Hepatitis C success story due to IP flexibility, South-South partnership

Malaysia’s achievement in scaling up access to affordable treatment for the deadly hepatitis C disease is testament to the public health benefits of invoking intellectual property flexibilities and to the vast development potential of South-South cooperation.

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South-South collaboration and compulsory licensing can benefit public health

A recent event at the UN in Geneva looked at how Malaysia managed to combat hepatitis C by overriding patent barriers and turning to South-South cooperation.

A senior Malaysian health ministry official has shown the path for addressing major public health challenges such as hepatitis C by making use of compulsory licensing as provided for by the WTO's TRIPS Agreement and engaging in South-South collaboration that prioritizes affordable access to treatment.

Hepatitis C (HCV) is an infectious disease caused by the hepatitis C virus that primarily affects the liver. It is an asymptomatic disease, a silent killer, that is estimated to affect about 58 million people globally, with about 1.5 million new infections occurring every year. In 2019, approximately 290,000 people died from HCV.

Speaking at an event organized on 8 February at the United Nations offices in Geneva by the Malaysian mission, Dr Noor Hisham Abdullah, Director-General of the Malaysian Ministry of Health, provided a glimpse of the journey his ministry undertook to scale up access to affordable HCV treatment in Malaysia, underscoring the role TRIPS flexibilities and South-South cooperation can play in addressing major public health problems. The event was organized with the support of the Drugs for Neglected Diseases initiative (DNDi) and the Third World Network.

Noor Hisham explained that previously it was difficult to treat HCV patients as Malaysia lacked access to effective affordable therapeutic options, pointing to the high cost of treatment around $70,000 ($40,500 for sofosbuvir and $27,000 for daclatasvir) which many Malaysians could not afford.

It is estimated that in Malaysia 453,000 patients are infected with HCV, with 2,000 new infections every year. Some 73% of patients were those in the productive age range of between 26 and 50 years. The medicine sofosbuvir, the backbone for treating HCV in combination with other antivirals, is patented by the pharmaceutical multinational Gilead in Malaysia; hence affordable generic versions could not be produced or imported. In the absence of treatment, HCV infection can lead to liver cancers and deaths.

It was at that juncture of difficult challenges and costly treatment of HCV, Noor Hisham said, that they decided to come up with a plan to make available HCV treatment that was affordable and accessible for the patient.

He explained that from 2015 they had a series of engagements with the patent holder in a bid to obtain reduced prices. When that failed, in August 2017, the Malaysian government decided to issue a compulsory licence for government use (also known as government use license – GUL) to import generic sofosbuvir from Egypt.

Compulsory licensing is a flexibility that member states of the World Trade Organization have under Article 31 of the WTO's Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), which permits a government to override a patent without the consent of the patent holder by allowing third parties to produce or import generic versions of the patented product.

The Malaysian government's decision led to Gilead announcing on Twitter that it would extend its voluntary licensing to include Malaysia, i.e., allow generic manufacturers producing under an existing voluntary licence (VL) to also supply Malaysia. However, Malaysia persisted with its government use licence, as having both the GUL and VL would create more market competition, resulting in more affordable treatment prices.

According to Noor Hisham, the US government deployed various strongarm
tactics, including threatening to place Malaysia in the “Special 301” list of countries deemed by the US to fall short of effectively protecting intellectual property. Notably, such unilateral measures are illegal under WTO rules. However, with the support of international and US-based civil society, Malaysia was able to counter those pressures. The Malaysian health ministry stood its ground.

Subsequently, said Noor Hisham, “[w]e had sofosbuvir, we partnered with DNDi to develop a new compound ravidasvir.” The Malaysian health ministry started clinical trials and found the response to the new drug to be better than for the existing therapeutics, with around 97% success. The ministry has since registered ravidasvir for use in Malaysia.

As a result of its actions, the cost of HCV treatment has been brought down to below $300. The ministry also crossed another major hurdle by decentralizing the distribution of HCV treatment across all its hospitals instead of providing it centrally in its main hospital in Kuala Lumpur. Noor Hisham pointed to an increase in uptake of treatment from 1,433 patients between 2013 and 2016 to 11,453 patients between 2018 and 2021.

He stressed the importance of “political will”, adding that “everyone has a role to play and we need to look at the whole ecosystem and at the end, the drug discovery must be [translated] into affordability and accessibility equity”.

The ultimate goal is to eliminate HCV by 2030 in Malaysia, Noor Hisham said. Countries have to look at the big picture, “the macro picture of the ecosystem, come together to build the network, and enhance South-South collaboration”, he maintained, adding: “We have shown that we can [enter into] partnership with government and other agencies, and we can make a big impact on healthcare.”

**DNDi’s collaborative R&D model**

Pascale Boulet, who represented DNDi at the 8 February event, said DNDi worked on research and development (R&D) as a collaborative partnership that involves the pharmaceutical industry, health ministries, treatment providers, patient communities and academia, and that it took a “public health approach” to treating HCV.

Boulet said ravidasvir, an oral NSSA inhibitor, was discovered and owned by Presidio Pharmaceuticals. It was licensed to Egyptian drug manufacturer Pharcopharmaceuticals and DNDi for clinical development and commercialization. DNDi collaborated with the Malaysian health ministry to conduct clinical trials, leading to its approval for HCV treatment in Malaysia and Egypt in 2021.

The collaboration was a public-health-focused partnership to develop a new chemical entity (NCE) priced as close as possible to a generic for low- and middle-income countries with high HCV burden, especially those excluded from voluntary licences. It was a South-South collaboration and non-traditional model of drug development based on non-exclusive licensing with technology transfer. Boulet added that further registrations were planned in South-East Asia and Latin America.

She highlighted key prerequisites for successful collaborations: a common vision that includes community engagement throughout the R&D process; a patient-needs-driven approach; public leadership; contractual terms that ensure equitable and affordable access; and sustainable funding. Boulet added that DNDi was currently working with the Malaysian health ministry, Siriraj Hospital Faculty of Medicine at Mahidol University (Thailand), Oswaldo Cruz Foundation (Fiocruz) (Brazil) and Translational Health Science and Technology Institute (India) to advance treatment solutions for dengue.

**Impact of South-South cooperation**

Sangeeta Shashikant from the Third World Network outlined how the central features of South-South cooperation had evolved since the Buenos Aires Plan of Action for technical cooperation among developing countries was adopted in 1978.

Over 40 years on, she said, a second high-level conference on South-South cooperation was held in Buenos Aires in 2019. The outcome document of the conference adopted by developing countries urged greater South-South cooperation to achieve sustainable development. It recognized South-South cooperation as “a manifestation of solidarity among peoples and countries of the South that contributes to their national well-being, their national and collective self-reliance and the attainment of internationally agreed development goals, including the Sustainable Development Goals, according to national priorities and plans”, and stated that “South-South cooperation should not be seen as official development assistance (ODA)”.

Shashikant said there are many forms of cooperation among developing countries, covering “economic, social, environmental, financial and investment” areas, and that such cooperation takes place at the bilateral and often at regional levels, but in the case of HCV it was an interregional initiative.

