

The TikTok Tussle: A New Frontier in International Trade and Policy

“Do we really want to emulate Chinese speech bans? We’re going to be just like China and ban speech we’re afraid of?”- Surprisingly, this is [Republican Senator Rand Paul](#)’s view on banning TikTok.

The digital realm is morphing unprecedentedly, hurling unique challenges at global trade dynamics. With the booming rise of platforms like TikTok, it is not just goofy dances and trendy challenges taking center stage. The fate of international trade policies hangs in the balance as policymakers and businesses grapple with this digital juggernaut.

The case of TikTok, a popular application owned by the Chinese company ByteDance, highlights the intricacies involved. Unlike Huawei’s ban, which was carried out under Trump’s administration, the potential ban on TikTok paints a vivid picture of these new challenges and shows the continuation of the anti-China stance that the US has taken now under the Biden Administration. This complexity arises from allegations that TikTok shares user data with the Chinese government, a claim that has fueled tension and increased anti-Chinese sentiment, leading to attempts to cease usage of Chinese apps.

The growing influence of Chinese apps is undeniable. On both Apple and Google stores, apps such as TikTok, Capcut, Temu, and various Tencent games are top-rated among users worldwide. TikTok has a [246.96 million download](#) count solely in quarter one of 2023, coming first as the most downloaded social media. This popularity has invoked apprehensions about China’s potential “data collection,” triggering strategic responses like Senator Marco Rubio’s [ANTI-SOCIAL CCP Act](#). This legislation aims to ban social media companies influenced by a “country of concern,” a category that prominently includes China and, notably, TikTok.

Unlike traditional trade disputes centered on physical goods, disputes within the realm of digital technology concern data, algorithms, and cybersecurity. The intangible nature of these elements, coupled with their global reach and rapid evolution, make them much harder to define and regulate, not to mention the lack of understanding of the public, making the matter worse as people are more susceptible to political claims that are untethered from reality.

Critics like Rubio argue for TikTok’s ban, citing the vast amount of data collected on its users, which could be misused under Chinese law. A cybersecurity report by the Australian firm [Internet 2.0](#) adds fuel to these concerns, alleging that TikTok conducts “excessive data harvesting,” collecting user details like location, downloaded apps, and device model. Yet, [the Citizen Lab](#) of the University of Toronto suggests that TikTok’s data collection is similar to other popular social media platforms like Facebook. Outrage is wrapped up in a basic ignorance of what TikTok actually does. According to [Guillaume Chaslot](#), a former Google engineer advocating for algorithm transparency, TikTok’s algorithm essentially takes the same approach as YouTube, using only four parameters: what you watch, like, share, and follow. However, it is stated that TikTok only needs one of these parameters to determine

what you should watch next. TikTok tracks every rewatch and learns about the hidden interests and emotions that would increase your time spent on the app. Like any other social media platform, TikTok encourages an addictive and personalized content cycle. Therefore, concerns over the potential misuse of the algorithm are warranted.

While TikTok stated that it has yet to share US user data with the Chinese government, there is no definitive proof that TikTok does not transfer data to their government. Hence, TikTok is in the gray zone. Similarly, while there is no evidence that TikTok uses the algorithm to influence users, the [FBI](#) was concerned that the Chinese could control the app's recommendation algorithm, "which allows them to manipulate content, and if they want to, to use it for influence operations." This raises significant questions about whether attempts to ban Chinese apps like TikTok are truly security-driven or reflective of Sinophobic tendencies. As [Alan Woodward](#), a professor of cybersecurity at Surrey University, suggests, despite the lack of proof, the looming presence of China remains a stumbling block for skeptics.

The consequence of a potential ban is also disputable. A federal ban would be difficult to implement due to the internet's nature. Yet, such a move would likely generate public outrage and adversely affect many influencers, content creators, and businesses that rely on the platform.

In addition, TikTok is a platform for Americans' First Amendment rights to free expression, so banning it could lead to complications. [James Lewis](#), technology and public policy analyst at the Center for Strategic and International Studies, stated, "[There] are limits on the authorities the US has to 'ban' an app. It would be unconstitutional given the right to free speech." [The American Civil Liberties Union](#), a nonprofit organization, argued that the legislation itself could lead to legal risk due to phrases like "may transfer sensitive personal data" and "subject to the influence of China," as they could be broadly interpreted to encompass a wide range of innocuous activity.

What is for sure is the new challenges presented. Policymakers are faced with the challenging task of creating laws and regulations that not only address present concerns but are also adaptable to future technological advancements.

Policymakers are not alone in facing the impact of digital technology. For businesses, the intersection of technology and trade brings about its own set of challenges. In the digital era, data has become the lifeblood of businesses. The collection, storage, processing, and transfer of data across borders have become integral to their operations. The potential restrictions or bans on specific digital technologies, like the case with TikTok, create uncertainties for their business models and operations. Not only do they have to navigate these constantly changing regulatory landscapes, but they also need to ensure compliance to avoid penalties and safeguard their reputation.

To stave off a potential ban, TikTok has implemented several strategies. For now, internal policy changes for TikTok might be the most effective and safest option as it considers the

benefit for both parties. One notable move is the inception of a national security agreement dubbed “Project Texas.” This proposed plan comprises five fundamental elements: independent governance, data protection and access control, software assurance, content assurance, and monitoring and compliance. [TikTok](#) has expressed, “[By] adopting this approach, we can systematically address the concerns in the US about TikTok while simultaneously enabling us to maintain a globally interconnected service. Significant portions of this framework have already been proactively put into effect by us, and we are eager to continue our efforts to ensure further the comfort and trust of our community and stakeholders.”

While the advent of digital technology has created immense opportunities for growth and innovation in international trade, it has also presented a complex array of challenges for policymakers and businesses. Unlike traditional trade wars, digital trade wars require an understanding of technology, data, intellectual property, and cybersecurity, making them a complex arena to navigate. It calls for developing agile policies and business strategies that can adapt to the rapid advancements in technology and the evolving geopolitical landscape.