



T20 **Brasil 2024**
Let's rethink the world

T20 Policy Brief

Task Force 05

INCLUSIVE DIGITAL TRANSFORMATION

Data Governance for Inclusive Development

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Abstract

This policy brief proposes ways to achieve digital transformation through the adoption of inclusive policies in the deployment of emerging technologies, particularly related to the world of work. It analyses how digital transformation can help foster decent work and increase well-being instead of furthering precarity, especially in the global South.

It has been argued that digital technologies and digital data can accelerate the implementation of the Sustainable Development Goals (SDGs). As digital development is uneven between and within countries, such advances must be grounded on effective normative frameworks, so that they promote fairness and inclusivity, rather than exacerbate inequalities.

To explore this possibility, the briefing takes the case of work and the digitally deliverable services (DDS) market in the global South. That choice was based on two main factors: DDS is the sector with the most significant economic increase for lower and middle-high income countries and the world of work is a key thermometer of how digital technologies are faring in terms of an inclusive development (United Nations, 2016. p. 22).

These are global transformations, so cooperation and governance are key points of departure. First, to the extent that data drives the digital economy (Gillwald, 2021), data governance is necessary to counter intersectional inequalities, which are amplified online (Rocha de Siqueira, 2023). Second, the digital sphere requires concerted action in terms of regulatory policies.

The G20 can promote issues of digital labour rights within the context of major global digital initiatives such as the Global Digital Compact to advance common principles and practices in relation to access, interoperability, security, privacy, and sovereignty of data. Along with pushing for the fulfilment of existing normative structures such as ILO's guidelines, this could contribute to a fairer distribution of the impacts of data-driven technologies.

Diagnosis of the Issue

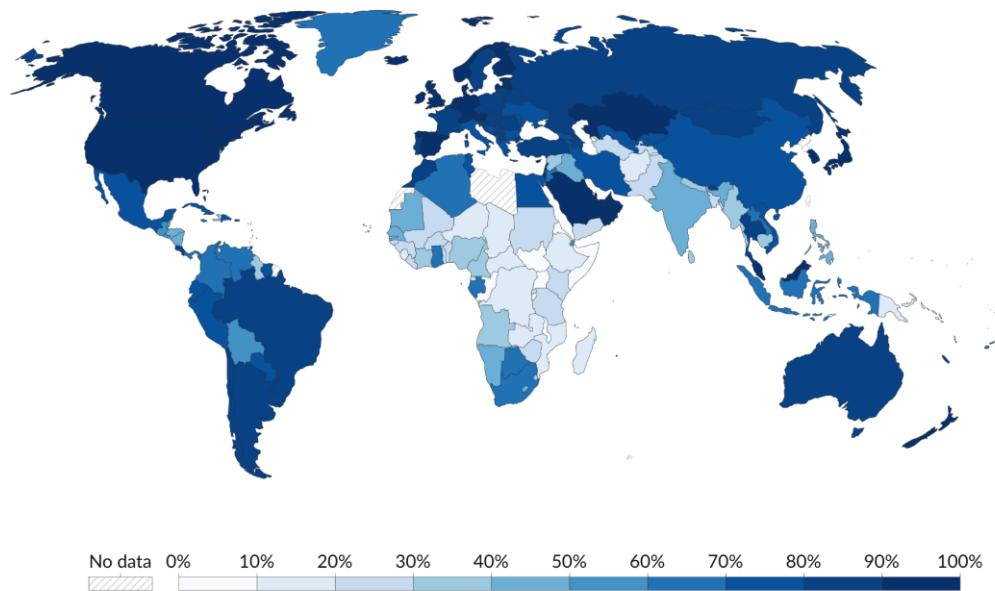


Digital development is uneven between and within countries (Figures 1 and 2). From simple access to the Internet to the complex and vital issues of literacy, privacy and agency, countries in the global South face more challenges and do so while pressured by actors with greater resourcing.