She said there is a UN Office for South-South Cooperation that lists South-South cooperation initiatives, including the positive effects stemming from such initiatives. She also offered examples of South-South cooperation during the COVID-19 pandemic, such as vaccine manufacturing and technology transfer by China and Cuba.

According to Shashikant, South-South cooperation has played “a very pivotal role in the socioeconomic development of many developing countries” in such sectors as health, agriculture, trade, environment, investment and finance. And as pandemic and climate change challenges deepen, South-South cooperation offers significant opportunities to harness the potential of development-oriented cooperation among developing countries, she said.

To realize the full potential of South-South cooperation, Shashikant said, countries need to have a clear vision and national strategies that promote synergies between such cooperation and national development plans. This should be complemented by appropriate policies in the relevant sectors such as education, health, manufacturing, agriculture and water.

In the case of HCV, Malaysia’s vision was the elimination of the disease by 2030. Towards this end, Malaysia utilized TRIPS flexibilities by issuing a compulsory licence to import affordable HCV treatment, and this ultimately led to South-South cooperation that resulted in the development of ravidasvir. This initiative was complemented by policies to decentralize diagnosis and treatment of HCV, thereby increasing the number of patients treated.

With regard to medical R&D, Shashikant said one of the most important prerequisites is to ensure that national intellectual property laws and policies maximize implementation of TRIPS
flexibilities, such as having appropriate limitations and exceptions to intellectual property rights. There must also be political will to use these flexibilities such as compulsory licensing to achieve the objectives of South-South collaboration in medical R&D.

Shashikant called on Southern countries to invest in medical R&D. According to the World Health Organization's Global Observatory on Health Research and Development, the gross domestic expenditure on R&D in health is 0.21% of GDP in high-income countries but significantly lower at 0.01-0.02% of GDP in low- and middle-income countries. There is an “underinvestment” in developing countries because of the notion that developing a new compound is very expensive, she said, but actual evidence suggests otherwise.

Shashikant said it is important to identify opportunities where South-South cooperation may meet public interest and development objectives.

She cited the example of a so-called “miracle” drug to treat cystic fibrosis (a disorder that damages the lungs, digestive tract and other organs), which costs around $322,000 annually in the US, to drive home the importance of producing generic versions in developing countries at affordable prices. Patient groups in South Africa, India and Brazil are reportedly seeking compulsory licences for this drug, which is patented by US drug maker Vertex Pharmaceuticals.

Due to the high price, it is not sustainable for public health systems in developing countries to deliver the costly drug, said Shashikant, who emphasized that South-South cooperation can address such challenges.

For example, she said, a country like Bangladesh – which has pharmaceutical manufacturing capacity and which, as a least developed country, does not have to adhere to the pharmaceutical product patent rules of the WTO – could manufacture this drug while developing countries in need can agree to jointly procure from such manufacturers and perhaps also invest in the development and production of the generic version. It is estimated the medicine can be manufactured for about $5,700 per year.

Finally, Shashikant stressed the need to create an enabling policy environment at the international level that allows greater collaboration among developing countries to address challenges especially during crises and emergencies. – TWN

Gendered Austerity in the COVID-19 Era: A Survey of Fiscal Consolidation in Ecuador and Pakistan

by Bhumika Muchhala, Vanessa Daza Castillo and Andrea Guillem

Austerity is gendered in that the power relations that shape the distribution of resources and wealth as well as the labour of care and reproduction turn women and girls into involuntary “shock absorbers” of fiscal consolidation measures. The effects of austerity measures, such as public expenditure contraction, regressive taxation, labour flexibilization and privatization, on women's human rights, poverty and inequality occur through multiple channels. These include diminished access to essential services, loss of livelihoods, and increased unpaid work and time poverty. This report examines the dynamics and implications of gendered austerity in Ecuador and Pakistan in the context of the fiscal consolidation framework recommended by International Monetary Fund (IMF) loan programmes.

Available at https://twn.my/title2/books/pdf/GenderedAusterity.pdf
The high price of rising prices

Living costs, hunger and poverty are on the increase worldwide. At the heart of this crisis lie gaping inequalities in wealth and power.

by Nick Dowson

“’We’ve got cold extremities, you’ve got a cold heart,‘ sang musician Ceitidh Mac at a gig in Newcastle on the night steep government-sanctioned energy price hikes went into effect in the UK.

The lyrics were apt; ordinary people were being plunged into poverty for the ballooning profits of a handful of corporations.

In blustery Britain with its damp and dilapidated houses – and across gas-hooked Europe – energy prices have dominated headlines. But around the world the greatest impact has been felt in prices of food – a more vital and larger part of people’s budgets, particularly the poorest.

In Sri Lanka, where protests spurred by economic crisis felled its president, food inflation stood at 90% in August 2022, leaving even staples like rice unaffordable.

Everywhere the story is the same: more misery for the many, more profits for the few. Through 2022, roughly one million people were pushed into extreme poverty every 33 hours. For 150 million people hunger is a daily reality. But champagne dealers are worried about low stocks, as the wealthy rush to buy their finest bottles.

The hunger crisis has been sharpest in regions particularly impacted by climate change, suffering conflict or highly reliant on imports of food. Afghanistan, Pakistan, Yemen, Haiti and several Central American countries are badly hit, as well as much of sub-Saharan Africa.

Worst affected are East Africa and the Horn, where Oxfam warned in mid-October 2022 that one person was likely to die of hunger every 36 seconds until the end of the year across Somalia, Ethiopia and Kenya. In Somalia, acute hunger was more widespread than during the 2011 famine, when a quarter of a million people died, it said.

Margret Mueller, Oxfam’s regional humanitarian coordinator for the Horn and East Africa, enumerates the causes: “There’s the economic impacts of COVID-19, ongoing conflicts and fragility, and climate change that is impacting the region much more strongly than other regions. That led to an unprecedented four consecutive failed rainy seasons.” Rains at the end of 2022 also looked set to be low, meaning the earliest chance to bring in a harvest will be June 2023.

In South Sudan, the majority of the population is acutely food insecure. “The ‘food basket’ – how much a family spends for food in a month – increased 49% in a year, with local cereal prices up 123% in Kenya, 70-100% in Ethiopia, and 28% in Somalia.”

Without enough food or water, 1.8 million people have fled their homes. The toll of livestock is nine million. “In Somalia that’s every third animal dead,” says Mueller, “and people live off their herds. People are starving and children are dying.”

Their pound of flesh

For much of humanity the cost of living was already unaffordable even without recent pressures. Nearly 3 billion couldn’t afford a healthy diet in 2019, and that number climbed by 112 million in 2020.

Now, on top of high inflation, many are having to deal with a severe debt crisis – affecting both governments and individuals. The pandemic and recent economic turmoil have exacerbated the situation for many Global South countries, where debts had already reached high levels in the late 2010s following a prolonged dip in commodity prices which impacted their earnings.

Hot money from private investors, which had flowed into developing countries over the last decade as interest rates in the rich North hit rock bottom, is now pushing back out as central banks in many Western nations are hiking rates again.

