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THEMATIC SECTION

Anti-development Impacts of Tax-Related Provisions in Proposed Rules on Digital Trade in the WTO

Deborah James[1]

Abstract
The ability of developing countries to achieve the SDGs will depend in large part on their ability to mobilize resources including through taxation. But new proposed rules in the WTO are threatening all countries' ability to generate fiscal revenues through taxing the activity of transnational corporations. Under the guise of new talks on 'e-commerce', the largest TNCs are seeking to rig international rules to prevent governments from being able to assess tariffs on international transactions, as well as to assess taxes on corporate profits. If the talks in the WTO result in a binding agreement, the fastest-growing and most profitable sectors of the economy will be permanently released from the responsibility of contributing to the social and physical infrastructure on which their businesses are based, and governments will be unable to meet the social and development needs of their populations.

Keywords Tax · Trade · E-commerce · Digital trade · Digital economy · Development

The ability of developing countries to achieve the Sustainable Development Goals (SDGs) will depend in large part on their ability to mobilize resources including through taxation. But new proposed rules in the World Trade Organization (WTO) are threatening all countries' ability to generate fiscal revenues through taxing the activity of transnational corporations (TNCs).

Billions of dollars in investment in infrastructure, services, and job creation will be essential to achieve the SDGs. The UN Conference on Trade and Development (UNCTAD) is warning of the increasing indebtedness of developing countries to unsustainable levels, putting them at risk for total collapse vis-à-vis external shocks like climate disasters which are increasingly frequent. And while donor governments are reducing Official Development Aid (ODA) budgets, developing countries are losing out billions of dollars in Illicit Financial Flows (IFFs), hamstringing their ability to fund their own development priorities.

The Organization for Economic Co-operation and Development (OECD), (OECD 2019) the G20, the United Nations, governments, and civil society advocates around the world are seeking solutions to tax avoidance and profit shifting, which are estimated to cost developing and developed countries over $600 billion annually, severely constraining their ability to meet their domestic financing needs.

The accelerated digitalization of the global economy is exacerbating these problems in recent years with dire consequences. Given the expansion of technology-enabled trade, an increasingly digitalized economy will have further implications for taxation in all countries. For instance, in an online services work platform, in which the corporate headquarters, the labour, the purchase and the delivery occur in different tax jurisdictions, where is profit recorded and tax assessed? The current tax system is not addressing properly the change in business models from digitalization. The loss in revenues from tax arbitrage among digital corporations is actually even greater in developed countries than for developing countries, because of their larger size and larger markets involved with digital trade.

But far more pernicious and unknown is the fact that current reform efforts could be threatened by proposals in the name of 'e-commerce' in the WTO. Under the guise of 'e-commerce', Big Tech corporations are seeking ways to gain new rights to profit in markets around the world, while ensuring that new rules allow them to not pay taxes to the markets in which they are profiting.

✉ Deborah James
djames@cepr.net

[1] Center for Economic and Policy Research, Washington, DC, USA

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At the behest of Google, Amazon, Facebook, and other Big Tech corporations, the United States tabled the first proposals on 'e-commerce' in July 2016. Since then, all developed countries have made proposals on the topic, with the goal of launching new negotiations in the WTO at the last Ministerial, which took place in Buenos Aires in December 2017. But by then, the Africa Group, India, and some progressive Latin American governments had realized some of the many negative implications and, with support from civil society, were successful in denying proponents a new mandate.

Since then, some WTO members have been meeting on the sidelines of the WTO in an attempt to start talks even without a 'multilateral' mandate of all members. And in March 2019, they did just that: a group of 76 countries—all developed nations joined by about two dozen pro-neoliberal governments from developing countries[1]—announced the start of new negotiations towards a 'plurilateral' agreement in the WTO.

While e-commerce itself can be useful for a country's development, the rules proposed would result in a new constitution for the digital economy, giving corporations new rights to operate in markets while handcuffing public oversight of the new digital behemoths.