Share of the population using the Internet, 2021



Share of the population who used the Internet¹ in the last three months.



Data source: International Telecommunication Union (via World Bank)

OurWorldInData.org/internet | CC BY

1. Internet user: An internet user is defined by the International Telecommunication Union as anyone who has accessed the internet from any location in the last three months. This can be from any type of device, including a computer, mobile phone, personal digital assistant, games machine, digital TV, and other technological devices.

FIGURE 1. Percentage of the population using the internet. Source: Our World in Data, ITU (via World Bank).

Share of population using the internet

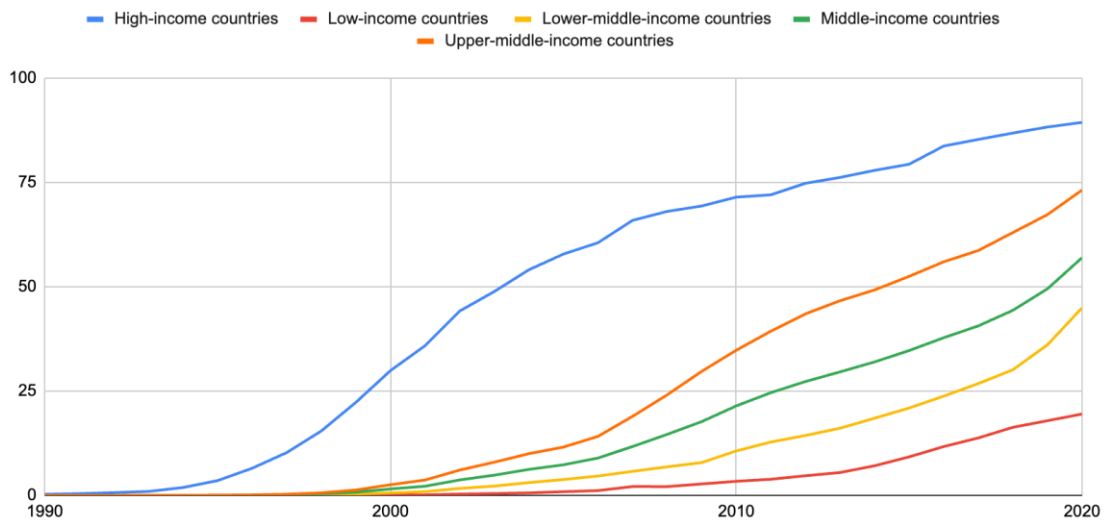


FIGURE 2. Percentage of the population using the internet. Source: Our World in Data, ITU (via World Bank)

For lower- and high-middle income countries such as those composing the G20, the sector that has generally seen the most significant economic increase is that of the digitally deliverable services (DDS), precisely due to the impact of digital Technologies (Figure 3).

