

Understanding the Digital Economy **at the Covid Conjuncture**

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Part 1

When we talk about the digital economy, we refer to a new way in which the foundations of production systems are changing.

The short hand to understand the digital economy is through the idea of platforms.

1. Platforms are network-data infrastructures and the mechanism through which production and market exchange are organized.

The Covid crisis is leading to a greater focus on online supply in sectors such as retail, health, education, telecommunications and audiovisual services. The WTO argues that in the future, increased supply of services through digital networks could increase trade through mode 1 (cross-border supply). Overall, the crisis is seen to be further underscoring the importance of services that enable online supply, and economies need to place renewed attention to infrastructures such as telecommunications and computer services, as well as the broader infrastructural role of financial, transport, distribution and logistics services in facilitating merchandise trade and economic growth. Services sectors, and the creation of conditions conducive to trade in services, is hence seen as key to the recovery from the economic slowdown.

Even before the pandemic, the economy was already moving towards greater servicification. This is not only because there is a possibility to deliver services digitally. With digitalization, goods or products are becoming hybrids — product-service hybrids.

The upshot is that the economy is dominated by privatized platform infrastructures. As markets go online and the standards that govern markets become private, there are cascading implications for who can be part of the market; under what terms and how the protocols and standards of the platform market place can be tuned to social justice or gender justice. For e.g., if we say that public procurement for midday meals will be from SHGs, is it possible for us to ask Amazon to reserve some quota for SHG suppliers? Is it possible to ask Amazon to share its algorithm to check if they engage in manipulative rating and ranking practices?

2. The next is the issue of labor and the meta narrative of flexibility that goes with the digital economy.

The whole narrative of flexibility needs to be examined closely not only for critical feminist concerns around labor time, production and reproduction — but also, how time-space architectures of the digital are creating new routes for imperialist exploitation. We are already witness to what the race to the bottom signifies in terms of global supply chains and how value production is organized – say for e.g. in garment and apparels.

The geographer David Harvey documents how firms centered upon flexible accumulation emerged from the ensuing 1970s crisis of profitability. At this point, working time became not only a mechanism of exploitation but also a means of domination.

In the 80s, we saw a new workplace regime of “flexible despotism” — temporary workers were used to create insecurity amongst a core of permanent workers.

What we see now in the new crisis is an increasing flexible despotism around time-space, where platforms assign work or not based on a careful modeling of the market, matching demand and supply, but with complete opacity. This happens to the most vulnerable workers — taxi drivers, on-demand workers like delivery boys or microworkers who perform tasks on AMT — women and young people in the peripheries of the global economy.

Thus, as economic relationships are virtualized and platformized, the nature of exploitation changes, creating a rupture with existing definitions, categories.

3. But not everyone is even able to get on to digital modes of working. The idea of telecommuting is a highly unlikely reality for most women-led enterprises.

The rate of female online presence has reached 80 percent in developed economies, but it stands below the world average in developing countries at 37.4 percent. Least-developed countries lag even further behind, with less than 13 percent of women online.

To step back a bit, the lockdown impacted women in two ways — informal sector women in care services, street hawkers, etc. have been hit badly. And in sectors such as retail, and of course, frontline health, women have faced the worst of risks with regards to the virus. Given that on average, women continue to bear increased work loads for housework and child care and earn

less than men, income losses due to the Covid-19 recession may further increase job losses and poverty among women.

Many developing countries have closed their borders and so sectors such as tourism and recreational services have been hit badly. We are talking about the majority of women workers, in the informal sector, in low paid, low skilled jobs.

Hence, a shift to online services with opportunities for women also implies that many women in the margins of the economy have lost out. Taken together, these trends signal a shift in the peripheries of value — some women will be displaced by others in developing countries in GVCs. Those who will lose out are by and large the already dispossessed and those who may gain — like micro workers online, will be disciplined by digital infrastructures of production and market exchange. In this shift, we also see a global trend in the peripheralization of certain countries that are not integrated into high-end digital value creation. We also see a cooption by nation-states of female agency in the performance of deskilling, monotonous and repetitive cross-border services.

4. But this is not about being technocentric — it is not that there is something inherently wrong with digital work or digitally mediated work. What is problematic is the obfuscation of the reality of GVC under digital capitalism.

A 2015 survey of Pacific Island exporters showed that firms that are active online have a greater concentration of female executives under 45 years of age than those that are active offline (DiCaprio and Suominen, 2015). More generally, the share of women-owned firms active in cross-border e-commerce has been found to be twice as high as the share engaged in offline trade. In the case of Africa, 75 percent of the firms trading exclusively through e-commerce are women-owned (ITC, 2017). On Alibaba, a Chinese e-commerce platform, more than half of all online shops are owned by women. Airbnb (2017), the online marketplace for accommodation, estimates it has more than 1 million women hosts, making up 55 percent of its global host community.

All of this makes the digital services opportunity seem really big. Yet, if you speak to co-ops like SEWA they will tell you about the adverse terms on these platforms, including high commissions and pricing manipulation.

Today, there is a huge push in the WTO — in the name of women’s economic empowerment — to promote platformization. The Informal Working Group on Women and E-commerce is keen to promote the gender and trade agenda, citing all these ‘facts’.

