

Led Surveillance with legal authority to balance the legitimate security needs of governments with their obligations to protect human rights.<sup>19</sup>

### Data as the new oil

Surveillance by a State (whether one's own or not) is not the only threat to privacy. Corporations running digital platforms are increasingly obtaining, processing and re-selling information about people in ways that extend any authorization users may have given, might infringe on their rights – and makes those platforms enormously rich and powerful.

On the one hand, the open nature of the Internet (anybody can access without requesting authorization) and its neutrality (all traffic is treated as equal, a principle now being challenged in the USA) is a democratizing factor: anybody can publish, buy or sell on equal terms and millions of people have found a channel to make themselves heard or access markets that were out of their reach before. At the same time, a handful of powerful players (Google,

Amazon, Facebook, Apple, etc.) – now GAFAM (Google, Amazon, Facebook, Apple, Microsoft, Alibaba) concentrate enormous power. Google knows that you're sick before you call the doctor, Amazon brags that your next delivery is being packed before you buy it and Facebook has experimented with controlling your moods by offering you good or bad news.

UK mathematician and market analyst Clive Humby stated in 2006 that “data is the new oil”.<sup>20</sup> And just like oil, data needs to be processed for it to become valuable gas or plastic. And one could add that just like oil, those that refine and sell it benefit from it more than those from where it is extracted. Awareness of that situation is leading some groups to propose that individuals or communities should be compensated for the value generated from data they provide,<sup>21</sup> while many countries are considering ways to exert ‘data sovereignty’ (see Box 3.2).

19 Human Rights Council (2018).

20 Palmer (2006).

21 Tarnoff (2018).

## Data sovereignty

### Box 3.2

BY IT FOR CHANGE<sup>1</sup>

In a platformizing economy, e-commerce platforms need to be understood not merely as

marketplaces, but also as digital ecosystems that provide a new architecture for the economy. Platforms like Amazon orchestrate and control entire market ecosystems comprising providers, producers, suppliers and consumers/users.<sup>2</sup>

E-commerce companies bank on the data produced through their ecosystem for generating value, using such data to create the hold-all digital intelligence to completely transform the DNA of the market and attain a position of dominance. Amazon may have started out as an online book retailer, but it has become a ‘super platform’, a monopsony extending itself across and beyond its e-commerce portal to providing cloud services, a digital wallet, video

1 Extracted from the Submission to UNCTAD's Intergovernmental Group of Experts on E-Commerce and the Digital Economy by members of the Research Network on Policy Frameworks for Digital Platforms - Moving from Openness to Inclusion, led by Anita Gurumurthy, Geneva, April 2018. The complete text is available at: [http://unctad.org/meetings/en/Contribution/tdb\\_edc2018\\_c03\\_ITforChange\\_en.pdf](http://unctad.org/meetings/en/Contribution/tdb_edc2018_c03_ITforChange_en.pdf)

2 See: [www.itforchange.net/sites/default/files/1516/Platform\\_Policies\\_Research\\_Framework2018.pdf](http://www.itforchange.net/sites/default/files/1516/Platform_Policies_Research_Framework2018.pdf)

on-demand service and devices.<sup>3</sup>

Developing countries need to recognize that in the datafying economy, any step towards creating a level playing field for local platforms must foreground and tackle the question of data in digital trade regimes. The discourse of free data flows is premised upon the economic value of data and possibilities for innovation that a global data regime can give rise to. However, developing nations are the mining grounds for data, at worst, and the back offices or server farms for low-end data processing, at best. Even nations that have distinguished themselves as tech hubs often develop innovation products and services only to release intellectual control<sup>4</sup> and economic dividends to the tech giants of the

global North. Thus, the free data flows discourse disregards the unequal footing<sup>5</sup> on which ‘intelligence rich’ and ‘intelligence poor’ nations compete.

Fostering local platforms is not about simplistic fixes that come from pre-digital thinking. Data sovereignty and control over data of critical sectors is vital for businesses and governments in the global South so that they can truly benefit from possibilities in e-commerce/ digital trade. Public support is necessary to catalyse and enable local market ecosystems in which small and marginal players can compete. This involves not only creating open and public data sets that are available for public and commercial uses, but also support in the form of public digital intelligence infrastructure.

Moreover, an agile legal and policy framework to curb

platform excess is the need of the hour. The global South risks becoming an unregulated innovation playground for technology giants to experiment in if adequate and comprehensive policy measures are not developed that can govern their operations. Critical policy frontiers such as labour, consumer protection, privacy, foreign investments and other areas that directly impact the livelihood rights of citizens and platform users cannot be conceded to immediate short term gains that big platforms often usher in.

Dubious contracts, Terms of Service and privacy policies emanating from platforms should not do the heavy lifting for state developed well-rounded policy frameworks. Mandating that platform companies share some of the data they collect with public agencies in key sectors is important for curbing their anti-competitive practices and promoting the space for smaller local start-ups or innovators to use these data sets for coming up with their own innovative niche products.

3 See: [www.forbes.com/sites/gregpetro/2017/08/02/amazons-acquisition-of-whole-foods-is-about-two-things-data-and-product/#740451d7a808](http://www.forbes.com/sites/gregpetro/2017/08/02/amazons-acquisition-of-whole-foods-is-about-two-things-data-and-product/#740451d7a808)

4 See: [www.forbes.com/sites/venkateshshrao/2012/09/03/entrepreneurs-are-the-new-labor-part-i/#36a53d3f4eab](http://www.forbes.com/sites/venkateshshrao/2012/09/03/entrepreneurs-are-the-new-labor-part-i/#36a53d3f4eab)

5 See: [www.itforchange.net/index.php/grand-myth-of-cross-border-data-flows-trade-deals](http://www.itforchange.net/index.php/grand-myth-of-cross-border-data-flows-trade-deals)

## Jobs: threats and hopes

Since the first industrial revolution, machines have both destroyed jobs and created new ones. The net result is a productivity increase and the big social and political question is how those gains are distributed in society.

But the spread of ICTs does not only substitute machines for human labour, it also facilitates the

splitting of complex jobs into multiple minor tasks and distributing them around the world through digital labour platforms in which clients post jobs and workers bid on them. The market for digital work was US\$ 4.8 billion in 2016, and it is growing at a rate of 25 percent a year.<sup>22</sup> An estimated 112 million workers are offering their services in that market, but only

22 Graham et al. (2017).