There are myriad development implications of the proposed talks. Most egregiously, they would foreclose developing countries from using their greatest resource, data, for their own development (Singh 2017). They would also harm local industries competing with digital behemoths (Munu 2019); exacerbate inequalities between countries while failing to ameliorate the digital divide; consolidate monopoly power of the biggest TNCs at the expense of democracy and development; expose us all to more risk from financial crises; have major impacts on jobs and labour rights; jeopardize personal privacy and data protections; expose women and people of color to more algorithm-based discrimination (Smith 2017); and prevent developing countries from using performance requirements that every developed country utilized. They also contain no development provisions, as the rules would apply the same to countries no matter their level of development. I have written about the extensive development implications separately (James 2017, 2018, 2019a). An April 2019 letter signed by 315 organizations from over 90 mostly developing countries demonstrated wide civil society alarm about many of these concerns.[2] But the issue of the tax implications has yet to be fully aired in the context of debates on the implications.

Tax-Related Proposals in the Digital Trade Negotiations and Their Anti-development Implications

Proponents of the digital trade negotiations are seeking to consolidate the exploitative business model of Big Tech, which is well-known at this point:

(a) gaining rights to operate in markets, while:
(b) locking in deregulation (companies like Airbnb are known for operating in regulatory grey zones);
(c) accessing an infinite supply of cheap labour (essential to Uber's 'success' is their low compensation of the drivers);
(d) collecting, legally or illegally, massive troves of personal user data from around the world (Facebook's data collection scandals are well-known, but Google collects even more and pairs it with consumer credit card and location data to target advertising);
(e) maintaining monopoly positions by shutting out or buying up competitors (as Google and Apple have been fined for, and Amazon is being sued for); and
(f) non-payment of taxes (Amazon paid no federal taxes on $11.2 billion in revenue in 2018, and in fact received a refund).

There are two sources of tax revenue from trade generally. The first is tariffs, which are taxes paid by corporations for the privilege of generating profit in a country (these are usually import tariffs, but export tariffs also exist.) The second is taxes on corporate profits on foreign corporations operating in a jurisdiction.

Although global tax evasion and IFF problems are significantly a result of trade mis-invoicing and other trade-related issues, these issues are not treated in the WTO.

Instead of evaluating the way that current WTO rules contribute to the global crisis in tax evasion, as part of the new proposals on 'digital trade', some WTO members are seeking to minimize or ban countries from assessing either type of tax, through a series of seven different provisions. Unfortunately, despite having finance ministries involved in global discussions for tax reforms, those same WTO members have completely failed to convene (or blocked) discussion to date on the anti-development implications of

[1] Argentina; Benin; Brazil; Brunei Darussalam; Chile; China; Colombia; Costa Rica; Côte d'Ivoire; El Salvador; Honduras; Hong Kong; Kenya; Lao PDR; Malaysia; Mexico; Mongolia; Myanmar; Nicaragua; Nigeria; Panama; Paraguay; Peru; South Korea; Taiwan; Thailand; Turkey; and Uruguay.

[2] 'Letter from 315 CSOs from 90+ countries against Digital Trade talks in the WTO', Our World Is Not for Sale (OWINFS) global network: April 1, 2019. https://ourworldisnotforsale.net/2019/Digital_trade_2019-04-01-en.pdf.

proposed tax-related provisions in the 'e-commerce' proposals in the WTO.

Provisions Related to Tariffs

Proposals to reduce tariffs on corporations include provisions: to make permanent the moratorium on customs duties on e-transmissions; to raise the threshold for imposing tariffs on trade in individual packages (*de minimis*); and to eliminate tariffs on information technology goods.

These provisions could have devastating impacts on domestic micro-, small- and medium enterprises (MSMEs) which make up the vast majority of employment in developing countries. When countries liberalize without building up domestic capacity, traditional development policy, and decades of experience, shows that they are more likely to be flooded with imports that wipe out existing MSMEs, rather than experience a magical expansion in exports (Munu 2019).

