

The Sixth IMF Statistical Forum

ONE-ON-ONE DISCUSSION.

November 20, 2018

ONE-ON-ONE DISCUSSION: Christine Lagarde (Managing Director, IMF);
Jim Balsillie (Chair, Centre for International Governance
Innovation)

SUMMARY OF DISCUSSION

The conversation between Ms. Lagarde, the IMF Managing Director, and Mr. Balsillie commenced immediately after the keynote speech with a discussion of the value of data and Mr. Balsillie's call for a need to think about a governance system that benefits society in the digital age.

Mr. Balsillie discusses how the value of data is symptomatic of the value beneath it. He advocates that one needs GDP but also other indicators (such as, cyber security resilience and distributional information) to understand the many facets of the modern, digital economy. Ownership of data is a combination of content and consent that is a challenging issue that is being discussed in various fora. The governance system in this ideas economy needs to be updated to overcome the geopolitical legal structures in which the strong have a disproportionate say.

Mr. Balsillie says higher protection of IP does not spur innovation it just drives more inequity and entrenches the holder of the IP rights. It is a system based on rent extraction. He posits what happens when machine learning can generate more IP in a day than a nation state in a year and industrializes the IP creation function. He thinks that IP protection is excessive but that some protections of IP are needed, thus a rethink on how international trade agreements are developed is needed. In the end, Mr. Balsillie is an optimist and believes the potential for growth and welfare is unbounded.

Seeds of multiple divides may be growing in the digital age: skilled versus unskilled workers, those who will earn a decent living and those who will not, urban versus rural, young vs older, men vs women. Mr. Balsillie believes that one can bridge these digital divides through education but, education is not sufficient. He believes that governance is needed to ensure that the benefits of the data-driven and knowledge-based era are reasonably distributed. What you measure and properly frame provides information for effective policymaking and it is better to provide information that is generally correct than perfectly wrong. Mr. Balsillie

believes that a dashboard of indicators is an appropriate way to provide the measurement tools.

QUESTIONS AND ANSWERS:

Questions focus on (i) risks associated with the digital economy; (ii) a governance structure based on common interest; (iii) and IP cross-licensing agreements. Mr. Balsillie believes that the risk of actors using personal data to manipulate the political space is greater than the risk of job loss due to automation. The changing nature of work can be managed with appropriate adjustment systems but the loss of the democratic space is much more critical. As for the splintering of the Internet, Mr. Balsillie is not as concerned. He thinks that nations can find common interest to the lay the groundwork for good data governance. Potential common interest could be defending against toxic nonstate actors, avoiding an extreme collision, and a respect for flexibility in the policy space of nations or zones.

Cross-licensing arrangements of intellectual property are very common. Businesses use these agreements to obtain a “freedom to operate” which basically gives the business the right to test or commercialize a product without infringing on the IP rights of others. These are generally barter-type transactions where no explicit monetary transaction is made. Mr. Balsillie noted that the cross-licensing arrangements are not very transparent, and it would probably be hard to get the information from businesses.