

## 3.4 Global vs Regional vs Local



**While many support further globalisation of data, others seek to assert stronger regional and national control to protect citizens and strengthen economies.**

In many circles, there is a strong assumption that global 'Big Tech' firms can and will continue 'doing what they like'. But there is powerful sentiment, especially in fast-growing regions such as Africa and India, that governments should assert more control over data, to protect citizens' rights, develop the economy, and maintain a sense of cultural identity. This is creating potential conflict with those seeing global data flows as key to economic growth.

If the world was ruled by a single authority making wise, legitimate decisions and capable of implementing them efficiently and effectively, life would be simple. But it isn't. Instead, our reality is extremely complex. We are governed by a myriad of different authorities with overlapping jurisdictions and widely varying histories and culture, definitions of who 'we' are, interests, incentive and priorities, and powers. The overlapping nature of these jurisdictions means there is often confusion or conflict about who should have, or who has the right to deal with specific issues, so that multiple parties

all feel they should be the ones in charge. While on the other hand, some issues fall between multiple stools with no one taking responsibility.

The data revolution is unfolding in this context. It is creating an urgency for new understandings, rules of conduct, and so on, but confusion as to who is best to lead in their creation; triggering 'turf wars' as different parties seek power and influence, creating new arenas and flashpoints of conflict as well as new requirements and opportunities

“There needs to be a framework of common principles allowing public and private use of data across multiple jurisdictions. To achieve this, first there has to be global collaboration around a universally agreed set of standards.”

Hong Kong workshop.

### Problems and Dilemmas:

- When is it necessary/desirable for data to flow across national borders?
- What different rules should be applied to different types of data (e.g. personal, non-personal), different circumstances and use cases?
- Which bodies, at what level (local, regional, global), are best placed to take the lead on this?
- How to ensure a) their legitimacy in the eyes of key stakeholders, and b) their effectiveness?
- How to address key stakeholders' concerns (e.g. the dangers of a new 'data imperialism', the risks that constrained data flows could undermine innovation and economic prosperity)?
- How can countries ensure that they benefit from the data they produce?
- Do new innovations around AI and Machine Learning need a different form of governance and regulatory approach?

## What We Heard

In workshops around the world, we heard the same basic refrain. Data has thrown up many new issues, and policy makers and regulators need to catch up. We heard calls for more regulatory action wherever we went. Likewise, the need for greater collaboration and coordination between government and industry. But there was no clear consensus as to who should, or is best placed to, address these challenges, and at what level: 'local' (i.e. national), regional (e.g. EU), or via some global body?

Various solutions were explored. They fell broadly into three different options:

- Global regulatory body
- Regional regulatory bodies: America, the European Union and a China-centric Asia
- National regulation

In a world of multiple overlapping jurisdictions, a common feeling was that: first, the management of data throws up issues that are so universal in their significance, for example around privacy, ownership, ethics, and 'fair shares' of value, that common solutions need to be found; and second, that no existing organisation is currently able to take this role. As a result, many suggested that we need a higher-level body which could set things straight, for example in terms of creating an ethical framework to establish principles and practices common to all.

The idea first came up in Bangalore, which suggested that *"the creation of a World Data Council may well facilitate international negotiations."* Such a Council could help develop consensus around issues such as *"data sovereignty, and to negotiate cultural differences around privacy, for example."* Some drew comparisons to the efforts made around establishing a collective approach to climate change. In Hong Kong, the suggestion was that there should be *"a framework of common principles allowing public and private use of data across multiple jurisdictions. To achieve this, first there has to be global collaboration around a universally agreed set of standards."* Workshops in Jakarta, Bangkok, Singapore, Mexico, and London all called for *"an independent global data regulation framework (maybe like the G20)."*<sup>7</sup> In Dakar, the call was for *"governments and nations (and perhaps even organisations) to start thinking seriously about the construction of a Data Vision... a strategic template for the use of data and data-driven technologies."* Whichever the favoured approach, it was clear that there is a common appetite for a higher, independent authority to set the standards, define the common ground, and ensure balance and independence.

But who, or which organisations, will be trusted, and able to take the lead on this? While across the discussions, there was a universal desire for ‘someone else’ to come and sort out how to regulate data, many in our workshops were aware that global alignment may be too hard to achieve, not just because of the scale of the challenge and the agreements required, but also because of mistrust between some governments and multinational corporations. This was particularly evident across Africa, India, and in some parts of Asia, but was also recognised in mainland Europe.