A Permanent Waiver on Customs Duties on Electronic Transmissions (ETs)

Electronic transmissions include electronic products such as movies (Netflix), videos (YouTube), music (Apple's iTunes) and books (Amazon), as well as other inherently electronic goods and services such as software. In 1996, WTO members agreed to a moratorium on border taxes on electronic transmissions. This moratorium has been renewed every 2 years. Politically it is 'traded' for a waiver which helps maintain certainty in the generic drug industries in developing countries, from having cases filed against them by patent-holding countries, even when the developing country was exercising their hard-fought rights to flexibilities from the Trade-Related Intellectual Property Rules (TRIPS). In WTO-speak, this is called the 'TRIPS non-violation complaint waiver'. This means that in order for developing countries to have more certainty about guaranteeing access to medicines for the poor, countries are banned from charging customs duties on Netflix.

In fact, TNCs that trade in digitizable products have lobbied hard for waiver on tariffs on ETs to be renewed on a permanent basis. In fact, the United States pushed for it to be made permanent at the last Ministerial, while opposing the renewal on access to medicines (in the interests of its pharmaceutical lobby). In the end, both waivers were renewed, but are set to expire in December.

The question is, why should the sales of products that are digitizable, that still depend on the infrastructure, education systems, communications technologies, and other resources in destination countries, not contribute to those costs? Why should domestic retailers have to compete with e-retailers that have been, effectively, subsidized by gaining tax-free access to their markets?

An informative new research paper published by UNCTAD, 'Growing Trade in Electronic Transmissions: Implications for the South' is making waves in the WTO negotiations (Banga 2019). Economist Rashmi Banga of the division on Globalization and Development Strategies demonstrated the potential implications for developing countries of a renewal of the moratorium on customs duties on e-transmissions. Comparing the zero- tariff moratorium with current (bound) tariff rates on both electronic transmissions and digitizable products, the moratorium only cost developed countries 0.2 billion USD while at the same time costing developing countries about eight *billion* USD: that is 40 times the revenue of all developed countries combined. Thus, the implications of the moratorium would be the transfer of billions of dollars of tariff revenues to Netflix, YouTube, Apple, Amazon, and others, directly from the fiscal base of developing countries.

A High Minimum for Tariff-Free Small Packages (De Minimis)

Assessing and collecting tariffs, like all taxes, carries administrative costs, and there is a level at which the costs outweigh the revenues. The level at which a country sets the minimum value a package must have to be worth assessing and collecting tariffs is called the *de minimis* level. Ana B. Hinojosa, Director of Compliance and Facilitation at the World Customs Organization, stated during the Africa eCommerce Week, held by UNCTAD in Nairobi in December 2018, that there has long been agreement that each country should have a *de minimis* that is the *right one for their level of economy*, given the different structures of economies at various levels of development, including the domestic mix of revenues for its fiscal base as well as the administrative costs. The business lobby, and in particularly the express delivery industry of the U.S. which would be a primary beneficiary of increasing trade in small packages, are proposing a 'reasonable' *de minimis*. Ms. Hinojosa pointed out that the *de minimis* of the United States is only USD800. This is a very high level and very specific to the different mix of tax revenue in the United States (specifically the lack of a Value Added Tax, or VAT). She cautioned against universalizing this system because of its lack of appropriateness to other countries, especially developing countries.

The Removal of Tariffs on Information Technology Products

Corporate lobbies and the governments that represent them have included provisions in the digital trade negotiations to require countries to join the Information Technology Agreement and its expansion (ITA and ITA-II). The ITA (and its subsequent expansion as ITA-II) mandates a tariff level of zero on certain products which WTO members were successful in including in the ITA list, because they allegedly are related to the information technology (IT) industry. Some countries such as India declined to join the expansion, because rather than experience an expansion in their IT industry as proponents claimed they would, their domestic IT industries were decimated after they experienced massive imports of cheaper IT products after reducing tariffs to zero. Very few developing countries are members of the original or expanded ITA. So being required to join the ITA or ITA-II as part of a potential digital trade agreement could result not only in domestic IT industries being wiped out, but also to the loss of significant tariff revenue from hundreds of IT products in developing countries.

