

Advancing a Jobs-Centric Digital Trade Policy

What is a Jobs-Centric Digital Trade Policy?

BSA | The Software Alliance supports a digital trade policy that benefits communities and workers through good jobs with good wages. A jobs-centric digital trade policy can focus resources on strategic export sectors that offer well-paid jobs in today's digitized economy – where there is room for further job growth.

One such sector is software. The US software industry supports a large US trade surplus, [\\$103 billion in annual US R&D investments](#), and [16 million jobs](#) nationwide, including 12.5 million jobs outside of the technology sector. These jobs pay more than twice the average US wage and that are often accessible with a vocational or technical degree.

A jobs-centric digital trade policy that protects overseas market access for US digitally enabled exports will open doors to America's future as a global leader in trade, technology, and innovation. US exports of digital services exceed \$500 billion, and US exports of aircraft, automobiles, machinery, and other increasingly connected devices also exceed \$500 billion, for a total of roughly \$1 trillion in digitally enabled exports. Digital trade supports commerce in all sectors, with over [75 percent of the value](#) of cross-border data transfers accruing to industries like agriculture, manufacturing, and logistics.

Addressing Digital Trade Barriers Threaten Jobs

This economic activity is under increasing threat as a growing list of countries erect digital barriers that undermine market access for US digitally enabled goods and services, and the workers that design, produce, and deliver them. By some reports, digital trade barriers have [increased by over 800% since the late 1990s](#) – especially in countries that have adopted restrictions modeled on the 2017 China Cybersecurity Law and related measures. Such barriers hurt workers and impede foreign market access for US exports of aircraft, vehicles and other connected devices, as well as services, that depend upon Internet-, wireless-, and satellite-based communications and other IoT functionality for their sales, operation and support.

According to USTR's [National Trade Estimate](#), a growing

number of trading partners are adopting digitally restrictive measures following digitally authoritarian models that undermine US democratic values and strategic interests. These measures undermine our security; our innovative edge; and our workers' livelihoods.

Supporting Digital Skills For an Advanced Manufacturing and Services Workforce

As USTR has stated, "[the key to our global competitiveness and creating shared prosperity begins at home.](#)" A jobs-centric digital trade policy begins with support in skills development to support US advanced manufacturing and services jobs in a global digital economy. This means upfront investments in computer programming, software coding, and other digital skills – the skills that are needed to design and build the advanced, connected goods and services demanded in today's economy, and to compete in connected agriculture and other core industries.

A proactive public-private 21st century workforce development initiative – effectuated through national, regional, and sectoral digital upskilling efforts – can help workers build export competitiveness, acquiring the software-related skills needed to compete globally. Greater coordination among unions, private enterprises, and local, state, and federal authorities can help bring greater focus and resources to these efforts.

A four-year degree is often not necessary to acquire the coding and other skills necessary for software jobs. [Transform Your Trade](#) and similar programs connect workers with software training opportunities in the manufacturing and service sectors across [all 50 US states](#), the [private sector](#), [community colleges](#), vocational schools, and apprenticeship programs. And there is room for further growth, as an estimated [1 to 2 million ICT- and software-related jobs](#) continue to go unfilled in America, especially in the manufacturing sector, where [40 percent of manufacturers urge greater investment in skills for advanced manufacturing](#), including software engineering, computer-aided design and manufacturing (CAD/CAM), industrial machinery mechanics, and Computer Numerical Control (CNC) machinery operations.

Government and private sector representatives should work to create new pathways to increase opportunity among communities whose access to these digital job training opportunities has been limited to date. Easing access to digital upskilling programs is also a priority, whether through tax credits; public or private grants, scholarships, loans, or matching funds; apprenticeship programs, and so forth. Finally, expanding access to broadband Internet and to computers and other ICT equipment is also a key aspect of building US export competitiveness.

The US government and private sector should adopt a more robust and coordinated *ex ante* approach to developing the skills needed to benefit from job opportunities relating to digitally-enabled exports.

Negotiating an Indo-Pacific Economic Framework that Benefits Workers

A jobs-centric digital trade policy will benefit from expedited negotiation of new [Indo-Pacific Economic Framework](#) that can create new market opportunities and support jobs in fast growing, knowledge-intensive sectors, such as digitally enabled manufacturing and services, where the US economy is primed for further growth. This Framework can help focus efforts on the world's fastest growing economic region and a key market for US exports.

If done right, an Indo-Pacific Economic Framework would help level the playing field by lowering digital trade barriers that impede exports of goods and services produced by workers at home. This is particularly true in the Indo-Pacific region, as reflected in growing acceptance of cross-border data restrictions, efforts by the most digitally restrictive economy to accede to [the CPTPP](#) and [the Digital Economy Partnership Agreement](#), and the lack of meaningful digital and cross-border data disciplines in the [Regional and Comprehensive Economic Partnership Agreement \(RCEP\)](#).

Ensuring that Workers and Citizens Get the “Benefit of the Bargain”

A jobs-centric digital trade policy depends upon workers and citizens deriving the “benefit of the bargain” from US digital trade policy. It is critical to ensure that US digital trade policy prioritize enforcement of existing commitments and that any future framework contain an effective enforcement mechanism. In addition to building out the roster of negotiators to draft and conclude strong digital disciplines, it is also important to retain lawyers with the requisite knowledge and to analyze and combat unfair and discriminatory practices that threaten US jobs and exports in digitally-enabled goods and services.



A Jobs-Centric Digital Trade Policy Requires:

1. Supporting Digital Skills For the Advanced Manufacturing and Service Workforce
2. Negotiating an Indo-Pacific Economic Framework that Benefits Workers
3. Ensuring that Workers and Citizens Enjoy the “Benefit of the Bargain”
4. Building Public Trust From the Start

Building Public Trust From the Start

The US government is right to seek a “[durable trade policy that benefits a broad range of stakeholders by rebuilding trust with our workers and aligning our domestic and foreign policies](#).” From the start, it is incumbent to build public support for a jobs-centric digital trade policy, including for any Indo-Pacific Economic Framework. This means showing, up front, what the benefits are, and how workers, citizens, and small businesses can secure them. Ongoing and transparent consultations with legislative representatives, and proactive public messaging from the Administration, are critical to building this confidence. For this economic framework to be seen as an opportunity, and not as a threat, Americans need the confidence that they can secure the information, training, and tools needed to unlock its benefits.