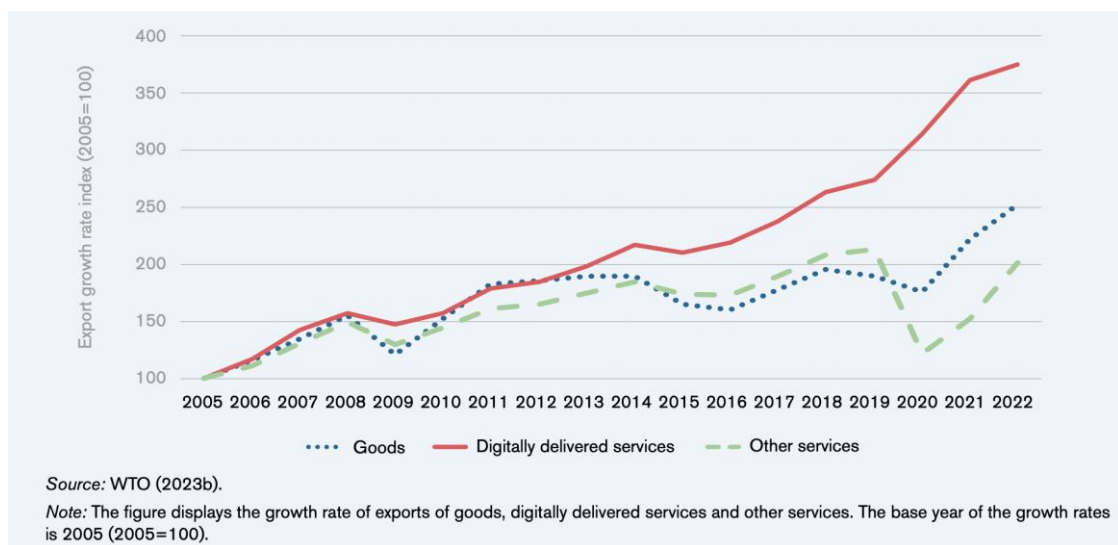


FIGURE 3. Global exports of digitally delivered services have grown faster than exports of goods and other services. Source: WTO 2023

For that market to function, data needs to flow across borders. There are here two potential risks for increasing inequality: the danger of reducing worker’s access to rights and safety in countries where the ‘gig economy’ has taken up most of the significant increase in the DDS market, such as the emerging economies of the G20; and the danger of placing such countries in an even more disadvantaged position in the global economy, since “[c]ountries with adequate ICT infrastructure and overall digital readiness are more capable of taking advantage of the opportunities arising from the digitalization of services (UNCTAD, 2021a).” Moreover, it is also known that the “extent of a country’s export volumes of goods and services is positively associated with its internet connectivity (United Nations, 2016) with supporting infrastructure and extending digital literacy”, further reflecting the potential for compounding inequalities.

Digital technology and online platforms are in nearly every business and workplace, reshaping the world of work (ILO, 2022). Informal self-employed workers are engaged in the "gig economy" and the global North is increasingly outsourcing digital workers to the global South. In a world economic scenario characterised by the constant transformation of supply chains, non-standard jobs in information and communication technology (ICT) are an alternative for low-skilled men and women in the poorest areas (MEXI, 2020; ILO, 2024).

Informal self-employed workers in ICT-dependent and on-demand jobs are the most vulnerable to coverage gaps in social security and labour laws, especially in the global South (ILO, 2022; 2024). In addition, outsourcing self-employed and informal workers may foster economic asymmetry in territories with low educational and income levels.

In the global South, where the use of computers and laptops is still lower than in the developed regions, participation in digital jobs is predominantly performed on

smartphones with no guarantee of a minimum salary and lack of commitment to the ILO's (1998) Fundamental Principles and Rights at Work (ILO, 2022).

Illustrating this precariousness, in Brazil, a middle-income developing country, 91.7% of the platform workers are associated with on-demand services, such as UBER and other food delivery platforms, with 77.1% of them self-employed men, with medium and low levels of education (IBGE, 2023) and informality corresponding to 70.1% of the total of the self-employed in platforms. This is higher than the level of informals among the total occupied population in the private sector in Brazil, 44.2% (IBGE, 2023). However, it is important to highlight that, unlike in developed countries, where platform work is generally a secondary source of income, in Brazil, 52.2% of the total digital workers have it as their primary source of income (ILO, 2022; IBGE, 2023).

Considering the increasing informality in DDS with a high presence of self-employed and contract workers, there is a risk that economic uncertainty could threaten the welfare and health of individuals and reduce the revenues of social security public systems (EU Council, 2018 p.8). Cooperation and governance are, therefore, critical points of departure to tackle the new challenges facing the world of work with a commitment by governments, employers and workers' organisations of the G20 countries to guarantee a minimum standard of rights to DDS workers worldwide.