Why is this tariff revenue so much more important to developing countries? In the case of Africa, trade taxes are fundamental and necessary because of Africa's economic structure and the unique experiences over the years. African economies are still dependent on primary commodity exports, and raising taxes from income taxes is still limited due to the small share of the population in the formal sector. Industrialized countries depend less on import taxes because of their ability to raise taxes from other sources. For example, according to World Bank Development Indicators as of 2017, some African and Caribbean countries rely heavily on trade taxes as a percentage of income:

Some examples	Taxes on international trade as a percentage of revenue
Somalia	37.4
Bahamas	34.8
Jamaica	33.9
Namibia	32.5
Botswana	31.7
Liberia	30.0
St. Lucia	29.2
Cote d'Ivoire	27.8
Bangladesh	24.5
Caribbean small states	33.9

However, developed countries rely far less on tariffs as a percentage of their tax mix.

Some examples	Taxes on international trade as a percentage of revenue
World	3.6
Japan	1.4
United States	1.0
Norway	0.2
European Union	0.0

Source: World Bank Development Indicators as of 2017

Africa's experiences over the years have made a case for countries to tread cautiously on how tariffs should be abandoned with the hope of recovering the revenue forgone through other sources. According to an IMF study (Baunsgaard and Keen 2005) which looked over 25 years to see if countries which have liberalized trade and lost tariff revenue have been able to replace them with other domestic tax revenue, including VAT, the study found that while high income countries were able to replace trade revenue by other domestic tax revenues, middle income countries had only been able to recover 40–60 cents for every dollar lost of trade taxes. However, lower income countries have not been able to recover more than 30% of lost revenues.

Provisions Affecting Corporate Tax Assessment

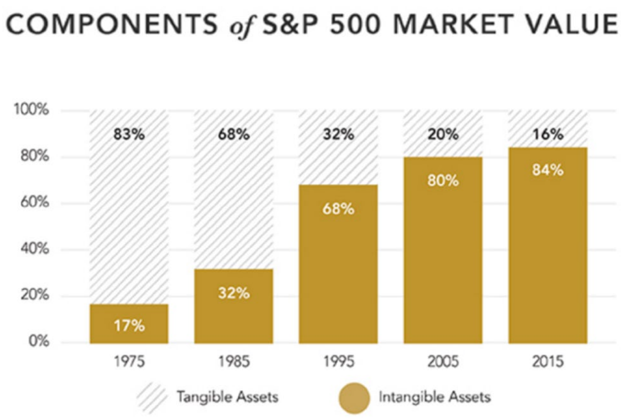
The provisions to cut tariff revenues would have serious negative implications for developing country budgets, but the proposals also include provisions that would aid corporations in avoiding taxation on corporate profits. This includes provisions to: ban technology transfer requirements, ban governments from being able to require the disclosure of source code (which is how countries like the US reviews tax software source code to ensure corporations are not cheating on tax assessments); and ban localization of data and local presence requirements, both of which are essential for countries to be able to evaluate tax assessment and to hold countries accountable when they violate domestic tax rules.

A Ban on Governments' Ability to Require Technology Transfer

Even as digital trade proponents seek to reduce tangible barriers to trade such as tariffs, they have sought to increase intangible barriers such as increased legal protections for 'intellectual property rights (IPR)'. Digital firms rely on IPRs even more than their analog counterparts. According to UNCTAD, 'charges (i.e. payments) for the use of foreign IPR rose from less than $50 billion in 1995 to $367 billion in 2015.' (UNCTAD 2018) But within the WTO, the TRIPS agreement provides certain flexibilities from enforcing patent monopolies, while providing legal protections for others. For example, Least Developed Countries (LDCs) are not required to implement TRIPS rules on patent monopolies and test data until 2033. TRIPS Article 66.2 requires developed countries to provide incentives for technology transfer, but they have never agreed to demands by developing countries to actually facilitate this requirement. Instead, they have pressured countries joining the WTO to agree to more onerous restrictions on technology transfer.