“Rising interest rates in Western countries are increasing borrowing costs; the strengthening dollar is also increasing the value of debts,” says Heidi Chow, executive director of campaign group Debt Justice, which estimates 54 countries are in debt crisis. Climate disasters, such as the floods in Pakistan or Hurricane Maria in Dominica, are forcing more borrowing.

High external debts mean many Global South governments are hamstring in responding to the cost-of-living crisis, with little room for budgetary manoeuvre to protect their citizens. Many are cutting public spending when people need it most. The International Monetary Fund (IMF), for its part, continues to push failed austerity measures as a condition of help.

Meanwhile high private debt levels – from student loans and mortgages to microfinance loans – as well as the running down of household savings during the pandemic mean many have little buffer.

Credit has often filled the gap left by stagnant wages. Now higher interest rates are adding to the pressures people face. “This is a perfect storm,” says Chow. “Climate crisis, debt crisis, cost of living crisis.”

Putin’s gas tap

This vast human disaster begs the obvious, trillion-dollar question: why?

For some, the culprit for higher prices is clear. As former UK prime minister Boris Johnson put it: “We’re paying in our energy bills for the evils of Vladimir Putin, the people of Ukraine are paying in their blood.” Russia’s invasion of Ukraine hit supplies of oil, gas, wheat and sunflower oil, and sent prices soaring, goes the theory.

That Putin is a butcher has been clear since 1999, when soon after appointment as Russian prime minister he ordered troops into Chechnya, making a bloodbath of its capital Grozny. It is also clear that following the invasion of Ukraine in March 2022,
a previously slow-building crisis went into overdrive. Prices of oil, gas and other commodities soared.

“I think we should be very clear, the Ukraine war did not cause a decline in the supply of wheat or oil – only fertilizers,” says Indian economist Jayati Ghosh. “The supplies remain the same, they just shifted in their origin.”

“What it did do is enable massive profiteering by large corporations in energy and food, and financial speculation – with a lot of quick bucks to be made.”

Many price hikes were already being seen before the war started. Rupert Russell, filmmaker and author of the book Price Wars, says energy price rises began in 2021 when China ran into coal shortages, amid disputes with Australia and other missteps. Facing its own energy crisis, China started buying up liquefied natural gas (LNG), driving up prices.

Putin’s invasion then pushed gas prices even higher. Europe has been particularly squeezed as the fallout from the conflict has reduced supplies westward. Gas, unlike other commodities, is tricky to move around as it relies on pipelines – or, much pricier, can be converted to LNG and transported by dedicated ships to dedicated terminals (Germany recently spent $6.7 billion to rent five).

By relying on Russia’s supplies for 20 years after Grozny, Europe left itself vulnerable. But the broader dependency that recent price hikes have exposed worldwide is on all fossil fuels. Governments have been too slow to build up alternative energy sources and cut our need for hydrocarbons.

Advocacy group Positive Money argues that much of the recent energy price hikes has been down to this “fossilisation”. “Something like the war in Ukraine or the Organization of Petroleum Exporting Countries (OPEC) cutting production, that can have a substantial effect on our ability to heat our homes, but also to power pretty much everything we do,” argues senior economist David Barmes. “Energy is a significant input into the production, transport and consumption of virtually all of our goods and services.

“On top of that, fossil fuels are also driving the climate crisis, which is causing heatwaves, droughts and floods across the globe. And that in turn is threatening global food production, and so increasing the prices we pay at the supermarket.”

Follow the money

But rightwing politicians and corporate bigwigs prefer to pin it on the workers. Government stimulus spending during the early stages of the pandemic has led to inflation, or so the theory goes. Depending on the version, too much money creation (“quantitative easing”) and too little unemployment – giving workers leverage to demand higher wages – are causing knock-on price rises.

No matter that this ignores clear sector-specific price hikes in energy, fertilizers and food – as well as the absence of any sign of above-inflation wage rises.

And of course we can’t discuss the elephant in the room: profit margins. In the US, which saw the largest stimulus spending, 50-60% of inflation has been attributed to fatter domestic profit margins. Still, the prescription remains: reduce the availability of money, mainly through raising interest rates, discouraging borrowing and lending.

“Increasing interest rates can’t solve shortages of fossil fuels or anything else that we have shortages of, like microchips, and in some ways can actually be counter-productive because it can hold back investment,” says Barmes. “In particular, if you’re thinking about capital-intensive solutions like investment in green energy sources. Here higher interest rates can have a disproportionately negative impact. They could harm investment in green energy which is exactly what we need.”

Ghosh adds: “You know it’s a cost-driven inflation, or rather a profit-driven inflation, not a wage-driven inflation. Real wages are actually falling and yet you don’t address that cause. You say, well I’m going to impose tight money policy, push demand down and basically affect working-class incomes. Not only does that create further inequality, it does not affect the causes of the inflation.”

The cost-of-profit crisis

For a better understanding of the crisis, we have to look at where wealth and power lie, at how the functioning of markets enables extraordinary profits for some and sudden squeezes for others. It’s no coincidence that corporate profit margins reached a 70-year high as inflation spiked.

Speculation has gone into Wild West mode since US legislation in 2000 removed regulations restricting the involvement of outside financial investors – those without a direct role in the trade of physical goods – in commodities markets.

Soon, speculators who had never been near an actual barrel of oil or bushel of wheat – and had no direct knowledge or stake in its trade like, say, farmers – were dominating markets, which took on the character of casinos. Wild market swings became the norm.

Take cereals, where prices have been ding-donging in recent years at the behest of hedge-funders and futures contracts rather than actual supply, which hardly changed.

Previous food price spikes between 2008 and 2011 saw similar patterns, again with no evidence these were driven by actual supply. But the havoc they wreaked was all too real, contributing to the unrest of the Arab Spring.

“While it’s contentious whether or not financial speculation affects commodity prices in the longer term, there’s a growing amount of evidence that in the short term it does amplify swings,” says Susan Newman, head of economics at the Open University. “That’s telling us a bit about what’s happening today: these big supply-side shocks, together with their amplification through financial markets.”

But smaller-scale producers, like farmers, have seen little benefit from recent price spikes – in 2022, they saw drops in income as input costs rose.

Another piece of the puzzle is the outsized power of a small number of very large firms – oligopolies – who can collectively push up prices within their sectors. Chris Hayes, senior data analyst at the Common Wealth think-tank, mentions US research from economic activist group the Groundwork Collaborative, revealing CEOs talking to investors about using the current moment to raise prices simply because they can – seeing widespread inflation as an opportunity to pad their margins.

Hal Singer, a US economics professor and anti-trust expert who teaches advanced pricing, says inflation can “serve as a focal point” for companies to push their prices up “in unison” – whether or not there is explicit collusion. His research found that the “most highly concentrated industries were the source of
the biggest price hikes in 2021”.

That means big trouble, he argues, given how concentrated many markets have become. Take oil and gas, dominated by a handful of corporations, and petro-states with their own cartel OPEC – the top seven private oil firms made $173 billion in the first nine months of 2022.

