



**PART I**

# **WORK MATTERS COLUMN**

**DECEMBER 2022**

# Capitalising Digital Transformation

## Part I

The 12th Ministerial Conference (MC12) of the World Trade Organization (WTO) took place from 12 to 17 June 2022 at WTO headquarters in Geneva; and unfortunately, the results were quite negative for developing countries. One particular outcome was the extension of a mechanism Big Tech companies use to avoid paying trade taxes in our countries.

At MC12, developing countries were pressured to agree to renew a “moratorium” on customs duties (taxes) on electronic transmissions. E-transmissions include digital books (Amazon), digital movies (Netflix, YouTube), digital photographs, software, etc. A recent United Nations Conference on Trade and Development (UNCTAD) study showed that 97% of the tariff losses of electronic transmissions and digital products would be borne by developing countries, i.e., a transfer of about USD \$10 billion from developing countries to Big Tech; and that is the reality we are facing today.

Since these Big Tech companies that do have to pay import taxes, are competing with local businesses, we should be able to level the playing field by maintaining our right to impose normal customs duties on these transmissions. In effect, what I am suggesting is that the Caribbean countries should strongly oppose the renewal of the moratorium when it is next on the agenda at the WTO.

Upon analysis, the bigger issue is that rich countries are pushing developing countries to join negotiations on rules on a wide range of digital trade issues which would have far-reaching impacts on the Caribbean. To date, it does not seem that we have the technical capacity to understand these rules, far less to debate them and have a common stand. Further, there is also the issue of the Caribbean countries not having the financial resources to fund research and technical teams who are solely devoted to these issues.

I want to focus on two key aspects of the impact of digitisation. First is the impact on the world of work, and second, the impact on economies such as those in the Caribbean.

One of the biggest myths of digitisation is that it increases the possibility and prospects for new jobs and new areas of work. Quite apart from the large proportion of the younger workforce which dominates the gig economy, the data simply does not support this claim.

Since 1996, there have been clear increases in capitalist expansion of the global economy, i.e., increases in revenues and physical assets among the big tech firms which dominate the global market. Amazon, Alphabet (Google), and Microsoft all have a market capitalization of over \$1 trillion USD; and Apple’s is over \$2 trillion USD. In spite of this there is no expansion of the job market. People may be shifting job focus, but there is no expanded job market for the workforce.

We now need to consider the position of our trade unions and ask the question ‘how are trade unions preparing for this?’ The argument is that the jobs that are available will change in the future, and it is expected that many of these jobs will in fact be low paying jobs. To put this phenomenon in context, we need to realise that children who are currently in primary school will go into the job market to access jobs that do not currently exist! This is a discussion that ought to have more urgency, and should be plugged into national discussions, whether formally or informally, whether in the traditional media or in social media. It should not be something that is ignored or swept under the proverbial carpet. We as a people, entrust trade unions and other such entities to look after our welfare and to be forward looking, to ensure that we improve our quality of lives and that of our families, communities and country.

Furthermore, the recent global lockdown exposed the extent to which there had been resistance on many levels to integrate technology into several business functions. Their survival depended on technology being used and upgraded during the period when they were forced to adjust.

During this period, local firms were forced to adapt and, in many cases, they expanded online services, and the

practice of 'work from home' was being facilitated with alternating office days. Further, there seemed to have been more regular, though not necessarily improved, communication from government agencies and ministries.

Recognizing the reality from which we have just emerged, I would think it useful for trade unions and workers to also examine which jobs were the most vulnerable in the 'pandemic' times, and to assess the nature of those vulnerabilities. It is also useful to assess how many of these jobs survived the pandemic, and even for those that survived, we have to ask 'how did they survive?', 'what was the nature of his survival?' and 'will they survive into the near and distant future?'.

Akins Vidale

Dean, Elma Franchoise Institute for Research and  
Debate