The issue of technology transfer is often a proxy for the U.S.–China trade war, in which U.S. firms accuse Chinese companies of illegally requiring them to transfer technology, in order for those firms to be permitted to operate and profit in the Chinese market. Thus, it comes as no surprise that TNC lobby documents, and several country proposals, include provisions to ban technology transfer as part of the ‘digital trade’ proposals. These proposals exemplify how the digital trade negotiations go far beyond ‘e-commerce’ into myriad aspects of the economy, to entrench the power of the largest corporations.

Instead of facilitating technology transfer to deliver on the promise of closing the digital divide, the actual provisions of the digital trade negotiations would put patented technologies further out of the reach of developing countries, increasing the weight of intangibles in global value chains and ensuring that developing countries gain even less from global trade.



Source: Intangible Assets Study of 2017 by Ocean Tomo.

An article in Fortune magazine demonstrates in detail ‘How Uber plays the tax shell game’ using patent monopolies to book profits in shell companies in tax havens (O’Keefe and Jones 2015).

In its flagship Trade and Development Report, UNCTAD explains the connection:

> with the rise of export market concentration, large firms have increased their ability to extract rents from newer and more intangible barriers to competition, reflected in heightened protection for intellectual property rights and abilities to exploit national rules and regulations for profit shifting and tax avoidance purposes. The consequent increase in returns from monopolies generated by IPRs, as well as reduction in relative tax costs of larger companies, creates an uneven playing field. The empirical exercises carried out for this *Report* suggest that the surge in the profitability of top transnational corporations – a proxy for the very large firms dominating international trade and finance – together with their growing concentration, has acted as a major force pushing down the global labour income share, thus exacerbating personal income inequality.

The same is true for the global share of income of developing countries from trade. UNCTAD further notes that:

> services derived from intangible assets whose geographical location can be determined by firms almost at will – such as financial assets or intellectual property rights (IPR) – can now be “traded” more freely between higher-tax and lower- tax jurisdictions and within transnational corporations (TNCs) themselves. Overall, these processes have tilted the distribution of value added in favour of capital, especially transnational capital, whose owners remain mostly headquartered in developed countries.

It is of the utmost hypocrisy that in negotiations which proponents claim will help developing countries close the digital divide, which would by definition mean increasing their technological capabilities across a wide range of sectors, include proposed rules to limit that technological access, particularly in ways that will also limit the ability of those same countries to fund their own innovation.

A Ban on Requirements for ‘Source Code Disclosure’

A number of countries at the WTO are proposing bans or restrictions on the ability of governments to require access to, disclosure of or transfer of the source code in software (or algorithms or trade secrets). According to trade lawyer Sanya Reid Smith, some tax authorities such as in the United States access the source code of software used for accounting, tax planning, tax return preparation and compliance to check it and they copy the source code and disclose it to experts for advice. This checking of source codes, algorithms, or trade secrets by the authorities may not be possible for those who agree to these WTO ‘e-commerce’ proposals, which would make it more difficult to detect tax evasion (Smith 2017).

A Ban on Local Data Storage Requirements

A primary goal of the transnational corporate lobby is to gain the right to transfer data cross borders, along with a ban on governments’ rights to require corporations operating in their jurisdictions to store the data, or even a set of the data, of their operations on domestic servers. This represents a grave threat to development, because data is the most valuable asset today, and the is lifeblood of the future economy. Whichever firms dominate the Artificial Intelligence (AI) in their sectors, will dominate their industries; and AI depends on massively large sets of Big Data to train the machine learning to make decisions. Groups like IT for

Change have written extensively on the value of data for developing countries, and the need for developing countries to maintain rights to control their own data and not allow new rules mandating that TNCs have infinite rights to collect, process, and control their data for private profit (Singh 2017, Singh 2019).

