A PRO-CORPORATE AGENDA ON DIGITAL TRADE THREATENS SUSTAINABLE DEVELOPMENT GOALS

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There are many assumptions we make when we discuss "digital trade" and its potential for sustainable development. Multinational companies and governments together promote a utopian vision of the future, in which technology will be a driver of exponential positive leaps for the global poor. However, the reality is quite far removed from this. In fact, there is no conclusive data to link the direct effect of e-commerce on development.

The pace at which the global poor are integrating into the digital economy indicates the contrary. In Africa, for instance, 1 gigabyte of internet access costs 9.3% of the average income, and in many places, even if the infrastructure is in place, the resources to make digital platforms work for the many. More dramatically, 60% of people living in the least developed countries (LDCs) currently lack access to energy, let alone access to the Internet. The UN Sustainable Development Goals have a target for universal, affordable Internet access by 2020. Research by the Web Foundation shows that at the rate we are going, we will be lucky to connect everyone by 2042.

For middle-income countries, the circumstances are just as bad: At this point, big technology companies (Big Tech) are virtual monopolies that once started off humbly, profiting as advertisers and search engines. Now however, they are present in each and every public and private arena, from grocery delivery to elderly care. Big Tech is rapidly displacing local producers — from small bookstores to local e-commerce portals — which are unable to compete.

Google and Facebook dominate 84% of online global traffic, according to a report released by Parse.ly in December 2017. Facebook is a locked platform, and the leading hardware to access the Internet globally, and especially in poor countries, is the mobile phone and that is also usually locked. Since Facebook is the leading platform to connect the global poor, via mobile phones, this impedes new users, who must tinker, create, code and repurpose the technologies they use to connect.

TELL ME MORE!

At this time, the WTO has systematically failed to address any global development issue involving large disparities among countries. The most tangible example is the failure of the Doha Development Agenda at WTO. Sixteen years later, no consensus has been reached on its provisions. This is largely due to countries being exposed to asymmetrical pressure from both the corporations and the leading economies. The rhetoric of opportunities for the poor — connecting the next billion — sounds great, but only if we disconnect it from the current realities of the global economy. Trade agreements eliminate the diversity of domestic policies and priorities, deregulate markets, and lower standards to minimize regulatory costs and maximize corporate interests.

Disguising their self-interest as support for access and affordability, the tech giants (Big Tech) want everyone to connect as soon as they can. Pretending to offer opportunities to grow, they want to deploy and concentrate their platforms, systems, and content everywhere in the world.

WHO IS INVOLVED?

The “South Vision” of digital trade in the global arena is being shaped by a recent alliance of governments and well-known tech-sector lobbyists in a group called Friends of E-Commerce for Development (FED), which includes Argentina, Chile, Colombia, Costa Rica, Kenya, Mexico, Nigeria, Pakistan, Sri Lanka, Uruguay and, most recently, China. FED claims that e-commerce is a tool to drive growth, narrow the digital divide, and generate digital solutions for developing and least developed countries (LDCs).

However, none of the countries in the group (apart from China) is leading or even remotely ready to be in a position to negotiate and push for binding rules on digital trade that will be favorable to them, as their economies are still far from the technology revolution. Despite this, they want to open an accelerated discussion on priority areas for the tech giants, so the Big Tech can consolidate their dominant position but eliminate any future or existing regulations to limit their power and influence. The position of FED is now backed by the European Union, Australia and Japan but has been rejected and denounced by a vast number of developing countries — including India and South Africa — and LDCs.

WHY SHOULD I CARE?

Big Tech wants to make sure that no domestic regulation, competition laws, privacy or consumer protections would interfere with their plans —to the great detriment of organic growth and local solutions of small digital economies. This is especially bad news for creators and consumers.

Enforcement measures will be coded into technology, borders for data extraction will be blurred, and the ability to regulate and protect the data of citizens will be disputed by supranational courts. Local industries will not be able to compete and local jobs will soar. Given the uncertainty in the policy landscape, devising rules at the WTO that place binding commercial protections above human rights and the public interest could be devastating for global Internet law and policy, leaving developing countries with eroded rights and limited freedoms.

FOR INTERNET ACTIVISTS, CONSUMERS AND WORKERS

Civil society organizations and digital right activists need to prepare themselves to meet the challenges of highly technical trade negotiations on e-commerce, as the nuances will directly affect the way digital rights and safeguards are deployed. As was proven with the recent net neutrality struggles, industry has far greater resources than civil society in the discussions of even a domestic technical issue. If a multilateral agreement is being discussed at the WTO, the variety and complexity of the issues will exponentially multiply. To be in a position to negotiate, governments — particularly developing countries —will need a varied and expansive group of experts. Such experts should understand the policy stakes involved in the cross-border delivery of services, privacy, data protection, consumer protection, cybersecurity and net neutrality, and new Internet-related intellectual property rights. And as recent struggles have shown, the conversation is only starting for users, consumers and citizens.

THE BIGGER PICTURE

E-commerce was one of the key issues at the 11th Ministerial Conference of the World Trade Organization in Argentina. The FED and major developing countries wanted to secure a mandate to negotiate a new agreement on e-commerce in order to push for multilateral rules to deregulate and keep the status quo for tech giants, given the increased scrutiny on platforms and their clashes with public policies. They are afraid of the effect of recent setbacks in the European Union, such as stronger privacy protections (with the General Data Protection Regulation) and increased questioning of exploitative business models that extract personal data, abuse workers, and lead to robotization.

The 11th Minisitrial ended with no outcome — not even a Ministerial Declaration. However, 70 countries, led by the EU, Japan, and Australia and including Russia, China and ten Latin American states, committed to begin work on future negotiations on trade-related aspects of e-commerce. This kind of agreement raises significant concerns for the Internet, its global infrastructure, and the right of governments to develop policies and laws that best preserve the free and open Internet.

WHAT CAN I DO?

Lets keep the discussions of our digital rights, and the way we want to shape our relationship with data, out of the global trade arena. We should demand more and better-funded independent data and research on the impact of those on sustainable development. There are many unknowns regarding the technological advances ahead — and, therefore, also about the digital economy. It is time to demand better data and stake out irrefutable evidence before we open a Pandora's box of trade negotiations.

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