Singer argues that for many dominant companies the role of costs in setting prices is limited – or even absent. Instead, they set prices to maximize revenue: “in other words, how much can you get away with”. Because worker power “has been completely demolished”, so has the relationship between unemployment and inflation.

These inequalities of wealth and power mean many smaller businesses are also losing as monopoly capitalism concentrates itself, like an endlessly growing black hole. “The businesses that are losing are probably the ones that employ the most people,” says Chris Hayes. “The ones that are winning are very capital-heavy, companies with very small wage bills.”

Meanwhile the exorbitant profits of the behemoths are being funnelled straight to shareholders. “It comes back to this rentier capitalist angle: there are some people that own scarce resources and are able to squeeze the rest of us.”

**Inequality bites back**

Thus the current crisis is one not of absolute shortages, but of prices – the problem is one of distribution, of goods and wealth, power and energy.

“Everyone seems to be hurting except those who are very privileged. It’s disproportionately affecting those who are already living in quite difficult circumstances,” says Mandeep Tiwana, Chief Programmes Officer at Civicus, a global civil society alliance dedicated to strengthening citizen participation.

As with the pandemic, racialized groups, women and disabled people, low-paid and precarious workers are hit hardest. For some groups, like renters, price hikes have been the norm for decades.

While it has been exacerbated by recent events, Tiwana says, “the cost of living crisis is something that was already happening”. He highlights trends including the “erosion of constitutional democracy … and the negative impacts of ultracapitalism and the privatizing of everything”.

Privatization means people are exposed to the markets and price-gouging for many of the essentials of life. “Neoliberal economic discourse leads to many states outsourcing their social responsibilities,” Tiwana says, adding that this is a consequence of a “tight overlap between political and economic elites”.

Meanwhile Newman joins the dots between the growing exploitation of workers in the Global South to make “cheap things” with “stagnant wages and low productivity in the Global North – the availability of credit and cheap stuff, which has allowed the sustaining of this low wage, low productivity economy”. But, she argues, the limits have now been reached: “environmental and physiological, and also political.

“Workers will organize, and you can’t repress labour indefinitely without some sort of response.”

**There are alternatives**

As Oxfam put it, during a report timed for 2022’s Davos conference, a forum for the world’s rich and powerful: “Nobody should live in poverty; nobody should live with such unimaginable billionaire wealth; inequality should no longer kill. More equality is the way out of this crisis.”

Here are five steps to help us get there.

First, we need taxes, particularly on wealth, and redistribution to help society’s poorest through direct financial support and public services. Taxes can tackle inequality and discourage price-gouging (and possibly, by taking money out of circulation, reduce demand – which orthodox economics suggests should help reduce inflation).

A progressive tax of between just 2% and 5% on personal wealth above $5 billion (itself a fortune that nobody needs) could generate $2.5 trillion, lift 2.3 billion people out of poverty, vaccinate the world against COVID-19, fund universal healthcare and provide social protection for 3.6 billion people. International measures to prevent tax avoidance, which particularly harms poor countries, will also be vital.

Second, expanding public services to support people, and reduce the reliance on markets for essentials, is vital. Right now, that needs to include public ownership of energy, including electricity generation and networks – tackling windfall profits and speeding the green transition.

It could also include what the New Economics Foundation has called “Universal Basic Energy” – entitling households to a limited free allowance of energy for basic needs. Free public transport, now being tried around the world, could help cut energy use.

Third, restrictions on commodity speculation need to be restored – the poor shouldn’t have to pay the price for the bets of financiers. “We need to take control of a financial system that sets its own rules,” says Nick Dearden, director of campaign group Global Justice Now.

In the US, some Democrats have been pushing for this, but the UK government is looking to deregulate even further. Monopoly power needs breaking up, using taxes and regulation, and more aggressive action needs to be taken against implicit as well as explicit forms of price collusion.

Fourth, we need targeted price controls – although economists and the political class are not keen on these because they interfere with profits. This is especially important during supply bottlenecks which provide opportunities for price-gouging – as with recent lockdowns and shipping logjams that have affected goods like microchips.

These circumstances enable companies to hike prices without the fear that competitors will take away their market share, as economist Isabella Weber has argued. Temporary price controls should be accompanied by investment to address bottlenecks, for example by an expansion of agroecological farming to move away from fossil fertilizers.

Fifth, debt cancellation, which is “urgent to save lives”, according to Lidy Nacpil, coordinator of the Asian People’s Movement on Debt and Development. “It is deeply unjust that while millions of people need healthcare and financial support, private lenders like banks and hedge funds continue to rake in profits.”

Legal changes in England and New York are urgently required to prevent a minority of holdout creditors blocking deals. “When you have private bondholders it’s extremely complicated to get a reduction,” says Ghosh, explaining that a small number of holdouts can prevent debt-restructuring agreements. “This is where the US and the UK are crucial because 90% of all global
debt contracts are held either in the City of London or on Wall Street."

**This moment of danger**

The cost-of-living crisis is showing little sign of easing – recession threatens across the West with rising interest rates, and debt crises will exact a severe toll in the Global South if unaddressed. The conditions are ripe for the wrong kinds of change.

“The rise of rightwing populism around the world is the result of the fact that more and more decisions about our economy and our lives have been handed over to market mechanisms,” says Dearden.

“So just like in the 1920s and 1930s in Europe, when you had people reaching out for whatever they [thought] could protect them, whether fascism, communism or whatever – you see very similar dynamics today.

“Unless you address the inequality at the heart of that, which means serious restructuring of some of the economic benefits of the last 40 years, then I would have thought very serious conflict is unavoidable.”

Newman believes that now more than ever, it’s time to organize for change, internationally as well as locally. “If we look at every successive crisis since the 1970s,” she says, “the restructuring of capital has been such to keep things going and to allow the majority of people to have just enough to get by. I think that’s really reached its limit now.”

**Building hope**

Core to the fightback will be telling better stories about the causes of this crisis and its solutions – ones you won’t hear in corporate and billionaire-owned media. As will building the collective power of ordinary people around the world to demand that essential goods are provided as a right, not through a failed market.

In Ecuador huge mobilizations by Indigenous groups, including roadblocks and the forced shutdown of oil fields, have won fuel price cuts and restrictions on mining and oil drilling. Trade unions are gaining a foothold in the most hostile places – like Amazon warehouses and Apple stores in the US and Britain. A wave of strikes is sweeping the world despite heavy repression, including general strikes in South Africa, Greece and India.

Payment, rent and debt strikes are also leveraging economic power to force the hands of the powers that be. On the Wyndford Estate in Glasgow, for example, the residents’ union forced energy executives into a price freeze for 10,000 customers. In the US, groups like the Debt Collective, a debtors’ union, have won billions of dollars in student debt cancellation.

We can also look to the successes of previous movements, like the mass resistance to the installation of water meters in Ireland or the poll tax boycotts. Tiwana finds hope in youth movements: “Young people have the most to suffer from the climate crisis. They seek to advance climate justice, they talk about race justice, economic justice, human rights.”

