uni. Laval), and one GEM alumni, Jacob Hasselbach, organized a workshop in Toronto on 26th of March entitled "Economic regulations in a Digital World". The workshop more precisely aimed to bring new light on how global actors can spur technological innovations while also maintaining a stable and fair global economic system.

In this context, 20 scholars hailing from all over the world, including Canada, the U.S., Europe and China, came together and discussed 15 original papers. The papers looked at important recent technological breakthroughs, such as Blockchain, Internet-of-Things, Fintech, Big Data and High-Frequency Trading, from a wide-array of perspectives and questioned the role played by both private and public actors in regulating them. Key questions asked included: What do technological innovations mean for state's regulatory capacity and sovereignty? To what extent have digital technologies empowered new private actors? And, how can traditional market structures and actors adapt to technological innovations?

Among the points raised, one that drew a lot of attention was the growing use of intellectual property regulations by firms to drastically change the concept of ownership in a digital economy. As the digitization and servicification trends intensify, many private companies effectively move away from the pure sale of goods towards licensing. As a result, consumers no longer have complete control over the physical products they buy. This actually caused some public outrage when farmers supposedly owning John Deere's tractors realized that they couldn't use them as they pleased. They notably couldn't make any changes to John Deere's software, which in turn can severely limit what they can do with their own tractors.

This question of ownership also relates to growing issues of data protection and privacy. As firms

collect more and more data about consumers through the use of their products, questions are being raised regarding who actually owns the information produced by consumers. More broadly, the privacy issue has also brought to light the problem of having an electronic borderless world that overlaps with political systems with fundamentally different values. As the EU and US notably differ in their view of what privacy means and how it should be regulated, there is a risk that new barriers are erected in the digital world. To resolve this, many jurisdictions, including most notably the European Union, are now working hard to project their standards globally. The existence of various forums and institutions (e.g. bilateral trade agreements, WTO, OECD, Council of Europe, etc.) where this issue is discussed however shows how hard it is for states to navigate an increasingly complex international system.

Through the discussions, it was moreover clear that digital technologies do not impact only public actors. In effect, digital technologies are also the theatre of intense fighting between private actors themselves. Crypto-assets' technologies are an instance of this as it is being increasingly used to challenge traditional economic structures and players. By integrating values in the technological structure, specific private actors try to change the rules of the game to their own advantage. They notably try to circumvent traditional trusted third parties (e.g. Banks, financial intermediaries, etc.) by changing our perception of trust and risk in a digital environment. This is not without consequences for

the United States, which has traditionally played an important role in preserving trust in the global marketplace.

In addition to how technology forces us to review our conceptualization of trust, it also puts into question our understanding of space and time. As digital technologies specifically allow financial trading to occur as fast as a pico-second, it is increasingly hard for scholars and policymakers to come to grips with what the capacity of doing actions at such a speed actually means. Will we be forced to surrender the governance of systems moving at such a pace to computers and bots? One clear answer to this, and many challenges brought about by digital technologies, is that it should not be forgotten that the digital world was built by purposive agents. This is particularly important to understand how discrimination that occurs in the physical world is often replicated in the online world.

One last important point that came out of the workshop is that interstate-competition should not be forgotten. As technology becomes a new field of confrontation for enhancing and exercising structural power, states are moving towards digital mercantilism to compensate their weaknesses. Often supported by their private actors, who feel that they are fighting unequal battles with the U.S. tech giants, Canada, the EU and China are increasingly using regulations to create better

structural conditions. This however poses many problems as multilateral cooperation remains a necessity to deal with many issues like taxation in a digital world.

As a follow-up to these intense discussions and to contribute to the current debates on the regulation of digital technologies, a collective publication is currently being worked on. A future event at the Institut d'études européennes of the Université libre de Bruxelles is also being planned with the aim of discussing the results of the workshop at greater length with a broader audience of academics and policymakers. We, the organisers, actually hope that the workshop in Toronto was only the start of an intense academic collaboration that will result in new contributions to the exciting field of research of technology and economic governance.

We finally want to thank Ulla Härmälä, Frederik Ponjaert and Jean-Frédéric Morin from the GEM-STONES' community for their generous support in organizing the workshop, which would not have been possible without them. We are also extremely thankful for the financial support that was given to us from the GEM-STONES' project and two GEM-STONES' partner institutions: Université Laval and Istituto Affari Internazionali. The event was also generously funded by the Government of Canada through an SSHRC Connection Grant.

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Kevin Kalomeni's doctoral research looks at 'Designing Regulatory Cooperation: A Story on Trade, Bureaucracy and Standards'. Currently a visiting researcher at the Université libre de Bruxelles in Belgium, Kevin will receive a joint doctoral degree from the LUISS Guido Carli di Roma (Italy) and the Université Laval (Canada)



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This project has received funding from the European Union's Horizon 2020 research and innovation programme under the Marie Skłodowska-Curie grant agreement No [722826].