The World Economic Forum is just one of several major organisations trying to develop an international, collaborative, global approach, however, few in our workshops felt it would be effective.<sup>8</sup> In Madrid, for example, opinion was that *“dominant Western services, built by Western engineers, reflecting Western values, and built on Western data, will increasingly be seen as either imperialist, irrelevant, or inappropriate in different cultural regions.”* Overcoming conflicting political imperatives and competing commercial interests will therefore remain extremely challenging.

## Regional Regulation

A more practical option, perhaps, is a regional approach to data regulation. Regional bodies can deal with these complex issues more easily in a local cultural and political context. In Europe, the EU is already supporting new doctrines that are producing regional rules on privacy, data, and espionage. In Pretoria, it was suggested that a pan-African solution to data regulation could work; *“ideally this should emerge as a regional set of standards rather than just a local one, as this would both help to improve impact and prevent individual governments from increasingly using data regulation to drive top down state control of very powerful individual data sets.”*<sup>9</sup>

Many we spoke to are keen to learn from others. For example, participants in both Asia and Africa are watching the progress of the EU's GDPR regulation with interest, and may well support similar measures. *“GDPR will change the data landscape in Nigeria, and bring in new standards”* It is not only Europe that is showing leadership here. China's economic clout and growing influence across Asia and Africa may mean that there is a swing towards their walled garden strategy. It will be interesting to see which will ultimately dominate.

Again and again across Africa, we heard that *“the liberal economy or capitalist / Western society currently has a stranglehold on the poorest countries,”*<sup>10</sup> and that *“African data should stay on African servers.”*<sup>11</sup> The rationale behind this is so that local data can be more easily accessed and used to benefit the local economy, but also to prevent (largely US) multinationals from extracting the value of African data for themselves. Preserving cultural data was specifically prioritised in Kenya and Nigeria - *“cultural data is an asset store, and this should be licensed – it should be seen as intellectual property.”*<sup>12</sup> In Dakar, there was a call for *“data to be used in the national interest, not simply for the benefit of international companies.”* In a fast-growing continent, which has already had bitter experience of exploitation by the West, there is little appetite to allow data to become yet another resource which is extracted for another country's profit.

## National Regulation

The pros and cons of national regulation were widely discussed and often seen through the lenses of data sovereignty and data localisation, both of which restrict the flow of data across borders. Data sovereignty makes data subject to the laws and governance structures within the nation it is collected, and data localisation restricts data flows across borders by either mandating companies to keep data within a certain jurisdiction, or by imposing additional requirements before it can be transferred abroad. The objectives behind these restrictions can be diverse, and include privacy, cybersecurity, national security, public order, law enforcement, taxation, and industrial development, amongst others. Both approaches appeal to a growing sense of national identity, and support for them is gaining traction in a number of markets we visited, particularly in Africa and Asia.

In highly populated nations such as China and India, there was a view that confining access to national data will facilitate economic growth, build or protect political power, and increase local innovation. In Africa, this view was combined with a strong sense that there is a need to stop *“expatriate organisations grabbing the opportunity”* and protect citizens from *“data colonisation.”*<sup>13</sup> Coincidentally, in Europe, although there is a general desire for open data flows, there is also a sense that this has to be carefully balanced against the principle of privacy as a human right.

Proponents of cross-border data flows argue that local legislation undermines free trade by adding onerous and expensive obligations for businesses. These include building, operating, and maintaining data centres in multiple countries, as well as creating and updating separate data sets – even if they are a mirror of those held elsewhere. Add to that the inconvenience of having to go through a number of regulatory approvals to either operate in a

market or comply with specific sector rules, and it's clear, they argue, that this restricts opportunity.<sup>14</sup> A 2016 report suggested that the effects of liberalising existing measures could add an estimated 8 billion euros per year to the European economy alone.<sup>15</sup> In emerging economies, some felt that the continued imposition of localisation measures will not only impact economic growth, but they will also have a negative impact on social development. In Dakar, it was observed that *“protectionism and boarded approaches to data could lead to a stifling of innovation, social uprising, mistrust in the potential for data to do good, suppression of whole segments of the world population, and large-scale state corruption.”* Others pointed out that localisation potentially weakens national security – the more data centres there are, the more opportunities hackers have to target.