Strategic campaigns for state action will be crucial as we face the hard days ahead, but so too will other forms of solidarity, building supportive community power (such as the mutual aid groups of the pandemic) and organizing political actions to win change.

“In a crisis like this, it’s more important for someone to heat their home than heat their swimming pool,” says Hayes. Or one could say: it’s more important to allow everyone to be able to eat, than to allow corporations to devour bumper profits. Or if another reminder is needed that this crisis is also a planetary crisis, here’s a fact: each billionaire is responsible for emissions a million times higher than anyone in the poorest 90%.

The cost-of-living crisis, like the climate crisis, is a crisis of inequality. Is now not the time to say – is enough not enough?

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Rigging the rules: How Big Tech uses stealth “trade” agreements and how we can stop them

Efforts to curb the ruinous business practices of the Big Tech corporations are at risk of being impeded by “digital trade” rules negotiated in international trade pacts. It is time to overturn this anti-regulatory agenda in favour of a governance model that prioritizes digital industrialization and data as a public good.

by Deborah James

It is well known that Big Tech firms are now the largest corporations in the history of the world. The underreported backstory of how they got this way is that the most profitable sector of the global economy has been able to maintain a state of self-regulation, that is to say, they are massively under-regulated, in a way that no other sector of the economy is privileged. In addition, their market capitalization has metastasized because investors know that these firms are massive collectors, purchasers and hoarders of data, arguably the most valuable resource in human history.

But how is it that the largest sector of the economy remains the most unregulated? There can only be one answer: these firms have invested their surplus profits into shaping the rules of the economy to their benefit, both domestically within the United States and internationally, by exercising their political power through massive lobbying efforts. They have, unfortunately, been aided by the false narrative of techno-romanticism favoured by most sides of the political spectrum, at least until recently.

It is high time to disabuse ourselves of the notion that Big Tech is just a group of amazingly profitable companies. All industries operating in the economy do so under rules set by policymakers in the state, country or region in which they operate. Unfortunately, the majority of policies that apply to Big Tech's operation are actually geared towards "restricting regulation" rather than governing the activities of these companies in the public interest.

Fortunately, policymakers in the US and around the world are waking up to the inarguable reality that Big Tech self-regulation has been a colossal catastrophe for: privacy, democracies, the quality of public debate, misinformation during the pandemic, civil rights and fairness under algorithms, labour rights, fair taxation, and for a myriad of other issues.

That is why policymakers, regulators and prosecutors are undertaking new efforts to properly regulate Big Tech in the public interest, as well as to enforce existing legislation in areas where it does exist. New legislation and regulation are emerging in multiple arenas, including, but not limited to, competition policy, legal liability, cybersecurity, tax policy, privacy policy, algorithmic accountability and labour policy.

However, these new efforts are at risk. After successfully securing and maintaining a state of self-regulation in the US, where most of these corporations are domiciled, the last six years have seen Big Tech embark on a campaign to lock in this deregulation globally. Their method of choice for achieving this global deregulation is through so-called “trade” agreements. Big Tech has been engaged in a massive lobbying effort to lock in deregulation through “trade” rules in the multilateral World Trade Organization (WTO), but also in bilateral and regional agreements around the world.

If civil society, legislators and regulators, and the public at large, wish to “rein in Big Tech”, it will be absolutely necessary to preserve that policy space to regulate by forestalling its stealth efforts to lock in deregulation. This can only be achieved by preventing the spread of dangerous “digital trade” agreements.

This essay maps how Big Tech brought us into this predicament and describes how these corporations consolidated their deregulatory power during the pandemic. It also shows how the public debate has changed, and the steps that legislators and regulators are taking in major policy arenas of competition policy, algorithmic accountability, legal liability of platforms, and cybersecurity. It then points to two concepts that should drive our thinking about digitalization and data governance: data in the public good, and digital industrialization. It concludes by pointing to some arenas for action necessary to overcome this dire predicament.

Big Tech’s wishlist to rig the global economy

In 2015, the Barack Obama administration hired the chief executive officer of the Business Software Alliance, a major Big Tech lobby firm, to literally write US government policy on the emerging issues of digital trade. This became the US “e-commerce” proposal in the WTO in 2016.

While these provisions may not benefit the micro, small and medium enterprise (MSME) competitors of Big Tech in non-US countries, the foreign branches of US-based Big Tech corporations (Google Europe, Amazon Japan, Facebook Australia) dominate the lobby associations worldwide and thus set the agenda globally. Thus, at the behest of the European Services Forum (ESF) and other similar lobby groups, the European Union, Canada, Japan, Australia, Singapore and other developed countries followed suit. These countries, along with some developing countries, pushed to launch a new round of negotiations on the new topic of “e-commerce” at the WTO in December 2017. But they were unsuccessful, as India and some African and Latin American governments realized that doing so would jeopardize their digital industrialization policy space in the future.

As a result, a group of WTO members have been negotiating a “plurilateral” (meaning only by certain members) agreement at
the WTO, which is likely illegal, given that the WTO’s founding documents proscribe negotiations by some members without a mandate by multilateral consensus. Proponents are aiming for a new agreement among as many members as possible, dramatically bypassing the efforts of developing countries to have their concerns regarding digital industrialization addressed. At the same time, proponents have pursued digital trade provisions in bilateral (among two countries) or regional (among several countries in a region) trade agreements.

In fact, in every “trade” agreement currently being negotiated or recently undertaken by the US, the EU, Canada, Japan or the United Kingdom, as well as in certain agreements without these countries, there are so-called “digital trade” (sometimes euphemistically called “e-commerce”) provisions that originated with the proposals of Big Tech in the US several years ago. Major regional agreements with comprehensive digital trade provisions include the Regional Comprehensive Economic Partnership (RCEP) in Asia, the Trans-Pacific Partnership Agreement (TPPA) in Asia-Pacific, and the EU-Mercosur Agreement between the EU and several South American countries.

Some clauses on e-commerce have been included in “free-trade agreements” with the US for many years, but the more dangerous, newer-generation provisions discussed here are found primarily in the United States-Mexico-Canada Agreement (USMCA) and the US-Japan Digital Trade Agreement.

The EU has already signed six agreements that include clauses on digital trade, with Canada, Singapore, Vietnam, Mercosur, Japan and Mexico. It is currently negotiating another seven agreements that include digital-related clauses with Tunisia, Chile, Indonesia, Australia, New Zealand, the region of Eastern and Southern Africa (ESA), and at the international level in the WTO.

“Trade” agreements are the most corporate-driven, undemocratic policymaking processes globally and regionally, as well as in many countries domestically. “Trade” negotiators often operate under a mandate to work in concert with the business sector to increase trade, without much input from other sectors such as health, education or the environment, or from communities such as workers, consumers or residents, who are all likely to be affected by the resulting agreements. “Trade” is used here in quotes because most policies under the umbrella of “trade” agreements touch on multiple areas of human life far beyond what would be popularly considered part of trade, such as import or export tariffs and quotas.

