



## **Civil-20 Contribution 2<sup>nd</sup> G20 Digital Economy Task Force**

1. This Issue Note on the digital economy, shown by the Government of Italy, widely and ambitiously features digitalization's diverse potentials. It covers key issues on digitalization that G20 should address in a comprehensive manner and emphasizes the importance of openness and transparency. At the same time, it mentions the necessity of consumer protection and child protection in the context of digitalization following the outcomes of the process of policy development of digitalization in G20.
2. The efforts of Civil-20 in the digital economy started from G20 Japan Summit in 2019. Civil society fully recognized the importance of the digital economy, both from the perspective of potential and risks in the context of the 2030 Agenda. Especially, when the hosting country Japan highlighted this agenda of social transformation of fully-digitalized "Society 5.0" and "Data Free Flow with Trust" in the context of global data governance agenda with the PM Shinzo Abe saying "data is the 21<sup>st</sup> century oil", civil society constituted its own Digital Economy Task Group to ensure the G20 digitalization agenda is based on human rights and leaving no one behind. That is, economic imperatives should not be its sole goal.
3. Following the outcomes of the 2019 summit, the C20 Digital Economy Working Group for G20 Saudi Arabia Summit has mobilized experts with diverse experience to take a more specific and detailed approach based on human-centered digitalization, and proposed "Cyber resilience 2.0" including enhancing civic use of technology, protecting cyber safety of children, functional digital literacy, ethical technology and applying measurement of Digital Economy which is aligned with SDGs.
4. The digital economy is expected to provide enormous opportunity to achieve SDGs, therefore it is not limited to People, Prosperity and Planet, as G20 DETF Issue Note states, but also all 5P, including Peace and Partnership. Given that digital economy affects the agenda of G20 Finance Track such as infrastructure (see the Riyadh InfraTech Agenda) and digital taxation, G20 needs to strengthen the relationship between G20 DETF and Finance Track. Moreover, policy coherence has to cover several other dimensions where digitalization plays a relevant role, like health, education, knowledge sharing, etc. But at the same time, we need to recognize that the risks of digitalization are real, while its potential is profound. The dangers coming from the misuse or the concentration are enormous, with potential consequences on human dignity and the quality of our political democratic life. Thus, governance should be prioritized, including an urgent need for a participatory, inclusive, transparent global and regional mechanism for evaluation of digital techs before they are fully developed and deployed, as stated in the Digital Economy part of C20 Policy Pack 2019.
5. In the context of profound potentials on digitalization, we promote the potential benefit of digitalization for whole society. For example, data-driven personalized therapies can be beneficial for patients in the condition that equal access is ensured for all in the world, and personal data protection is fully functioning. Ensuring digital inclusivity is key, especially for women and girls in the Global South who are left behind in accessing digital opportunities, including affordable internet. We express our concern on social media taxation that may hamper the affordable access of internet. Adding to the above, we need to focus on digital education and culture for citizens to be digitally-responsible through functional digital literacy. To deliver the benefit of digitalization for whole society, not to limit it to privileged few, we need to focus on the potential negative impacts against the people and communities in vulnerable situation. For example, certain age-assurance systems should be established to protect children from existing harms. Furthermore we need to fill the gap of access to digital technology between transnational mega-IT firms and mSMEs, with a proactive role played by the public authorities.

6. Reviewing the proceeding digital revolution, we recognize progress being made on access to open data, especially disaggregated data to evaluate the state of each goals and targets of SDGs, as well as the transparency and accountability. On the other hand, we also have found that the key principles of civil society on good governance, including democracy and human rights, have been eroded by digitalization, including the drastic increase of the misinformation, stigmatizing, social fragmentation and isolation. Also there is reduced opportunities of constructive dialogues among groups of different opinions, empoisoning the political debate, and fueling violence.
7. In the context of governance, the greatest challenge of current trend of digitalization is that it has been led by transnational mega-IT platforms that are outside the control of current democracy governance mechanisms based on nation-states or global conventions. The power to promote digitalization is only guided by the capital. In this context, we provide the following examples of global challenges;
- Society: In recent years, the adoption of Artificial Intelligence (AI ) has been progressing at a rapid pace. However, at the current level of technology, AI cannot eliminate social discrimination and bias; AI worsens existing discrimination and bias in our society since deep learning reflect or even amplify these socially-existing discrimination and stigma. This is a major risk factor in the use of AI, especially in the health and education sectors.
  - Environment: current digital technologies consume overwhelming amount of energy. For example, the annual quantity of electric power used for “mining” crypto currency is larger than the annual quantity of electric power used in Argentina<sup>1</sup>. Likewise, there is a risk that the demand for certain rare metals will increase, leading to a deterioration of the environment and/or societal instability and security issues in the extractive communities areas
  - Economy: global economic gap has been widened by digitalization; transnational mega-IT platforms gathers their wealth globally, while the re-distribution system, such as tax systems and social welfare schemes are based on nation-states. Currently, global digital taxation mechanisms are still uncompleted and not well-developed, starving nations of resources. Therefore, state-based public funds that were invested in people's health and welfare, which made the welfare state possible, have dried up, and the poor are no longer able to support themselves in the absence of state cushion.
  - Governance: Digitalization is increasingly poisoning the foundation of state-based democracy through misinformation. Current trend of digitalization is based on super-centralized mega IT platforms and the power has not been sufficiently distributed to the people and communities. Risks comes from the dimension reached by the biggest player in digital field, not governed nor adequately regulated. This concentration of power creates unprecedented risks for economic freedom, open society, political system and democracy. Tech giants can directly and indirectly influence political life and the lack of regulation creates fertile grounds to foster extremely dangerous unscrupulous rapid spread of fake news and cyber-attacks.
8. We express our concern on the trend of digitalization that is characterized with excessive centralization and monopolization, driven by transnational IT platforms. Given the digital economy has strong nature of transboundary, it requires global governance mechanisms with universal state membership to ensure accountability, transparency and liability among actors. We recommend a global governance mechanism, from centralized digitalization model to a different paradigm led by synergy and cooperation that respects

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<sup>1</sup> BBC News “Bitcoin consumes more electricity than Argentina” February 10, 2021  
<https://www.bbc.com/news/technology-56012952>



individual sovereignty. On data governance, an alternative idea of digital data co-ownership between citizen who acts to generate them and company that own the technology where data run, is proposed by cooperative sector, that can be studied and shared. We are now fully aware about the necessity of our rights to choose a set of appropriate technologies that can achieve sustainable development that satisfy our needs and potentials without destroying the resources required future generation. We need to make strong collective efforts to develop a society with an appropriate set of high, middle and low technologies that ensures human rights and people's sovereignty to govern themselves, develop their ability and ensure their full rights of self-determination.