Keeping up with and capitalising on the growth and use of data will not be possible without the growing pains of adjusting regulation to account for this expansion. Looking ahead, it is clear that new techniques and legal constructs must be devised to ensure that we are able to extract value from data, while continuing to protect individuals' rights and acknowledging cultural differences. Quite how to achieve this in an effective and beneficial way is not quite so obvious.

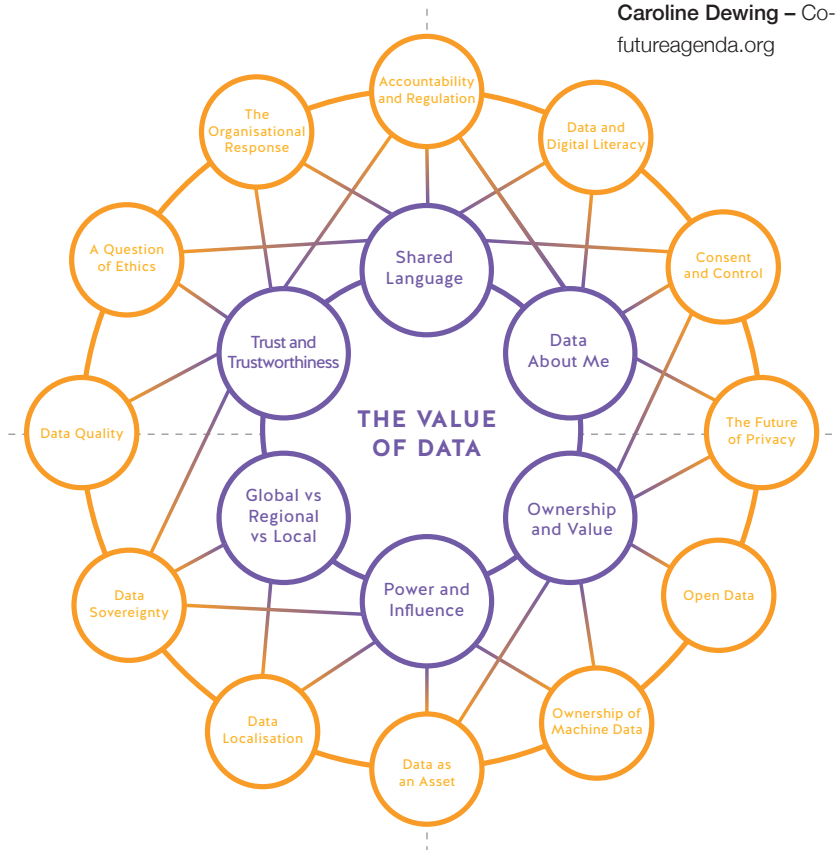
## Context

This is one of 18 key insights to emerge from a major global open foresight project exploring the future value of data.

Throughout 2018, Future Agenda canvassed the views of a wide range of 900 experts with different backgrounds and perspectives from around the world, to provide their insights on the future value of data. Supported by Facebook and many other organisations, we held 30 workshops across 24 countries in Africa, Asia, the Americas, and Europe. In them, we reviewed the data landscape across the globe, as it is now, and how experts think it will evolve over the next five to ten years.

The aim of the project was to gain a better understanding of how perspectives and priorities differ across the world, and to use the diverse voices and viewpoints to help governments, organisations, and individuals to better understand what they need to do to realise data's full potential.

From the multiple discussions 6 over-arching themes were identified alongside 12 additional, related future shifts as summarised in the diagram below.



Details of each of these, a full report and additional supporting information can all be found on the dedicated mini-site: [www.deliveringvaluethroughdata.org](http://www.deliveringvaluethroughdata.org)

## About Future Agenda

Future Agenda is an open source think tank and advisory firm. It runs a global open foresight programme, helping organisations to identify emerging opportunities, and make more informed decisions. Future Agenda also supports leading organisations, large and small, on strategy, growth and innovation.

Founded in 2010, Future Agenda has pioneered an open foresight approach bringing together senior leaders across business, academia, NFP and government to challenge assumptions about the next ten years, build an informed view and establish robust growth strategies focused on major emerging opportunities. We connect the informed and influential to help drive lasting impact.

For more information please see: [www.futureagenda.org](http://www.futureagenda.org)

For more details of this project contact:

**Dr Tim Jones** – Programme Director,  
[tim.jones@futureagenda.org](mailto:tim.jones@futureagenda.org)

**Caroline Dewing** – Co-Founder, [caroline.dewing@futureagenda.org](mailto:caroline.dewing@futureagenda.org)

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London  
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