Proponents often pitch their proposals based on flawed economic studies which purport to show economic gains from “trade”, without acknowledging their distributional impacts – that is, how those “gains” often represent a decrease in compensation for workers and are directed towards capital owners – and without taking into account their impact on the environment, public health, community cohesion and other societal impacts.

While their business models differ, Big Tech firms have risen to the heights of wealth and power through a similar set of business practices. These include amassing monopoly powers, including by buying up smaller competitors to absorb their data or shut them down; avoiding liability for the harms caused by their business models; collecting, purchasing, processing and storing data in ways that violate rights to privacy; avoiding and evading taxes; failing to invest in appropriate mechanisms to preserve cybersecurity; using algorithms that target consumers based on discriminatory factors such as race, gender, income and other protected status; extending protections of intellectual property monopolies; and outsourcing much of their operations and relying on “contractors”, who are stripped of their rights, for much of their labour.

So, what is included in these “trade” agreements? Proponents couch the provisions in technical language such as “non-discrimination”, “technological neutrality”, “free flow of information” and other positive-sounding phrases. In reality, the provisions can be best understood as a method to limit the policy space to legislate around each of their business practices mentioned in the preceding paragraph.

There are, for example, at least seven provisions that would either ban taxation of trade outright and/or make it more difficult for countries to tax Big Tech corporate profits. This is in spite of the fact that Big Tech corporations are notorious tax dodgers and the appropriate taxation of Big Tech’s outsized profits is essential for quality public services and responding to crises like a pandemic or climate change.

The main priority especially for US-based Big Tech firms is to gain rights to control the cross-border transfer of data without privacy restrictions or localization requirements. This is the most dangerous provision, as it would allow Big Tech corporations to accelerate their market monopolization and manipulation even further through the control of massive troves of data. It would also dramatically constrain workers’ and legislators’ ability to create policies for data in the public good or digital industrialization strategies, described below.

But the firms also want to handcuff regulators’ and legislators’ ability to ensure that technology functions in the public interest without causing further damage to society through their above-described harmful business practices. These and other provisions are discussed in greater detail below.

**Big Tech expands its market control and power during the pandemic**

Given the current state of self-regulation, Big Tech has been able to utilize the pandemic to greatly expand and consolidate its profits and market share. Apple, Alphabet (Google), Meta (Facebook), Amazon and Microsoft are among the seven largest corporations in the world based on market capitalization, according to Forbes Global ranking as of May 2022. These five firms alone have a combined market capitalization of more than $9 trillion.

The negative impacts of Big Tech’s business practices have emerged as a major topic in public debates in recent years. While the revenues of all major Big Tech firms have soared during the pandemic, exposés on topics ranging from data monopolization to privacy abrogation to cybersecurity leaks to worker exploitation to tax avoidance to algorithmic discrimination to profiting from misinformation regularly appear in most major media. Big Tech is well aware of its plummeting popularity in the public square.

Little wonder, then, that these firms have ramped up their investments in lobbying and narrative-shaping. Unfortunately, due to the excessive rents they are able to extract from the
economy as a result of lackadaisical regulation and tax enforcement, they have surplus profits worth billions to invest in policy manipulation, particularly when it comes to high-stakes, permanent, enforceable policies that can be garnered through undemocratic processes such as trade agreements.

Public interest group Public Citizen tracks Big Tech’s lobbying prowess in the US. In its report “Big Tech, Big Cash: Washington’s New Power Players”, the group documented that:

- “Facebook and Amazon are now the two biggest corporate lobbying spenders in the country.
- Big Tech has eclipsed yesterday’s big lobbying spenders, Big Oil and Big Tobacco. In 2020, Amazon and Facebook spent nearly twice as much as Exxon and Philip Morris on lobbying.
- During the 2020 election cycle, Big Tech spent USD 124 million in lobbying and campaign contributions – breaking its own records from past election cycles.
- Amazon and Facebook drove most of this growth. From the years 2018-2020, Amazon increased spending by 30% while Facebook added an astounding 56% to its Washington investment.
- Big Tech’s lobbyists are not just numerous, they are also among the most influential in Washington.
- Among the 10 lobbyists who were the biggest contributors to the 2020 election cycle, half lobby on behalf of at least one of the four Big Tech companies.”

Moreover, because these companies are so profitable, members of the US Congress own their stock. “18 senators and 77 House members report owning shares of one or more of the companies,” the report by Public Citizen stated.

The situation is no less dire in Europe. In a recent report “The Lobby Network: Big Tech’s Web of Influence in the EU”, research and campaign group Corporate Europe Observatory (CEO) revealed that:

- “612 companies, groups, and business associations lobby on the EU’s digital economy policies. Together, they spend over €97 million annually, lobbying the EU institutions. This makes tech the biggest lobby sector in the EU by spending, ahead of pharma, fossil fuels, finance, and chemicals.”
- This universe is dominated by a handful of firms. Just 10 companies are responsible for almost a third of the total tech lobby spend. Google, Facebook and Microsoft are by far the largest spenders, and along with Apple, Huawei, Amazon, IBM, Qualcomm, Intel and Vodafone, spend more than €32 million making their voices heard in the EU.
- Digital industry companies are not just lobbying individually. They are also collectively organized into business and trade associations which are themselves important lobby actors. The business associations lobbying on behalf of Big Tech alone have a lobbying budget that far surpasses that of the bottom 75% of the companies in the digital industry.
- Similar intensification of lobbying spending is likely occurring in Japan, Canada, the UK and around the world. If this is happening in developed countries, how extensive is Big Tech’s influence over developing-country governments?

In addition to being directly lobbied by Big Tech, developing countries also suffer from pro-corporate power leveraged by so-called “aid” agencies. Rich-country governments, such as the UK and Germany, deploy aid agencies including the Department for International Development (DFID) and the Society for International Cooperation (GIZ), respectively, not to promote development, but instead to fund programmes to “help” developing countries implement pro-Big Tech policies as well as to participate in anti-development “digital trade” negotiations.

The US Agency for International Development (USAID) programme is even more brazen as it facilitates the Big Tech corporations themselves to deliver messages to developing-country governments about what their technology policies should be. To be sure, these firms are not development experts, and do not have a mandate to help create small business competitors in developing countries; it is something that they would not do. Rather, they are being supported by USAID’s development-washing to deliver their market access wishes for how developing-country governments should change their own rules, but in a way which would actually benefit Big Tech based in the US.

There is no other way to describe these efforts than colonialism in a modern form.

Political institutions respond: new legislation and new enforcement

Due to the seismic shift in public understanding of the negative impacts of Big Tech on democracy, privacy, the quality of public debate, fairness in areas of our lives touched by algorithms and other technology-related issues, many countries are in the process of formulating legislation which would challenge the current “Wild West” in which the largest corporations in the history of the world remain unregulated.

The EU has recently approved both the Digital Markets Act (DMA) and the Digital Services Act (DSA), and the Data Governance Act (GDA), and is debating the Artificial Intelligence Act, which are positive, although inadequate, steps to rein in Big Tech, especially with regard to competition policy, market manipulation and monopolization.