However, the proposed provision banning local data storage has tax implications as well. Many countries require the data of foreign firms to be stored locally so that tax authorities will have the ability to review the data in case of any audit or requirement for review. For example, New Zealand requires that all business records be stored in data centers located in New Zealand in order to comply with the Inland Revenue Act, so that tax authorities can ensure that TNCs are paying proper income taxes.

Mutual legal assistance treaties exist to which authorities could appeal, but proceedings under them often take years to resolve. There are provisions in some of the tax reform proposals that would partially address access to information issues, but there is a difference between sharing the information a corporation provides with one government, with another, and the regulatory authority having direct access to the financial records, such as in the case of an online financial corporation alleging collapse and absconding with depositors' assets.

A Ban on Local Presence Requirements

Traditional tax law requires Permanent Establishment (PE) in order to trigger corporate tax liability obligations. Many countries require that corporations intending to provide services in their countries maintain a local presence for just that reason (along with having a subsidiary or branch location where redress can be sought, in the case of fraud or abuse of consumers or workers, for example.) Given the fact that corporations are increasingly providing digital services without establishing a local presence, this requirement is one that many advocates of tax reform efforts are intending to address.

At the same time, however, that digital corporations are resisting this reform to global tax rules, they are seeking to gain the right to operate in markets around the world while banning governments from being able to require them to have a local presence. This would make it extremely difficult for governments to exercise jurisdiction over the corporation to physically assess the taxes. And since there would be no physical subsidiary assets which could be seized if they were to fail to meet their tax obligations, it could have serious implications for enforcement as well.

Cuts to revenue have high economic and social costs, such that the benefits from reduced tax revenue rarely outweigh the costs. Evidence from OECD and UN agencies show that corporate investment decisions are more dependent on government provision of services, such as a skilled, healthy workforce; social, legal and political stability; and infrastructure, than tax rates. When Amazon put out a call for cities in the United States to pitch themselves as the best site for the next Amazon headquarters, they asked for cities to provide everything from an educated workforce to efficient public transportation to culture and green spaces to strong infrastructure—and at the same time asked those same cities, tasked with footing the bill for all those investments, for the highest tax abatements. But there is little evidence that their final decision was dependent on the tax breaks.

Global tax reform is a top priority for developing countries, and global development debates focus on the billions of dollars of investments needed to achieve the SDGs. So why, in talks that proponents pitch as 'e-commerce for development'—are there so many proposals with negative implications regarding taxation? E-commerce can be part of a country's overall economic development strategy; but that is very different than agreeing to a set of rules written by Google, Apple, Facebook, Amazon, and Microsoft to help them avoid paying their fair share of taxes to developing and developed countries, consolidating their advantages over non-digital and domestic enterprises, while facilitating their profiting from the accumulation of vast stores of data from their populations.

Recent Efforts at the G20 and Elsewhere are Insufficient

At the same time, the issue of taxing digital transactions and proper taxing of digital corporations should be taken up on the international level—not to facilitate digital corporations evading taxes, but to help countries appropriately assess taxes on digital transactions and corporations.

At the recent G20 meetings, Finance Ministers agreed to work toward a single global approach to apply to digital companies. The most potentially positive outcome of this work is possibly the introduction of profit split methods. But this is far from a unitary system that has been demanded by the G24 group of developing countries, and thus is still insufficient.

But at the same time, the G20 leaders' summit, assisted by the WTO Director General, pushed an 'Osaka Track' highlighting support for the proposed rules on digital trade in the WTO. Fortunately, this effort was rejected by South Africa, India, and Indonesia.

Some countries, such as France, have announced their intention to start taxing digital corporations which are taking advantage of tax arbitrage to avoid taxation. But a solution must be found on the international level and must not be precluded by back-door mechanisms to avoid corporate taxation through trade agreements.

