

DTE Index

Erik van der Marel

ECIPE / ULB

E

From the database to index

- Database descriptive measures as input
- Needs to be put in quantifiable output
 - Follows similar approaches as done before
 - Similar OECDs PMR and STRI

From the database to index

- Methodology, see report
- Results, see next event
 - Here to discuss priorities of policies
 - What do we see if linked to existing variables?

Methodology

- Scoring
 - Non-binary, i.e. think “AVE”
 - Scale varies from 0 (most open) – 1 (least open), with intermediate steps
- Weighting
 - Unweighted (transparent) vs weighted (expert)
 - Contribution to trade costs. Digital difficult, but DTE spans multiple areas

Four clusters

- A: Fiscal restrictions
- B: Establishment restrictions
- C: Data policies
- D: Trading restrictions



Equal importance

Cluster A

Chapter	Category	Weighting
A. Fiscal Restrictions		
1	Tariffs and Trade Defence	0.40
1.1	Applied tariffs on digital goods	0.80
1.2	Antidumping, CVD & Safeguards	0.20
2	Taxation & Subsidies	0.20
2.1	Discriminatory tax regime on digital goods and products	0.30
2.2	Discriminatory tax regime on online services	0.30
2.3	Taxation on data usage	0.20
2.4	Subsidies and favourable tax regime	0.20
3	Public procurement	0.40
3.1	Preferential purchase schemes covering ICT products, services	0.60
3.2	Surrendering of patents, source code etc.	0.20
3.3	Technology mandate (encryption, formats)	0.20

Cluster B

Chapter	Category	Weighting
B. Establishment restrictions		
4	Foreign investment	0.30
4.1	Restrictions on ownership	0.50
4.2	Restrictions on board of directors and managers	0.10
4.3	Screening and restrictions on cross-border mergers and acquisitions	0.30
4.4	Other	0.10
5	IPR	0.30
5.1	Patents	0.30
5.2	Copyright	0.30
5.3	Trade secrets	0.30
5.4	Other	0.10
6	Competition policy	0.30
6.1	Competition	0.90
6.2	Other	0.10
7	Business mobility	0.10
7.1	Quotas, Labour Market Tests and Limits of Stay	0.90
7.2	Other	0.10