Recommendations

1. Advance meaningful access and connectivity

As digital technologies transform the global landscapes of markets and work, underlying inequalities may allow those better positioned to respond to emerging opportunities to benefit from open regimes, thus perpetuating existing extreme asymmetries. There is the need to acknowledge and address the issue of grave inequity in opportunities as a result of the lack of affordable and meaningful access.

The counting, categorisation and visualisation of development issues in lower and middle-income countries have been increasingly spearheaded by large corporations that offer their own or user-provided data to donors and investors. That expression of data colonialism has been denounced by researchers as yet another manifestation of North-South divide.

The G20 should seek to advance common principles and practices in relation to access, interoperability, security, privacy, and sovereignty of data, especially in initiatives such as the Global Digital Compact, the Tech Envoy AI Advisory Council and proposed AI framework.

2. Reduce digital inequalities

There are various expressions of inequality within the digital economy and digital employment landscape. These encompass the exclusion of minority groups, often due to insufficient skills and limited access to digital infrastructure and connectivity.

Despite the common misconception of youth as digital natives, their capacity to engage in the digital economy is contingent upon the socio-economic status of their families.

Additionally, gender, ethnic minority, and disability-related inequalities in ICT remain prevalent (ILO, 2022).

Accessing opportunities, rights, and services online requires affordable, secure, fast internet and the skills required to navigate it and assess the reliability of digital media. These requisite inputs vary by sociodemographic profile (wealth, income, race, rurality, etc.) and gender.

The G20 should:

- Implement comprehensive digital skills training programs aimed at equipping individuals from minority groups, youth, and those with disabilities with the necessary skills to thrive in the digital economy. In addition, it is also important to integrate digital literacy and STEM education into school curriculums from an early age to ensure all students have equal access to essential digital skills.
- Develop roadmaps to encourage businesses and industries to adopt inclusive hiring practices that prioritise diversity and equal opportunity. This includes providing mentorship programs, internships targeted at underrepresented groups in the digital environment.
- Develop roadmaps to the implementation of policies aimed at reducing socio-economic disparities that hinder access to the digital economy. This may include providing financial assistance for internet access, affordable devices, and digital services for low-income families.

3. International regulation and governance

International regulation and governance are necessary for cross-border, web-based and *crowdwork* platforms to require respect of minimum rights and social protection (ILO, 2019).

The G20 should:

- Encourage public and private (self-) regulation on digital work in the form of bipartite, tripartite multi-stakeholder dialogue. (ILO, 2019).
- Seek solutions to the gaps on social protection calling cross border social dialogue in the ILO sectorial, regional and global meetings.
- Incentivise the commitment of digital platforms to the ILO Multinational Enterprises Declaration, OECD Multinational Enterprises guidelines and UN guidelines on Business and Human Rights.

4. Democratic governance models

Platforms serve an increasingly public function creating jobs, outsourcing individuals regionally, nationally, and globally. Yet, there is no public accountability to challenge what is considered an undemocratic governance.

The G20 should:

- Present legislation proposals to amend the existing corporate laws and include workers' representation on the board of directors in digital value chains.

- Present legislation proposals to create community-shared ownership models and support special finance schemes and tax exemptions to enhance their local competitiveness.

- *A Kenyan court decided that Meta can be sued by workers employed in its African Hub operated which is operated by another company, thus rejecting the company's argument of lack of jurisdiction (Africa News, 2024).*
- *Following an agreement with Meta, Kenyan digital creators will start getting paid for their content on the platform (Business Daily, 2024).*

5. Need for algorithmic transparency of all digital platforms

Workers and governments are not informed of the impact of surveillance through algorithm controls by digital platforms in decision-making. regarding contracting, payments and customers (Fairwork UK, 2023). The complexity of creating unions and legal representation for digital workers is a fact and it needs to be addressed.

The G20 labour agencies and social security schemes should make it compulsory for digital platforms to report annually specific information on the numbers, profiles of their workers, job classifications, and salaries per category of DDS.