Countries Need Digital Industrialization, Not the Proposed Digital Trade Rules

Beyond the tax implications, the issue of the control of the economic value of data is central to the digital trade negotiations. The Big Tech companies are the most highly valued in terms of capital formation—five of the seven largest corporations globally are US Big Tech—because they own the data.

The ability to harness data and technology for economic development through *digital industrialization* is a growing issue in the trade and development circles (Singh 2019; James 2019b). This includes developing South-based regional data economy through strategies such as cloud computing infrastructure, data infrastructure, and data intelligence including AI. UNCTAD's 'South-South Digital Cooperation for Industrialization: A Regional Integration Agenda' (Kozul-Wright and Banga 2018) elaborates a programme to achieve this essential transformation.

Liberalization of digital trade rules will actually further weaken the ability of developing countries to generate resources for normal development needs and to achieve the SDGs. Add to this the expanding financial needs to fund the closing of the digital divide, in terms of providing electricity, roads, postal delivery, affordable and accessible broadband access, and digital skills. Finally, developing countries will need even additional resources to then move to the next step of financing digital industrialization.

Thus, in addition to prematurely removing the ability to use tariffs for infant industry protection, the digital trade negotiations could greatly threaten revenue from both tariffs and also corporate taxes, which developing countries need to fund real development demands like health, education, infrastructure, and even the investment necessary to scale up technology access, all of which are far more essential to development than a hoped-for expansion of e-commerce.

Digital technologies and AI will also bring disruption to traditional industries. Mitigating those economic disruptions will be costly and will intensify demands on governments. In a revealing article in *The New York Times* by one of the world's foremost investors in AI, Kai-Fu Lee warns:

> It strikes me as unavoidable that large chunks of the money created by A.I. will have to be transferred to those whose jobs have been displaced. This seems feasible only through Keynesian policies of increased government spending, presumably raised through taxation on wealthy companies. …

He acknowledges that this may be feasible only in China and the U.S. where AI companies are based.

> So if most countries will not be able to tax ultra-profitable A.I. companies to subsidize their workers, what options will they have? I foresee only one: Unless they wish to plunge their people into poverty, they will be forced to negotiate with whichever country supplies most of their A.I. software — China or the United States — to essentially become that country's economic dependent, taking in welfare subsidies in exchange for letting the "parent" nation's A.I. companies continue to profit from the dependent country's users. Such economic arrangements would reshape today's geopolitical alliances. (Lee 2017)

If global digital TNCs are successful in their major power-grab to gain permanent rights to control the collection, processing, and use of the world's data, and to not pay any taxes on their revenues, this is the foretelling of a likely future scenario. Agreeing to new rules on digital trade in the WTO would lock-in tax policies with potentially devastating impacts on fiscal revenues needed for development and severely constrain developing countries from investing in digital industrialization in the future.[3]

Developed country proponents are targeting governments of Caribbean, African, and Asian countries, and particularly LDCs, to join the negotiations, which are taking place every month in Geneva. Since the launch of talks, Benin, Côte d'Ivoire, and Kenya have joined, although the benefits for these African countries are unknown. Proponents would like to demonstrate enough momentum to gain a mandate for multilateral talks by the next Ministerial, which will be held in June 2020 in Kazakhstan. Given their (false) promises of aid, they are likely to gain new adherents.

For those whose country is participating, it would be useful to engage the government as to the tax implication of the proposed rules. Likewise, for those whose countries are not, the government's defenses could be strengthened by consideration of the potential tax implications.

Big Tech TNCs have ascertained that trade agreements provide a pathway to lock-in anti-tax provisions they could not achieve through democratic means. It will take unified efforts by trade and tax policy experts and development advocates to preserve the fiscal policy space for sustainable development, from the encroachments of TNC tax evasion through trade agreements.

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[3] For more info on the potential impacts of digital economy proposals, please see www.ourworldisnotforsale.net.

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