Similar legislation is also underway in the US. Because the original Big Tech proposals originated in the US, and because the legislative shift there is less well known than in Europe, the US legislation will serve as an example in this essay. Here legislation on only four areas will be considered, namely, competition policy, algorithmic accountability, legal liability of platforms, and cybersecurity.

Competition policy: Several important bills have been put forth in the US Congress to address the increasingly monopolistic practices of Big Tech and promote fair competition. The Ending Platform Monopolies Act would regulate conflicts of interest when a company operates a platform but also uses it to sell its products. The Augmenting Compatibility and Competition by Enabling Service Switching Act would mandate rules to facilitate the portability of user data. The American Innovation and Choice Online Act would prevent Big Tech from discriminating against other participants in their services. The Platform Competition and Opportunity Act would make it more difficult to carry out certain acquisitions. The Merger Filing Fee Modernization Act would require tech companies to pay more to government agencies to review increasingly complex acquisitions.

Likewise, on the regulatory side, US President Joe Biden appointed major anti-tech crusaders to key regulatory posts
in the government. These include Jonathan Kanter to lead the Justice Department’s antitrust division, Lina Khan to chair the Federal Trade Commission, and Tim Wu as the special assistant to the president for technology and competition policy. All three have since been active in using the executive branch to push back against the anti-competitive monopolistic practices of Big Tech, for the first time in decades.

Unfortunately, it seems that some of these pro-competition new rules would be incompatible with the market access provisions in the e-commerce negotiations, which are intended to constrain states from regulating which products and services companies can offer, leaving that up to the companies themselves to decide.

Big Tech would also like to prevent regulators from mandating that companies ensure consumers’ rights to choose, for example, which apps can be used on their phones. It has fought hard against mandated “interoperability” provisions in the above laws. The provision in the “trade” rules reads: “No party/member shall prevent public telecommunications networks or their services suppliers, including value-added services, from choosing the supporting technologies of their networks and services, and/or electronic commerce-related network equipment and products related to the technologies.” So through the trade provisions, Big Tech aims to handcuff regulatory powers from being able to mandate this key consumer choice issue.

**Algorithmic discrimination:** One of the key demands of Big Tech in the negotiations is the requirement that governments be barred from requiring companies to disclose source code or algorithms. Big Tech wants to be able to hold these exclusively as its intellectual property. The provision, Section C.3.(1), reads, “No Member shall require the transfer of, or access to, source code of software owned by a person of another Member, [or the transfer of, or access to, an algorithm expressed in that source code,] as a condition for the import, distribution, sale, or use of that software, or of products containing that software, in its territory.”

In the initial agreements that included digital trade provisions, there were no exceptions for disclosure. When the Volkswagen scandal emerged, investigators were able to learn that the company was cheating on emissions pollution only because they were able to read the algorithm or source code of the emissions software. New e-commerce deals since then have made increasing exceptions for disclosures, including for judicial proceedings or regulatory reviews.

Access to algorithms is essential not only for legislators and regulators but also for the public. Algorithms now control who sees a job advertisement, and who is hired, promoted or fired. Without access to the source code, labour activists and trade unions would not be able to ascertain if a worker’s rights had been violated. Likewise, judicial systems are increasingly turning to algorithms to decide the length of sentencing after conviction. In the latter case, however, if data based on the outcomes of a racist judicial system are fed into an algorithm, the outcome can be just as or more discriminatory than the decision of an individual judge.

In 2022, both chambers of the US Congress introduced an Algorithmic Accountability Act. This Act would include many important reforms, but it is difficult to see how a law that would create transparency and accountability on source codes and algorithms could be compatible with Big Tech’s wish, embodied in the e-commerce negotiations, to bar governments from requiring disclosure of those same source codes and algorithms.

**Protection from liability:** A key, misunderstood provision in digital trade agreements would limit the liability of platforms for harms caused by third parties’ use of the platforms. This provision is based on Section 230 of the US communications law. Simply put, this provision means that if people use Facebook to incite racial violence against immigrants or other marginalized people, and some other people kill people as a result, Facebook cannot be held liable. This is even as Facebook’s algorithm encourages circulation of these incendiary posts because more clicks drive up advertising revenue. So, Facebook directly profits from exacerbating racial, ethnic and other conflicts while bearing no responsibility for these actions.

Although this digital trade provision is based on US law, Section 230 is very controversial in the country. A group of House members have introduced the Justice Against Malicious Algorithms Act, which seeks to amend Section 230 to remove absolute immunity in certain instances. “Social media platforms like Facebook continue to actively amplify content that endangers our families, promotes conspiracy theories, and incites extremism to generate more clicks and ad dollars. These platforms are not passive bystanders – they are knowingly choosing profits over people, and our country is paying the price,” said Representative Frank Pallone in a statement introducing the legislation. “The time for self-regulation is over, and this bill holds them accountable. Designing personalized algorithms that promote extremism, disinformation, and harmful content is a conscious choice, and platforms should have to answer for it,” he concluded.

In the US, there are divergent opinions on what reforms are needed. But it is easy to see that any decision in this regard should be arrived at through open, democratic debate. At stake are domestic issues of democracy, free speech, privacy and control over our lives, which should not be dictated by the dreams of Big Tech from decades ago before the realities of these scandals had emerged. Nevertheless, US “digital trade” policies and proposals under negotiation still include the wholesale export of Section 230 to be codified into binding international treaties.

**Cybersecurity:** Big Tech also wants to be able to decide its own methods of ensuring cybersecurity, forgoing what would likely be tougher legislation on the matter, given the massive number of leaks of sensitive financial and other data over the last decade. Big Tech’s proposals on “e-signatures” (Section A.1.(2)(4) state that “No Member shall adopt or maintain measures that would prohibit parties to an electronic transaction from mutually determining the appropriate electronic authentication methods, or electronic signature for that transaction.” But “mutually determining” the electronic authentication method or electronic signature in a transaction between a consumer and fintech means that it is fintech that decides. The proposals put forth by Big Tech seek to extend this status quo as they prevent states (members) from mandating higher security methods for electronic authentication.

But history is full of examples of states failing to regulate security in financial transactions and paying the price. To cite just one example, after the Department of Homeland Security...
improvements in accessibility. This is only one of the myriad
access for people with disabilities, and mandated public interest.
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Public sentiment, and regulatory and enforcement approaches,
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regulatory proposals were first put forward by Big Tech, which are being discussed currently in the WTO and in bilateral and regional agreements.
And this is just the beginning. Similar efforts are underway across the developed and developing world, and there will be many more legislative, regulatory and judicial efforts to come. Public sentiment, and regulatory and enforcement approaches, are light years away from where they were six years ago when anti-regulatory proposals were introduced as "trade" agreements.

New vision for digital governance

Given the harms we witness on a regular basis by Big Tech, and the new efforts underway to rein in the power of these corporations, there is a clear and urgent need to re-envision their role in society.

The expanding role of technology should benefit society by fostering economic prosperity and equity; solving common problems like climate change; and expanding quality accessible public services such as healthcare and education. The achievement of these goals calls for an overhaul of digital governance, which in turn should be guided by two fundamental underpinnings.

