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Session Briefing

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Technology promises benefits that can enable society to improve efficiency, reduce costs, widen access, and spread gains and development more widely and more quickly. Features that enhance productivity and improve decision-making, including but not limited to satellite imaging, geolocation, communication, artificial intelligence, and rapid analysis of big data can all have positive impacts for human rights, particularly so at times of humanitarian crises and to enhance access. But the same technologies also enable surveillance, manipulation of data, and repression, which can have adverse impacts on human rights, including privacy, safety and security. Technology is values-neutral, making it even more critical for there to be human supervision over its use, to ensure rights-based, development-oriented, law-driven outcomes.

Enhanced computing power, the ability of the Internet to establish secure connections, the speed of data transmission, standardisation of requirements and regulations, reduction of tariffs, and investment across borders have all contributed to a phenomenal rise in digitised trade, showing exponential growth in volumes. Digital trade is still primarily conducted between businesses, reducing the need for paperwork, bureaucracy, and processes, that delay transfer of goods or services. Between 2012 and 2016, according to the World Trade Organization, global e-commerce rose from $19.3 trillion to $27.7 trillion, and business-to-business transactions were six times the size of transactions between business and consumers.

While the gains in cost reduction and efficiency are clear, platform-based trade can raise questions about transparency, traceability, identifiability, and potential for surveillance. Governments also face the risk of losing tax revenue, as calculating the value-added at each stage of transaction becomes more complicated, particularly in the area of services. Other broader technical concerns include regulatory frameworks across borders (internet sovereignty), localisation requirements, cyber theft, mandating location of data, source-code disclosures, and state oversight over data.

The Internet has enabled easier access to communication tools, helping marginalised voices to express themselves openly and connecting dispersed communities. But there are barriers within and between nations, which can widen the gap between rich and poor, and between those who are digitally literate and have access to technology and those who don't.

Digital trade through means such as blockchain can enable traceability of commodities, which can, in theory, keep conflict diamonds, dirty coal, other conflict commodities, products made using child labour or forced labour, out of the global commerce chain. Blockchain technology ensures swifter book-keeping and record-maintenance, making it harder for anyone to manipulate data or records, thus ensuring that regulators have a clearer idea of the origin of specific commodities being traded. But when applied to human beings, it can act as an effective means to impose surveillance. Sensitive information in the hands of a government with a poor human rights record can negate the gains technology offers. The United States has recently imposed restrictions on products from the Chinese company Huawei over concerns that its equipment may be used for espionage. As with sanctions placed on some commodities which fuel conflict, this shows that when determined,

governments can and do impose restrictions on trade where issues of security and human rights are involved. Is such a model applicable to digital and digitized trade?

As digitised trade, currency-less transactions, and the overwhelming prevalence of tools of surveillance cast a wider net over our lives, the proponents of technology emphasise the potential new technologies offer to improve living standards and help realise sustainable development goals. But risks technologies pose are formidable; the reach of technology is beyond the capacity of individual governments to regulate; the reliance on governments to act in good faith is itself a questionable premise; and the ability of civil society groups to challenge is restrained due to lack of resources and impediments placed in their path by governments. Privacy breaches, lack of data security, the ability hackers have to access data, and embedding of technologies into an ever-widening range of activities raise profound challenges for human rights practitioners and regulators.

Questions for consideration:

1. Is it possible for digital trade to address societal imbalances and extend opportunities to those lacking them? What can companies and governments do?
2. Will digitised trade hasten global inequities, making it even harder for developing countries to catch up? Are they sufficiently involved in setting standards, or are countries better endowed with technology and resources – financial and human – racing ahead?
3. What are the implications on civil and political rights of people in the age of digital trade? Is it possible to safeguard privacy and security of people while ensuring smooth transactions?
4. What steps can technology companies take to reassure civil society and other stakeholders that human rights will be protected?

Additional resources:

For an overview of digital trade and its spread, see https://www.brookings.edu/testimonies/global-digital-trade-1-market-opportunities-and-key-foreign-trade-restrictions/, https://www.wto.org/english/res_e/statis_e/wts2018_e/wts2018_e.pdf, https://www.wto.org/english/res_e/publications_e/world_trade_report18_e.pdf, and https://www.oecd.org/going-digital/trade-in-the-digital-era.pdf.

The WTO is aware of social consequences of digital trade. See https://www.wto.org/english/news_e/spra_e/spra254_e.htm. For the impact of digitisation of trade and big data on balance of power across countries, see https://www.cigionline.org/publications/data-development-issue. For a strategic overview of policy options, see https://marietjeschaake.eu/en/towards-a-digital-trade-strategy

For civil society's critique of digitalised trade, see http://www.ourworldisnotforsale.net/2019/Digital_trade_2019-04-01-en.pdf.