



Strengthen digital sovereignty instead of the WTO E-Commerce agreement

This year, Germany holds the presidency of the G7. Their goals include the development of a common G7 understanding of a global digital order, stronger international coordination with regard to digital standards and norms as well as promoting the free flow of data. While this might imply a harmless standardisation of online commerce and opening up the digital world to all, it is in fact an attempt to push ahead with the e-commerce negotiations at the WTO, where an explosive political agenda is being pursued.

In some areas, the negotiating partners at the WTO have already reached agreement, as a draft text leaked by a Dutch NGO shows. Negotiation process has slowed however, as some sensitive areas are still contentious. An analysis of the comprehensive 90-page text, which bears the unmistakable imprint of a few industrialised countries and China as well as publicized Big Tech demands, like the Digital2Dozen principles, makes it clear that an e-commerce agreement would lock in our digital future and restrict regulatory room to manoeuvre at both national and international level. Useful regulations could be treated as trade barriers and rejected. There is the danger, that the longstanding digital giants' lobbying offensive succeeds and their positions are pushed through.¹

According to the Engagement groups L7 and C7 within the G7 process, there must not be further de-regulation of the digital economy. To ensure that digitalisation benefits the global community, we need a fair policymaking framework and a transparent, democratic negotiation process with civil society participation. If digitalisation is left to the free market the likely outcome is further monopolisation of data, profits, and power.

We call on the G7 leaders to abstain from negotiations on a digital order and free flow of data and to halt the negotiations on e-commerce within the framework of the WTO. The WTO is not the appropriate forum to create rules on the digital economy as it does not have competence on labour and social standards and does not involve trade unions in its decision making. The content of the negotiations must be laid bare and any agreements that widen the divide between the digital giants and the rest of the world has to be prevented.

The world needs digital sovereignty! The big digital companies have a responsibility to society. The current negotiations on an agreement on e-commerce, by contrast, pursue a concerning direction.

The following issues under discussion on e-commerce could have disastrous consequences:

- **A permanent ban on tariffs on digital goods.** A tariff ban would further tighten developing countries' policy space.
- **Exempt tech companies from any obligation to store their data where it is generated.** The ban on local data storage would massively hinder effective data protection and the use of such data for improving public services, innovation strategies, and digital industrialisation.
- **An agreement on low global data protection standards.** This would undermine the General Data Protection Regulation (GDPR) and favour instead a regulatory race to the bottom.
- **Precluding access to algorithms and source code.** Such a ban could make it impossible for regulatory authorities to monitor compliance with data security and legality of software (for example, in cars or medical devices), to address workplace algorithmic discrimination, and to

¹ <https://netzpolitik.org/2021/geheime-gespraechen-in-genf-der-handelsvertrag-der-das-internet-praegen-koennte/>

regulate the power of performance algorithms that decide whether workers remain employed or get fired.

The treatment, use, and exploitation of workers' data should benefit workers and workers should be fully aware of what information is gathered from their daily activity. In the absence of a global regulatory framework, free data flow will only make national regulation impossible.

Proposals aim to remove all obligations or physical and legal presence in a country. It would be much more difficult to hold platform operators accountable, including for the content posted by third parties on their websites.

Freedom in digital commerce can arise only within a secure framework.

All states should be able to:

- achieve data sovereignty;
- prioritise human rights implications in the adoption and use of technologies;
- implement strong data protection and protection of privacy rights, enforce equality laws to prevent any form of discrimination by technology, and implement requirements for technological transparency and explicability;
- have access to digital business models that do not violate fundamental democratic values;
- levy taxes and customs duties to build up their own digital economy;
- be able to provide public data infrastructure for public goods and public services without restrictions;
- regulate the use of data, digital business models and artificial intelligence in accordance with democratic and social standards, as well as employment and other fundamental rights and respect for decent work; and,
- ensure that that trade unions negotiate the application of principles, protections, and rights related to digitalisation at the workplace.

We call on governments to involve trade unions and civil society in discussions to regulate the digital economy to ensure these objectives are met.

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