The first is "data as a public good". To date, much of the research and writing on data as a public good relates to making public (state- or government-collected) data available to the general public, including for use for private profit. However, we must also think of the reverse. Given that the largest repository of data about how people move about in cities is collected from individuals by Uber, it is only sensible that, as a condition of being able to use public roads and public infrastructure for private profit, Uber should also be mandated to share its data with the public (in a depersonalized way which protects privacy, of course). This data could be used for public oversight, as the New York Taxicab Commission did when it evaluated Uber's data and found that the company was violating minimum wage laws and minimum hourly pay laws, and legislated improvements. The Taxicab Commission also found that the company was violating access for people with disabilities, and mandated public interest improvements in accessibility. This is only one of the myriad examples that can be found in the public debate on "data as a public good".

The second underpinning is the use of data for digital industrialization. In the above example, the Taxicab Commission also required Uber to disclose the metadata publicly so that other entrepreneurs could use it to further innovation. Given that data is the most valuable resource in human history, it is essential that governments enact digital industrialization policies that enable workers and entrepreneurs to use digitalization to create jobs and set up small businesses that generate value in society, away from the current trend of escalating data monopolization by ever-fewer firms.

Digital industrialization involves harnessing digital technologies to generate economic benefits, including jobs and small businesses, and increasing the scale of local tech industries. This includes expanding the transformation of large datasets into usable intelligence that can maximize digitalization's value; and greater use of digital services through improved information and communication technology (ICT) infrastructures, from telecommunications to cloud computing to advanced applications like robotics.

All of these practices depend on access to data. While much of early technological innovation was publicly funded, corporations have privatized profits through the states' granting of patent and copyright concessions, and their own claim to privatization of data. Digital trade rules would expand these unwarranted protections. Instead, regulators should seek to enable the public to benefit from the creation of large datasets, so that innovation hubs and start-ups can use them to create jobs and solve community problems.

Clearly, the Big Tech agenda for data – in which private corporations collect it without restrictions, use it as they please, abuse our privacy and privatize the profits – is no longer viable. There are too many other aspects of data to allow it to be "governed" by agreements whose primary aim is to forestall governance rules.

That's why the major United Nations agency that promotes e-commerce for development, the UN Conference on Trade and Development (UNCTAD), in 2021 issued a major call for a new model of data governance that must be based not in a trade body but in a multidimensional multilateral body such as the United Nations. In the Overview of UNCTAD's Digital Economy Report 2021, UN Secretary-General António Guterres highlights that:

"Data are multidimensional, and their use has implications not just for trade and economic development but also for human rights, peace and security. Responses are also needed to mitigate the risk of abuse and misuse of data by States, non-State actors or the private sector … The Report calls for innovative approaches to governing data and data flows to ensure more equitable distribution of the gains from data flows while addressing risks and concerns. A holistic global policy approach has to reflect the multiple and interlinked dimensions of data and balance different interests and needs in a way that supports inclusive and sustainable development with the full involvement of countries trailing behind in digital readiness."

While much of the writing on digital industrialization to date focuses on the needs of developing countries, the concept is just as urgent for workers in the US, the EU and other developed countries around the world. Workers everywhere must ensure that control of data and its use are not monopolized by the
largest Big Tech firms, but that data is available for job creation, innovation and the common good.

Workers globally have been losing their share of the gains of productivity for decades, in large part because powerful corporations have rigged the rules through trade agreements. Achieving control of data and its regulation is a current corporate priority in locking in a system of global control over economic resources. To change that tide, workers must have a say in the rules that govern technological advancement.

Some would argue that trade unions, consumers, privacy and development advocates, legislators and other communities should thus suggest what they would like to see in a digital trade agreement. But this argument misses the point entirely. In order to enact the anti-monopoly, cybersecurity, tax fairness, anti-discrimination, pro-worker and pro-innovation legislation the world really needs, and to keep that policy space open for future unknown eventualities, we need to prevent all of these arenas being walled off from national legislation by a pro-corporate trade coup.

That is one reason it was so shocking that, while claiming that their negotiating positions emphasize benefits for workers and sustainability respectively, the US and the EU fought diligently to achieve Big Tech’s main goal for the WTO Ministerial Conference in June 2022: extending the moratorium on customs duties on electronic transmissions. As major purveyors of digital music, movies and books, Apple, Netflix and Amazon will keep their tax-free status – benefitting them, not workers or MSMEs.

**Urgent agenda for action**

People’s movements have made great strides in understanding the negative impacts of the pernicious practices of Big Tech on people’s daily lives. Journalists exposing Facebook’s role in election manipulation in Latin America and Europe, movements revealing and calling for an end to algorithmic discrimination in policing and sentencing, communities denouncing misinformation on social media with regard to the lifesaving efficacy of COVID-19 vaccines, new research on the negative impact of monopolies on economic prosperity, the list goes on. Civil society activists have also built incredible coalitions and movements to put an end to these negative impacts, such as the burgeoning labour movement organizing Amazon workers, efforts to secure data privacy legislation around the world, and global efforts to gain tax justice vis-à-vis Big Tech.

Unfortunately, civil society is only starting to fully grasp the importance of “trade” policy as a key field of contest over the future of Big Tech. In the next year, competition policy experts could convene a thorough assessment and redirection of “trade” policy mandates based on emerging anti-monopoly measures. Cybersecurity experts should ensure that “trade” agreements do not undermine their technical and policy achievements. Tax justice advocates could investigate further the potential for “trade” agreements to undermine their hard-won gains and oppose these agreements accordingly. Anti-racist and other civil rights activists could incorporate mandatory source code disclosure as a key demand in algorithmic accountability and ensure that “trade” policy does not constrain that goal.

Workers’ unions rightly emphasize the power of collective bargaining rights, but often do not make the connection to trade policy that determines the field where those rights can be asserted. Workers and governments everywhere should champion digital industrialization, instead of seeing this as the domain of developing countries. Workers everywhere should not allow the wholesale takeover of the most valuable resource by Big Tech as if they are only affected by civil rights concerns and not economic monopoly power.

Some privacy advocates have strongly pushed for the inclusion of the issue of privacy protections in trade agreements. But others falsely imagine that “trade” agreements could prevent governments from restricting access to Internet services. This is ludicrous as it is beyond their possibility and all past experience.

Legislators and regulators working on the above issues to rein in Big Tech should weigh in with their counterparts in trade policymaking, to ensure that their legislative and regulatory jurisdiction is not handcuffed by Big Tech through a “trade” agreement. Funding partners and donors need to drastically scale up investments to counter Big Tech’s deep pockets, going beyond civil rights and access to include support for preserving economic policy space through trade campaigning.

Collectively, we must build movements to generate not only the funding and advocacy to stop the damage of the existing privatization-digitalization model, but also to accelerate investment in digital industrialization and data as a public good.

Our World Is Not for Sale (OWINFS), a global network of civil society organizations, was instrumental in stopping the launch of multilateral negotiations in the WTO in 2017, and looks forward to working with individuals, movements and organizations in all countries against corporate-driven “digital trade” agreements.

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