

Making digital trade policy work for women's rights and gender equality: A strategic roadmap

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The starting point of this analysis

- Trade policy is not gender-neutral (Gender and Trade Coalition 2018)
- Decisions made with respect to governance of trade in goods and services and regulation of investment flows have complex, and sometimes contradictory, impacts on women's well-being (Williams 2003)



The digital trade policy landscape

Dominant discourse in this space has been one of 'big bang' liberalisation and extensive deregulation of digitally-mediated trade in goods and services (James 2017)

This agenda has gained traction even among developing countries with limited digital and data capabilities, thanks to the power of the policy rhetoric of 'e-commerce for development'.

Platformization / servicification of the economy and a changed context since GATS classification in 1991 - *categories like computer and related services, telecommunications, business services, and financial services has expanded dramatically*

Key constituents of the dominant digital trade policy narrative

- Shrinking policy space for developing countries owing to deregulation of digital services - Plurilateral agreements and standstill clauses through FTAs
 - Restrictions on source code disclosure
 - Push for unrestricted cross-border data flows
 - Liberalisation of e-commerce tariffs
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Key concerns

Key concern 1.

How the push for deregulation of digitally-enabled services shrinks policy space for women's rights

- Even in sectors such as agriculture and manufacturing, it is no longer about 'products'; it is about integrated 'solutions' that bundle goods and services (Kelsey 2018)

Let's just take the case of two domains:

agri-tech services, and

on-demand service work.

1.1 Agri-tech services

In Asia and Africa, we are witnessing the emergence of a host of agri-tech platforms that are reorganising the agri-supply chain end-to-end, leveraging the power of data to control input and commodity markets

- Alibaba in South East Asia

- Pilots such as SAFARICOM's DigiFarm project in Kenya

- This has significant implications for smallholder farms that are responsible for 80% of food production in Asia and Africa, and the majority of which are managed by women (GRAIN 2016; FarmAfrica.org)
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E-commerce companies are interested in 'farm-to-fork' consolidation and building cross-border supply chains of agricultural commodities. Such end-to-end control enables them to set prices on their terms – independent farmers lose their bargaining power. Also, in this process when the entire agriculture sector becomes completely consumer-driven, marginal small-holder farmers (the majority of whom are women) tend to be edged out as there is no room for small-scale operations.

- Kartini, GRAIN

Kenya is becoming the testing bed for venture capital investing in agri-tech platform models bundling together different services – information, agri-inputs, financial products – that attempt to solve legacy problems of the agricultural sector, particularly low productivity.

But what we notice is that this platformisation is more oriented towards capturing data that makes agricultural practices of farmers more legible to financial service providers and agricultural companies controlling agro-commodity markets. Such data-based profiling meets the needs of predictability of market risk for corporate interests and not the productivity enhancement needs of groups who have been traditionally marginalised in agricultural markets, such as marginal women farmers. For example, even if integrated into a platform such as DigiFarm that integrates input advisory and credit services, algorithmic credit scoring to decide loan applications from farmers would end up excluding women lacking land titles/ other collateral, at the first step.

- Gianluca Iazzolino, research scholar

Proposals for deregulation of digital services

How this will shrink policy space to promote women's rights in agritech

Standstill clauses with respect to future regulation (eg. EU's provisions in its bilateral FTAs)

Signing away future right to impose local sourcing quotas or conditionalities **such as support for women's cooperatives**

Unrestricted market access (eg. national treatment provisions in service chapter of RCEP)

Reduced ability of the state to address exploitative market practices of agritail platforms by limiting/restricting their ownership of farm land - **women small holders will be forced to sell off lands**

Unrestricted cross border data flows ('Friends of e-commerce' group proposals) and Data Free Trade Zones in China's Digital Silk Road proposal

Inability of developing countries to retain sovereignty over local datasets that can support the creation of public data infrastructure in agriculture - **targetted info services or even AI for small farms may be out of bounds**

Prohibition on mandatory source code disclosure clauses (Friends of e-commerce proposals)

Algorithmic discrimination by agri-tech companies will marginalise women farmers in input and credit services.....without the right to explanation

