



Conversation Part 2: Disruptive technologies - A case for regulatory change Guiding questions:

Why are collaborative approaches needed to support innovation, investment, socio-economic growth and digital development in this new normal we are experiencing? What are the lessons learned?

First I would like to stress that the role of regulators is to promote with every means available the innovation process brought by the digital technologies, which are the driving force in bringing the digital development.

The collaborative approach or more specifically the collaborative regulation supports the innovation, investment, socio-economic growth and digital development in a different way for each one of them and to a different extent. In the case of investments, the supporting impact is obvious and can even be quantified. As an example in telecommunications, in the case of the mobile network infrastructure we can mention the sharing investment agreements (passive sharing, co-location, site sharing, RAN sharing, backhaul sharing etc.) where the benefits from the collaboration can produce significant financial savings incurred by the cost sharing among the collaborators.

Consequently, since the other 3 elements (innovation, socio-economic growth and digital development) are highly dependent economically on the size and type of investment outcomes, the benefits stemming from the investments can be reflected to them, even with a multiplier effect. The collaborative approach represents a crucial driver for the socio-economic development, while by facilitating the penetration of digital technologies will create new markets, will offer new types of employment and will contribute to the innovation process for the benefits of the consumers and business. Also the collaborative approach will offer additional benefits to the business sector by harmonizing rules and by ensuring a consistent implementation of policies and of regulatory frameworks that have evolved independently in many sectors over the years. The collaborative approaches are broadening out the regulatory frameworks beyond the narrow ICT sector to embrace and underpin all sectors of the digital economy.

Regarding the lessons learned during the last year concerning the digital responses to COVID- 19 pandemic, we consider that the digital technologies are playing a catalytic and a direct role in efforts to manage our lives even in an environment with minimum economic activities and trying to find some ways to contain the pandemic. In particular, AI and associated technologies such as machine learning are finding innovative applications to a wide array of COVID-19 driven challenges. Still the collaborative approach took a special meaning during this pandemic and proves its importance in dealing with the COVID-19.

Access to data and to computing power are key inputs for this process and in this respect some of the collaborative initiatives played an important role.

The crisis has also illustrated the capacity of regulators for agile, adaptive and innovative action, and lessons can be drawn for flexible and responsive regulation for the post-crisis period.

In the short-term, regulators led and took part in a suite of short-term emergency measures during the COVID-19 crisis. These have targeted immediate threats to the operation of markets and have addressed issues such as continuity of service, the increase in vulnerable customers and the financial security of operators. Regulators have also adjusted their regulatory practices to reduce the burden on market actors and at times, on their own resources.

In the longer-term, the transparent monitoring and phasing out of emergency measures will be important to maintaining predictability of state action in the economy. The rapid implementation of a wide range of measures following a

collaborative approach has been a stress test for evidence-based, outcome-based, incentive-based, holistic decision-making. Where requirements for ex-ante impact assessments and public consultations were waived or diminished, post-implementation reviews for maximum accountability will help to maintain trust in regulatory decision-making.

How can cross border cooperation support digital transformation and innovative technologies across sectors?

Our interconnected and globalized world through the integration of the world economy is characterized by a level of regulatory coordination which may not be sufficient. This represents a trans-boundary challenge and this situation enables some firms to avoid regulatory compliance, thus altering the equal competition conditions. As an example, in the case of data-driven companies these firms don't comply with data protection and data sharing rules, a fact which necessitates in some cases the regulatory arbitrage.

These data-driven markets due to their characteristic of cross-jurisdictional operation can be profited by the lack of trans-boundary regulatory coordination and can enjoy some privileges. These characteristics, combined with the fact that, digitalization results to large increases of cross-border flows and transactions, necessitate the undertaking of International Regulatory Cooperation.

International Regulatory Cooperation may be seen as a necessary strategy to bridge the gap between the domestic nature of rulemaking and the increasingly international dimension of issues that laws and regulations aim to address. The need for co-operation with other countries is necessary in order to promote the diffusion of good practices and the development of digital transformation.

Regulating without consideration for the international context is likely to result in unnecessary regulatory divergences across countries. While the underlying laws and regulations may not deal with trans-boundary issues, their divergences across jurisdictions may be costly to market participants, to consumers/users and to governments, thus inhibiting the progress of digital transformation. There are areas where regulatory differences are justified by differing consumer preferences or specific country conditions (geographic or other). There are nevertheless cases where divergences in regulation are purely the results of non-transparent regulatory practices and regulators working in isolation. In these instances, some of the unnecessary costs of regulatory divergences may be addressed to limit frictions on international flows, investments or others.

The cross-border cooperation represents an important driving force for the support of innovative technologies. As an example, we can mention: Cross-border research on AI which is significant as an international co-operation initiative.

Another example is the adaptation of national blockchain strategies across countries. This initiative calls for a globally coherent approach for the adoption of the Distributed Ledger Technologies (DLT).

Moreover, international cooperation in innovative technologies should contribute to the economic policy objectives, enhancing external competitiveness, creating a level playing field and opening up new markets for companies utilizing innovative technologies.

Furthermore, international openness of the innovation eco-systems promotes a level playing field, opens markets for companies and enhances supply and demand of innovative technologies. Further activities under this strategy should extend support to joint and coordinated funding of global industrial research and innovation cooperation, so as to strengthen the digital economy and industrial competitiveness.

Finally, by converging the national regulatory regimes, we can facilitate the cross-border sharing of information and knowledge, reduce the regulatory burden for licensing and create an environment favorable to digital transformation.

The relevant International Organisations as ITU and World Bank can play a vital role in bringing together Governments and Regulatory Authorities as well as in continuing the development of their operational tools such as guiding principles and best practices proposals.