The arguments cannot be faulted — official, mainstream reports say that women have low mobility and don’t usually have access to capital, and that digital businesses are a boon. Mode 4 services under GATS in health and education — traditionally dominated by women — are today able to be delivered online. However, these arguments are devious for their neoliberal discontents. They do not point to the structural problems of digital capitalism and the way women’s labor will be colonized in new ways. It is not as if hyperliberalization of e-commerce will change the fortunes of women — access to credit will still be a problem in so far as women lack inheritance rights and assets, and access to digital infrastructure will continue to challenge most women. As e-commerce takes off in our country (Facebook has recently acquired stakes in Jio), it will certainly boost high-end consumption, but it is unclear how domestic supply chains will benefit.

If things are unchanged, the post Covid digital economy will unleash a new imperialist wave of dispossession — rendering some women irrelevant and making way for the agency of younger and more qualified women to be coopted and disciplined by the global circuits of data value.

5. All of this leads us to a vital area of feminist concern, that is of rule making. The future is digital. A small but important indicator is that in this period of lockdowns, online payments are going up in many developing countries. And this is here to stay. But the present of the digital economy is based on structural injustices. In Asia, only China features in the top 10 countries in the data economy, and only Japan and India in the top 25. Thanks to trade rules, developing countries cannot levy tariffs on foreign e-commerce companies. However, in a world that is embracing 3D printing, import tariffs on physical goods will gradually see a fall. Some projections suggest that by 2040, 50 percent of manufactured goods could be 3D printed. If revenue streams from import tariffs are cut off, poor countries can face extreme hardships in financing social policies, with debilitating impacts on gender budgets/budgets for women. The governance deficit in the digital economy sustains a laissez-faire market in data.

Also, under neoliberal digital capitalism, the state apparatus has tightened its governmentality. The essential workers of the pandemic — ASHA workers and delivery boys — are assimilated into a surveillance universe, surveilled continuously and stripped of rights.

Part 2

Bringing feminist perspectives to the economy is about looking closely at what is valued and how value is created and who corners the value. As things stand today, the platform economy — dominated as it is by a few firms — is extractivist, exploitative and expedient. It is based on an unsustainable model with scant regard for natural resources; built on the back of a global division of labor that bears the marks of race, class, gender and geography. And it propels itself on a free market arrogance that knows no boundaries, geographic and otherwise, operating as it does with impunity — tax evasion, price manipulation, wage theft, political arm-twisting and more. Key to the value proposition of platform firms is the intangible asset of data, data that is stolen and hoarded from people and nations.

Like supply chains in the traditional economy, where women's contribution to family enterprises goes uncounted, or female low-end workers in global supply chains who are hardly visible, so also, in the platform economy, an entire discursive and legal apparatus is deployed to ensure that those who don't count are kept invisible and irrelevant. Our laws are woefully inadequate.

For our digital future to be feminist, the need of the hour is to go local — and look at how data value chains can strengthen local economies of production and innovation in which women are visible and valued, and natural ecosystems, respected.

Experts from around the world have called for a focus on distributive justice in the post-Covid moment. Distributive justice does not have any meaning unless social reproduction is central to its real world execution. A new social contract as if women matter is necessary and possible today. This means ensuring social and economic citizenship for women. Technology cannot be trusted to lead the economy. Economic policy must lead the choice of technology.

Women need a legally guaranteed right to the internet — and poor women need free data allowances. They need access to new training opportunities.

Intermediaries supporting labor need to step up their strategies to reach and retrain women workers online.

Public investments are needed in digital infrastructure and to stimulate data value chains through appropriate laws and policies in personal and non-personal data.

Agenda setting for the digital economy needs to focus on domestic value chains in agriculture, AI innovations for the public sector, in health, energy, transportation, etc. to find solutions to the socialization of care, and expanding effective public provisioning of services is an important national priority in developing countries.

Platform marketplaces that are linked through decentralized community collection centers can support small agriculture, and cloud infrastructure provided as a public good can boost small and micro businesses.

Governments have a duty to reimagine the role of technology for a rights-based citizenship rather than use it to lock the poor out and unleash authoritarianism in the name of security.

Taxation databases can be used to target subsidies to MSMEs, enabling them to retain their staff. Credit guarantees can be used to encourage banks to lend to MSMEs with incentives for digitization.

Big Tech is bound to flex its muscle in the post-Covid period. Worldwide, there is an emerging consensus that taxation and competition law needs to be revamped to contain the excesses of the digital economy. However, these traditional instruments can go so far and no more.

The path ahead calls for bringing laws up to speed to situate labor rights in the digital moment. Platform exceptionalism in labor rights can prove to be costly, demolishing economic security and pushing up precarity and inequality.

But the most important breakthroughs are waiting to happen in alternative forms of economic organization. Let us not forget that the decentralized power of the internet can be harnessed to promote social and solidarity economies — cooperatives that can federate through data value chains — transferring data dividends from corporations to labor.

Internationally, it is necessary to adopt indicators that capture the Gross Data Product and the share of labor — specifically, the share of female labor — in the data economy. New macro economic policy frameworks — such as the CARE framework adopted by Argentina and South Korea — need to go hand in hand with attempts to build an equitable and feminist digital economy.

International funding needs to invest in the collectivization of women workers in data value chains. It is time that developing countries came together to propose a multilateral framework for data and AI that promotes just and egalitarian future societies.

Today, in the deeply worrying stories of an invisible pandemic of domestic violence world over, we see the economy's connections to gender relations and norms laid bare. Without a new feminist global to local pact, we risk putting women in a corner, under extreme duress, even as the platform economy and its DNA for viral proliferation finds new online avenues to discuss neoliberal ideas of bodies, beauty and wellness. Policy choices for the digital economy hold the key to social and economic citizenship for women. Business as usual with new neoliberal flavors can re-privatize women's labor, erasing their contributions to value creation, and driving their physical bodies back into places that are hidden.