1.2. On-demand service work



- Platformisation has led to a folding in of low-paid service work into formal sectors of the economy in two critical ways:

(a) facilitating on-demand service work arrangements (eg. matching domestic workers to potential employers)

(b) enabling online gig work (eg. piece work data entry for Amazon Mechanical Turk)

- This new model of reorganising low-paid service work reproduces gendered, classist, and racialised hierarchies of the labour market (van Doorn 2016)



- Platform intermediaries mediating care work sector often fail to comply with existing legislation that protects the rights of domestic workers, a predominantly feminised sector
- South Africa (ODI 2016)
- Philippines (IT for Change 2018)

Proposals for deregulation of digitally-enabled services

How policy space for actionising women's rights will be impacted

Ban on local presence requirements for providers of digitally-enabled services to operate in a country called for in most mega-agreements (RCEP, TISA)

Inability to enforce compliance of on-demand service platforms with local legislation, particularly women workers rights

Key Concern 2.

How proposals for e-commerce tariff liberalisation will add to women's double burdens in the global South

Persistent push for the liberalisation of e-commerce tariffs by developed countries, in the form of proposals for:

- an increase in *de minimis* thresholds on cross-border digital trade in goods,
 - the call for a permanent ban on customs duties on electronic transmissions.
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SHOW US WHERE THE MONEY GOES

- Considering that 70% of the global cross-border ecommerce market is controlled by three countries – USA, China and UK (Banga 2017), developing countries seem locked into the position of ‘net importers’

Permanently foreclosing future revenue from electronic transmissions is not a good strategy in times when the share of electronically transmitted additive manufacturing products in global trade is expected to increase over time

For developing countries that have been historically dependent on tariff revenue for public investment needs, this is a major erosion of their tax base (James 2017)



- a shrinking fiscal revenue base leads to a reduction in public expenditure on welfare services and social support systems (Lappin 2018)

- such cuts in the name of cost-saving often rely on the unstated assumption that women will take up the slack, thereby transferring costs to women (Rodriguez 2018)

- - Women already provide \$10 trillion in unpaid care annually to support the global economy, about one-eighth of the world's GDP (Oxfam 2018)

- Any additional burden will have disproportionate impacts on women in the developing world, 75% of whom work in the informal sector with no safety nets and worker protection (Oxfam 2018)

Key Concern 3.

How the rhetoric of promoting women's MSMEs ends up as a decoy for the dominant digital policy agenda



- Binding disciplines and increased market access in the emerging digital trade policy agenda will put MSMEs in developing countries in direct competition with platform aggregators, to their detriment and disadvantage (South Centre 2017; ITC Survey cited by Hill 2017)

Restrictions on data localisation will strengthen the digital intelligence monopoly of platforms - such as Amazon recommendation engine (Hill 2017)

For the majority of women enterprises who are in the low-value parts of the digital economy, these terms of integration are damaging

Digital trade policy
roadmap
for
LNOB in
the
digital economy

There is no gender justice
without economic justice

Keep in mind the Para 30 exhortation of Agenda 2030 that urges states to refrain from applying any unilateral economic, financial or trade measures that will impede the commitments made in the SDGs (Lappin 2018)

In trade policy negotiations, retain policy space to liberalise digitally-enabled services at own pace and resist the push towards deregulation of e-commerce.

Digital trade policy roadmap for LNOB in the digital economy (contd.)

At the national level:

- National data strategy with a clearly defined strategy for the creation of public data infrastructure to promote women's ESCR (eg. Farmerzone with a gender-directed service component; Credit scoring algorithm in state programmes that positively discriminate in favour of marginalised women)
- Cooperativist platform marketplaces that ensure equitable distribution of value and benefit women-run MSMEs and small producers

(Nascent models: Ek Gaon; Grameen Foundation's conceptual blueprint in the Philippines)

Digital trade policy roadmap for LNOB in the digital economy

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- At the national level:
 - Updating laws to prevent legal gray zones through which platform service providers can avoid complying with tax laws, labour laws, technical standards
 - Effective gender mainstreaming in creating the digital policy roadmap (eg. Philippines, Australia)
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Thank you!

Read more at www.itforchange.net

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