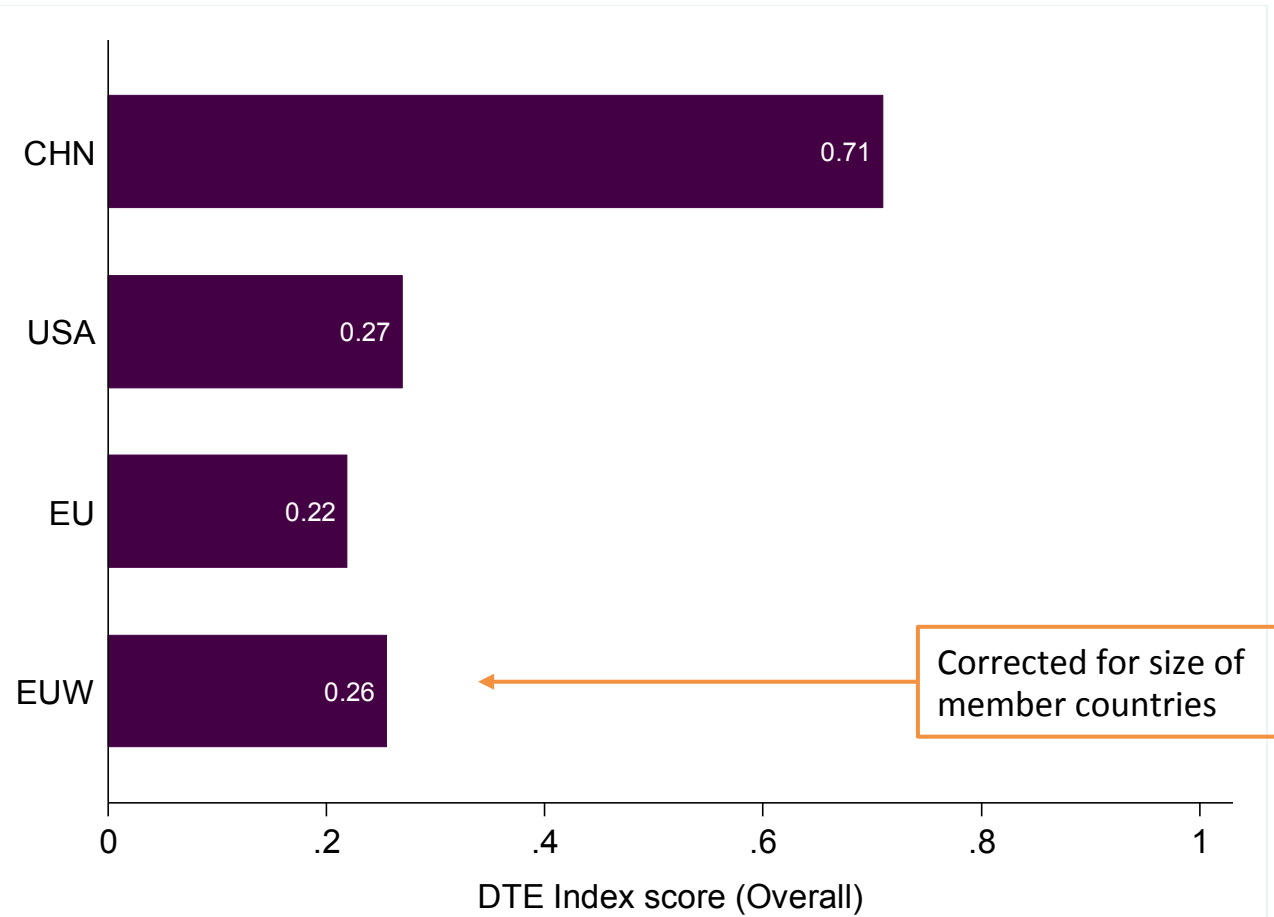
Cluster C

Chapter	Category	Weighting
C. Restrictions on data		
8	Data policies	0.40
8.1	Restrictions cross-border on data flows	0.50
8.2	Data retention	0.15
8.3	Subject rights on data privacy	0.10
8.4	Administrative requirements on data privacy	0.15
8.5	Sanctions for non-compliance	0.05
8.6	Other	0.05
9	Intermediary liability	0.30
9.1	Framework that provides a safe harbor	0.60
9.2	Notice and takedown requirement	0.30
9.3	Other	0.10
10	Content access	0.30
10.1	Censorship, filtering	0.70
10.2	Bandwidth, net neutrality	0.20
10.3	Other	0.10

Cluster D

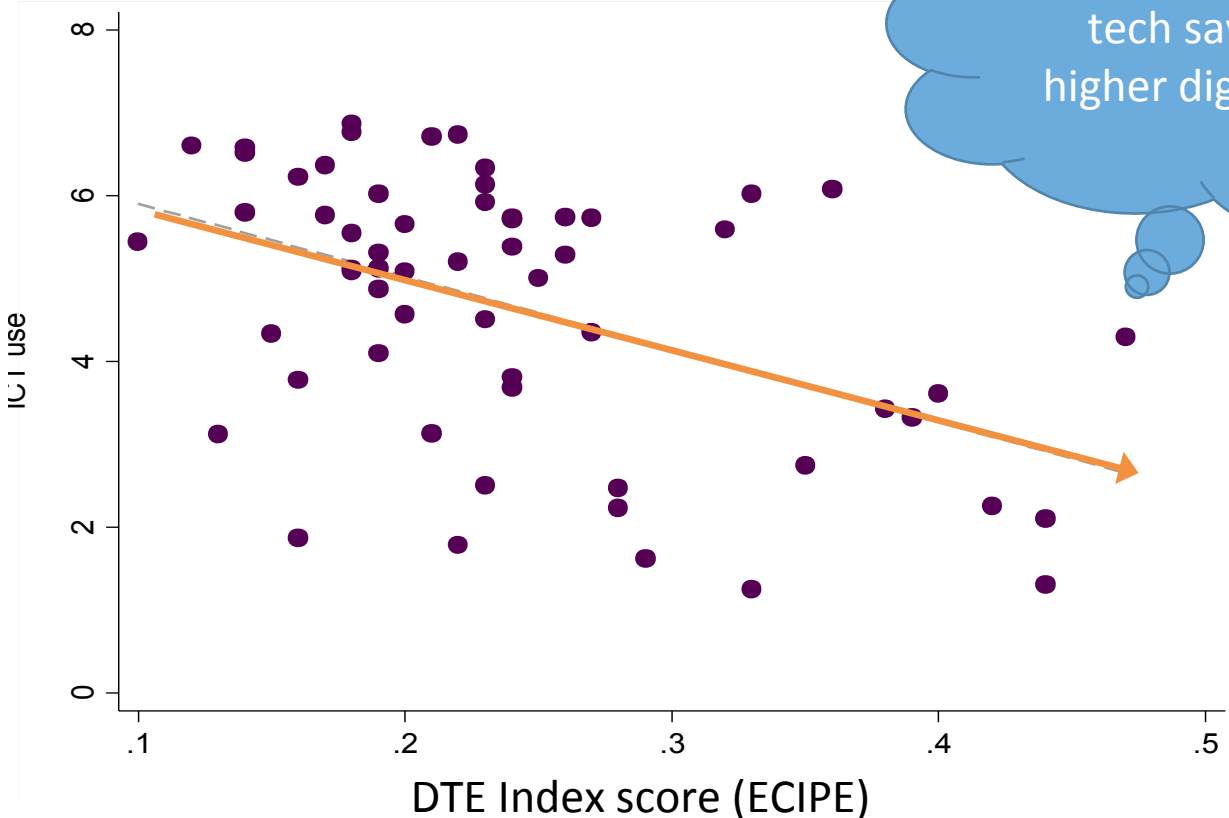
Chapter	Category	Weighting
D. Trading restrictions		
11	Quantitative Trade Restrictions	0.33
11.1	Import restrictions	0.60
11.2	Local Content Requirements for commercial market	0.30
11.3	Export restrictions	0.10
12	Standards	0.33
12.1	Telecom network and base standards (Non-international broadband, mobile, and ICT product standards)	0.20
12.2	Product safety certification (EMC/EMI, radio transmission)	0.20
12.3	Product screening and testing requirements	0.30
12.4	Encryption	0.20
12.5	Other	0.10
13	Online sales and transactions	0.33
13.1	Barriers to fulfillment	0.50
13.2	Domain name (DNS) registration requirements	0.25
13.3	Online sales	0.15
13.4	Discriminatory/disproportionate consumer protection	0.10

