

# Big Tech’s “Digital Trade” Attack on Jobs, Wages & Worker Rights

With policymakers finally paying attention to the oversized role that Big Tech has over our economy and society, companies like Amazon, Facebook, Uber, Google and others want to use trade deals like the Indo-Pacific Framework Agreement (IPEF) as a backdoor means of preventing the United States and other countries from imposing new laws and regulations on them. Big Tech’s so-called “digital trade” rules aren’t just bad for consumers, small businesses and civil rights — they’re also a significant threat to good-paying jobs and worker rights.

## **Accelerating the Offshoring of Service-Sector Jobs**

For decades, corporations have used trade agreements to offshore manufacturing jobs around the world to low-wage countries where workers have few rights and get paid pennies on the dollar. Today, tech firms want to insert “digital trade” provisions into IPEF and other trade agreements so that they can more-easily offshore data-driven service-sector jobs. For Big Tech, the barrier they face to offshoring isn’t so much tariffs. Instead, it’s data localization and other consumer privacy rules that restrict where and under what circumstances they can collect, ship, store and transfer people’s personal data.

The data Big Tech wants to ship overseas unimpeded doesn’t just include your online search history, but also your financial information, medical records, the geolocation tracking on your cell phone and in your car, and much more. Corporations are demanding language in IPEF and other trade deals that would prohibit the United States from passing laws regarding where that data can be moved, how secure its storage needs to be and what sort of notification requirements are tied to its use. The more Big Tech can prevent regulations protecting your personal data, the easier it becomes for them to offshore digital economy jobs.

Hundreds of thousands of call center jobs have already been offshored to low-wage countries under traditional Free Trade Agreements, and economists estimate that roughly one in four of all U.S. jobs are now vulnerable to offshoring. The offshoring of customer service and data processing jobs would only accelerate under new “digital trade” rules, but so, too, could a surprisingly wide range of additional jobs in healthcare, financial services, education, transportation, logistics, law, public services and other fields.

## **Concealing Employers’ Unsafe, Discriminatory and Union-Busting Practices**

Big Tech is also pushing for IPEF and other trade deals to impose secrecy protections for the source codes and algorithms behind the artificial intelligence (AI) and other decision-making and surveillance technologies increasingly used by employers to recruit, hire and evaluate personnel and their performance and otherwise exert control over workers. These “digital trade” provisions would gut efforts to prevent and sanction AI abuses in the workplace.

Employer behaviors that would continue unchecked under trade rules that restrict access to sources codes and algorithms are directly related to issues of workplace safety, discrimination, union-busting and more. For instance, AI designed to squeeze as much “efficiency” as possible

out of employees and contractors — often penalizing workers for taking breaks and other actions that results in “time off task” — can lead to increased workplace accidents, repetitive stress injuries and mental health effects. Algorithms’ role in “just-in-time” scheduling is likewise a safety concern, insofar as workers can be left unable to predict their work schedules and thus when to rest.

Trade rules that restrict access to the source codes and algorithms behind hiring, promotion and firing decisions also make combatting discrimination more difficult. One of the largest private employers in the country used AI-assisted hiring procedures found to disproportionately reject applications from women; the same company used other software that fired employees even when supervisors were reportedly unable to explain why. Giving regulators and courts the ability to compel companies to disclose the source codes and data being fed into “machine learning” in instances like these is crucial to combatting discrimination based on sex, gender, sexuality, race, ethnicity, age, disability and religion.

Likewise, as companies and their vendors use monitoring software to surveil employees both on and off the job to track social media posts, geolocation and more to predict potential union sympathies, they must not be able to claim such union-busting practices as “trade secrets.”

### **Undermining the Rights of Gig Economy Workers**

The “digital trade” rules being pushed by Big Tech also reinforce the legal misconception that online companies operating in transportation, retail, hospitality, advertising, healthcare, education and other industries are altogether different from their brick-and-mortar counterparts and therefore should not have to meet the same labor and consumer standards.

Companies — and even the U.S. government — have already claimed that countries’ efforts to force rideshare companies to meet the same standards as traditional taxi services are “barriers to digital trade.” Using the same logic, some have even labelled efforts to require online companies to meet the same worker and consumer standards as brick-and-mortar companies “online censorship.”

Another common provision in “digital trade” rules forbids domestic regulations against online firms that have a “discriminatory effect” — trade lingo that sounds like it prevents discrimination, but actually forbids regulations that everyone must follow if they end up impacting a company like Amazon, Facebook or Google more than others simply due to the company’s size and market dominance. Yet other “digital trade” provisions impose regulations limiting the size and corporate structure, thus encouraging monopolization.

### **Don’t Handcuff Future Democratic Policymaking**

Reasonable people can have differences of opinion on how to best reign in abuses by Big Tech, but as governments wrestle with these questions, democratic policymaking space should not be constricted by locking deregulation into place via binding international trade rules.

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