The G20 countries should respect freedom of association and effectively recognize the right to effective bargaining. The platforms should disclose information about mathematical and algorithmic formulae to workers' representations reducing effects of asymmetric negotiations.



Bad Practices:

- *In Brazil, 97.3% and 84.3% of drivers and deliverers connected to digital platforms, respectively, said that it was the "apps" that determined the amount to be received for each ride and task, and for 87.2% and 85.3%, respectively, the app determined the customers to be served. (IBGE, 2023).*

6. Enhance formalisation and social protection coverage.

The employment status of digital platform workers is often ambiguous. As such, their rights regarding occupational safety and health, working hours and compensation are not clearly established under existing laws. All workers should enjoy adequate protection in accordance with the Decent Work Agenda (ILO, n.d.), taking into account ILO Future of work centenary Declaration (ILO, 2019).

The governments of the G20 countries should incorporate non-standard employees in ICT dependent jobs, specially in platforms, into existing labour and social protection regimes, regardless of their classification.

The governments of the G20 countries should encourage the formalisation of self-employed and contract workers, who will adhere to digital job contracts.

Good Practices:

- *The Riders' Law which came into force in August 2011 in Spain, included a presumption of dependent employment status , rights on algorithmic management and social protection to platform workers.*
- *In March 2024, the Brazilian government launched a law proposal establishing minimum rights for transport platform workers. The proposal created a special status to the category of “autonomous platform workers”, with a minimum salary, limits in hours of work, obligation of payments to social security and right to maternity leave.*

Scenario of Outcomes

Without digital transformation under rights-preserving conditions, the advances of digital technology, despite the promise of work creation and increased productivity, are likely to exacerbate existing inequalities.

Digital technologies have undoubtedly transformed the landscape of markets and the world of work, However, the benefits of the digital transformation have not been similarly enjoyed by all - as the global *centre* develops, the periphery finds itself increasingly alienated from digital development.

Thus, the discourse and the initial promise of a *sharing economy* has shifted and been replaced by the unavoidable acknowledgement that, far from sharing, asymmetrical power relations have shaped a highly extractive global economy (Zuboff, 2019; Couldry and Meijas, 2019).

In that context, the best hope of addressing the inequalities and improving opportunities for equitable inclusion in a globalised, complex and adaptive digital and data systems lies in collaborative global governance and collective action.

The recommendations presented seek to address that inequality and foment cooperative action that advances the implementation of the Sustainable Development Goals (SDG), especially related to decent work.

Advancing meaningful access and connectivity should strengthen a resistance to data colonialism and act to reduce the individual and collective vulnerabilities to misinformation, privacy breaches, and online repression.

Reducing digital inequalities can enable minority groups to better position themselves in the digital job market. This can also contribute to enhancing diversity within digital work environments.

Attention to **international regulation and governance** may lead to a permanent dialogue between workers' legal representations, government, state agencies, and to an enhanced commitment to fundamental labour rights and human rights principles worldwide in digital value chains. Beyond the specific scope of labour relations, initiatives such as global tax regimes, for example, could be better deployed for revenue generation and increased social protection (Onuoha, R., & Gillwald, A. 2022).

Democratic governance models are expected to increase the influence of workers' demands on employment and working conditions in digital value chains and promote economic growth at the community level.

Enhancing **transparency** can offer workers more leverage for engaging in collective action and bargaining. Moreover, it is expected to lead to adequate public policy responses to gaps in rights and social protection and to advance worker's protection against discrimination and the violation of their fundamental rights.

Finally, **enhancing formalisation and social protection coverage** should lead to broader access by workers to state services and to an increased revenue for social security systems, the latter an increasingly challenging matter in some of G20 countries.

Moreover, the formalisation of self-employed and contract workers in digital supply chains provides visibility of work relations and information for the construction of efficient public policies integrating gender, ethical, educational, cultural, among other relevant factors.

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