Some first results



Technological readiness

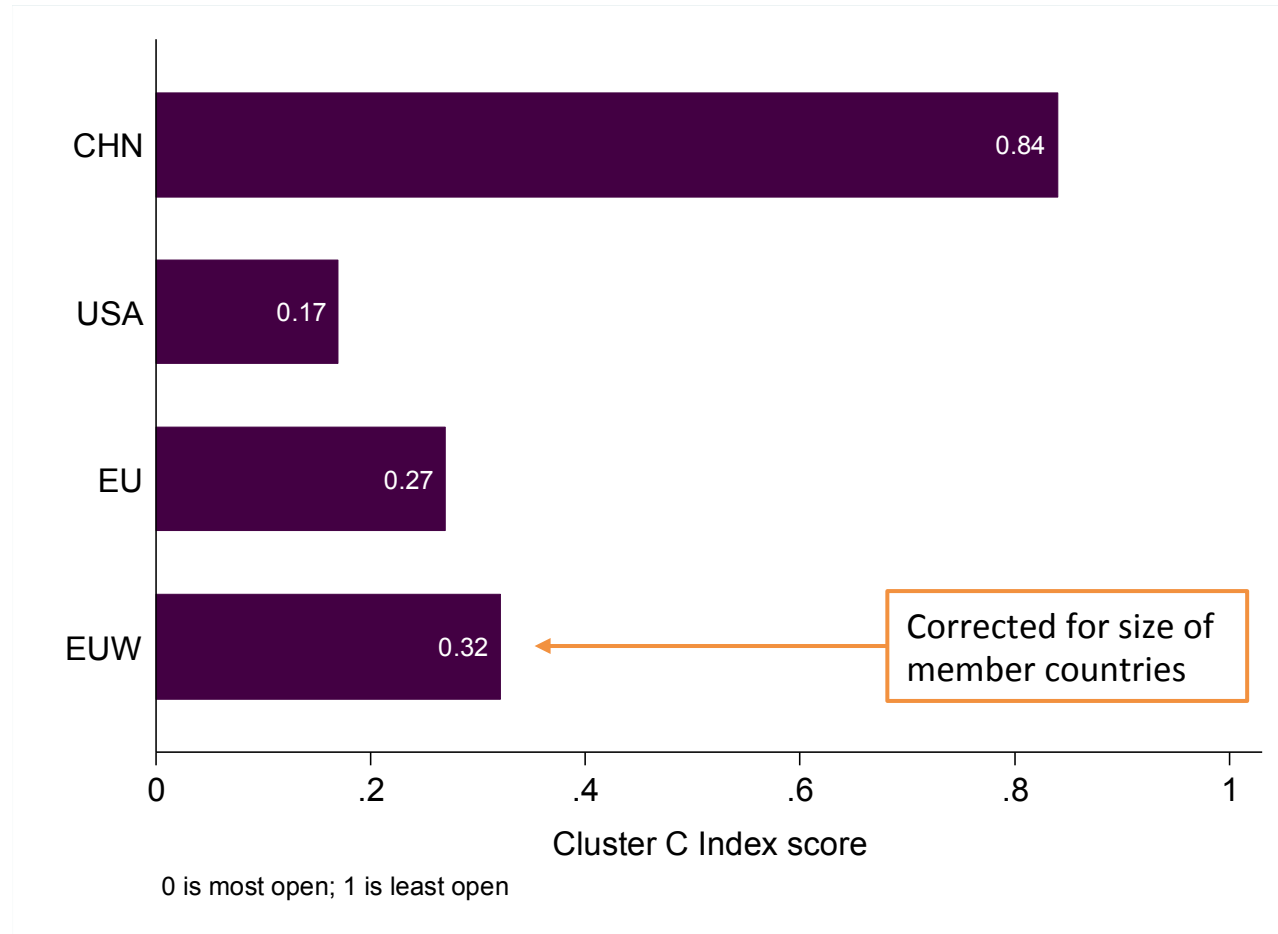
ICT use of countries (WEF)



Countries which are less tech savvy also have higher digital restrictions



Cluster C: Data policies



Conclusion

- Policy implication
 - Policy could really do something to let countries capitalize on tech
 - China most restricted
 - EU less restricted compared to USA, either way; not for Cluster C
 - Why, in terms of political economy, Cluster C in EU more restricted?