Challenges with cross border data

What is the issue?

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In the present digital era, the governance of cross-border data is a major challenge for countries.

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What is cross border data?

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- The increased digitalization has made data an input to commerce, and made data of one nation to travel to another.
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- It is a simple fact that international trade involving consumers cannot take place without collecting and sending personal data across borders.
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- It makes industries streamline their business practices and increase efficiency.
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What are the global dilemmas in addressing this?

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- Governance of cross-border data through trade agreements is a major challenge for countries, since it is difficult to regulate.
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- There are differences among countries in outlooks and approaches to data security and its commercial use.
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- Many countries consider fundamental rights of citizens, including the right to privacy of data, superior to trade rights.
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- It is difficult to determine the ‘optimal’ level of data protection content in trade agreements that would simultaneously satisfy both protection and

innovation.
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What are the challenges for India?

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- India struggles to discover regulations that would facilitate its economic growth while ensuring data flow doesn’t affect citizens' privacy.
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- Creating effective domestic regulations is a big challenge.
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- The choice of the right policy mix is difficult as they may overlap with other complex trade issues such as IPR.
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- Foreign investments in Make-in-India industries would be influenced by data regulations.
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- Data regulations are also critical in terms of the security risks they involve, particularly financial risks arising from lapses in cyber security and data theft.
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What can be done?

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- India must be prepared to accept that data regulations and digital trade rules, which it would negotiate in future.
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- India needs to move towards domestic regulations on digital trade, ensuring sufficient security of private data.
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- India’s domestic regulations on cross-border flow of data must also reflect contemporaneity.
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- Data rules and digital trade governance deserve much greater attention from India than it has got till now.
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Source: Financial Express

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