WORK MATTERS COLUMN

PART II

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Capitalising Digital Transformation Part II

In the last article I lamented on the Big Tech companies and how they disadvantage developing countries in the international arena. I want to now continue the discussion. Since the rules proposed on digital trade at the World Trade Organization (WTO) were devised by Big Tech, their intent is to maintain a cheap workforce stripped of its rights. Instead, we need rules that promote digital industrialization, good jobs with strong labour rights, as well as shared prosperity for the workers. But this digital industrialization could not, and will not, happen under the rules proposed by Big Tech.

In August of 2019, Ansa McAl chairman, Norman Sabga stated that he had 'a problem with Facebook, Twitter and the other international companies being able to sell media in TT without paying a significant penalty'. Needless to say, such a comment was not well received.

With the global population under quarantine for most of the last two years, the reliance on social media platforms and entertainment sites like Netflix has grown exponentially; so just imagine if we (in T&T) could access revenue from this growth to make up for shortfalls from energy markets.

As it stands, the mechanisms in place to tax these entities are easily manipulated and we have to ensure that they are strengthened. Several of the proposed digital trade rules are intended to make it harder to collect taxes from these big entities. This would also make it almost impossible for new tech companies to enter the markets with any competitive advantage.

Even though revenue outside of the United States is much higher, regions like the Caribbean are unable to collect their share of taxes. The facilitation of tax avoidance is a major component of the new regulations proposed by Big Tech. Without fair tax revenue, we cannot fund our valuable public services.

In December 2019, several trade unions from the Caribbean region gathered in Jamaica to discuss the implications for digitisation on the world of work and the implications for the outcomes of the World Trade Organisation (WTO) ministerial. The discussion was ably guided by Deborah James of Our World is Not for Sale (Owinfs).

Owinfs identified several key issues on which trade unions in particular need to focused. These points ought to be the subject of major discussions at all levels throughout the region before any national or regional policies are developed; and definitely before we sign onto any international treaty such as a potential agreement on digital trade at the WTO.

The ways that Big Tech's interests could be prioritised are: market access rights – (rights to participate in the market without restrictions); not having to pay taxes to contribute to everything to which they want access; locking in deregulation (handcuffing public interest oversight) ; not being obligated to contribute to community development in any way; having access to an infinite supply of cheap labour stripped of its rights; and the control of data.

How would the proposed digital trade rules allow all of this? Through the control of data as a commodity! And we are eerily silent on the matter. Why is Tesla more highly valued than General Motors? How are the largest corporations so highly valued? How are Airbnb and Uber doing IPOs at USD $2.2 billion when they have never turned a profit?

I suggest that it is because they have access to data, which is one of the most valuable assets. Why are so many service providers prepared to waive fees so easily? Because the real service is not what they give to the customer but what the customer gives to them … your data! This has a high re-sale value. Every boardroom today is discussing the value of data. Whoever has access to the data in the future will control the sector - data inputs that we create but from which we do not benefit.

My intent is to make the reader aware of a discussion which needs to begin. It is not an anti-tech discourse. We need to use our data for the public interest, to create good jobs and fair tax revenue, not let it be traded away to Big Tech to profit from us. If we do not start the discussion of the impact of digitisation in a structured way, we may well find our economies recolonised.

What is the big take away? Big Tech is pushing rules that would benefit them, their labour exploitation and tax evasion. The Caribbean countries are right not to join these talks. Instead, we need rules to promote digital industrialization and data in the public interest - fair digitalization. Are we prepared and willing to grasp the moment? Only time will tell.

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