

Advancing a Jobs-Centric Digital Trade Policy

What is a Jobs-Centric Digital Trade Policy?

BSA | The Software Alliance advocates a digital trade policy for the middle class – one 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 ample room for further job growth.

Software supports nearly 16 million jobs nationwide, including 12.5 million jobs outside of the technology sector. These are jobs that pay more than twice the average US wage; that are often accessible with a vocational or technical degree; and that are often in export competitive sectors. These jobs are growing fastest in states including Florida, Idaho, New Hampshire, New Mexico, South Carolina, Tennessee, Texas, and Vermont. 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.

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.

Digital Trade Barriers Threaten These Jobs

This economic activity is under increasing threat as countries erect digital barriers that undermine market access for US digitally-enabled products and services, and the American 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 been pressured or persuaded to adopt restrictions modeled on the 2017 China Cybersecurity Law and related measures. Such barriers hurt American workers and impede foreign market access for American-made products and services that depend upon Internet-, wireless-, and satellite-based communications and other IoT functionality

for their sales, operation and support. These practices – often modeled on policies intended to benefit the world's largest protected market and authoritarian regime – undermine our security, our innovative edge, our workers' livelihoods, and future.

Supporting Digital Skills For an Advanced Manufacturing and Services Workforce

A jobs-centric digital trade policy begins with support in skills development to support American 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 products 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 – drawn around a national digital workforce development vision and effectuated through regional and sectoral digital upskilling efforts – can help American workers build digital literacy and competitiveness, acquiring the software coding and other digital skills needed to compete globally. Greater coordination among unions, private enterprises, and local, state, and federal authorities (e.g., Departments of Labor and Commerce, and the Small Business Administration) can help bring greater focus and resources to these digital upskilling efforts.

A four-year degree is often not necessary to acquire the software coding and other digital skills necessary for software jobs. 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, broadening access to computers and other ICT products is also a key aspect of building US digital trade competitiveness.

Reducing Digital Trade Barriers Worldwide

A jobs-centric digital trade policy will benefit from expedited negotiation of digital trade commitments that can create market opportunities and support American jobs in fast growing, knowledge-intensive sectors, such as digitally enabled manufacturing and services, where the US economy is primed for further growth and job creation. These negotiations should include the WTO Joint Statement negotiations on electronic commerce, among others.

The global trade system is built on a shared understanding that international trade flows can create economic opportunity, but that each government is free to take necessary measures to achieve its legitimate policy objectives, and that such measures should be non-discriminatory, should be developed in a transparent and accountable manner, and should be designed to be interoperable with other countries' legal frameworks. This shared understanding has provided the foundation for 75 years of global economic opportunity and growth. These principles apply to cross-border flow of goods, services, and investment. Yet, these principles do not unequivocally apply to the cross-border flow of data. In disregard of these principles, several major US trading partners contend that they should be free limit and discriminate against US digitally-enabled exports at will.

This is the core challenge facing US exports of digitally-enabled goods and services, and an American workforce that increasingly depends upon those exports for its livelihood.

New digital trade commitments can level the playing field by lowering foreign digital trade barriers that harm US goods and services exports. The United States is already one of the least digitally trade restrictive economies in the world. When other countries reduce digital trade barriers as the United States has already done, the United States will benefit.

Ensuring that American Workers Get the “Benefit of the Bargain”

A jobs-centric digital trade policy depends upon Americans getting the “benefit of the bargain” from US digital trade policy. It is critical to ensure that US digital trade policy prioritize enforcement and that future digital trade commitments be subject to dispute settlement provisions. Also, in addition to building out the roster of USTR digital trade negotiators to draft and conclude the strongest digital trade provisions possible, it is also important to retain litigators with the requisite knowledge and to analyze and combat the unfair trade barriers that threaten American jobs and exports in digitally-enabled products and services.



A Jobs-Centric Digital Trade Policy Requires:

1. Supporting Digital Skills For an Advanced Manufacturing and Services Workforces
2. Reducing Digital Trade Barriers Worldwide
3. Ensuring that American Workers Get the “Benefit of the Bargain”
4. Building Public Trust From the Start

Building Public Trust From the Start

From the start, it is incumbent to build public support for a jobs-centric digital trade policy. 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. Digital trade should be seen as an opportunity, not as a threat, and Americans need the confidence that its government will help provide the information, training, and tools they need to unlock the benefits of digital trade.