The digitalization of work and its consequences for the Global South

Cédric Leterme

The “digital revolution” and the way it impacts work are receiving increasing attention, but this attention remains mainly concentrated in countries of the Global North. Yet, these developments also concern countries in the Global South, but with particular modalities that require specific analyses and reactions.

There is a growing global debate on the nature and scope of a “fourth industrial revolution”, with potentially significant impacts on employment and more broadly on labour. Two trends are especially discussed. First of all, the automation of tasks, particularly owing to advances in artificial intelligence. Secondly, the development of “platform work”, in particular via applications such as Deliveroo or Uber. These trends are observable worldwide, but their consequences are not the same for workers in the Global North and Global South.

Automation, for example, could eventually threaten more jobs in the South than in the North, but at a slower pace. Nor are the same sectors (and therefore the same workers) concerned in both latitudes. The automation of agriculture, for example, will have specific consequences in the South, with increasing concentration of farming, an even more acute competition facing small producers and the strengthened control of large global agri-food groups over global agricultural production and distribution. Finally, the potential for automation in the North significantly reduces the “comparative advantages” that countries in the South have hitherto been able to derive from the (literal and figurative) exploitation of their abundant cheap labour. Export-led industrialization strategies, pursued in particular by many Asian countries (and acclaimed throughout the developing world in the 1990s), may thus no longer be accessible to many developing countries, leaving open the question of available options to replace them.

Platforms as opportunities or threats?

Concerning platform work, there is a tendency to view it mainly in the North as a threat to traditional employment relationships, insofar as they generally offer a task-based remuneration, most often under a self-employed status. However, the threat is obviously not the same in southern countries where wage employment has never been the norm. Some, such as the World Bank, even see the development of on-demand working platforms as a boon to people in the Global South. Indeed, it is usually enough to have a smartphone and an internet connection to be able to start working. And “micro-work” platforms even provide access to job offers that can come from anywhere in the world. In addition, at present many of these tasks (e.g. delivery, taxis, cleaning) are carried out in the informal sectors, which means that these platforms...

Cédric Leterme, Doctor of Political and Social Sciences, researcher at CETRI-Centre tricontinental (www.cetri.be).
The broader challenge of the
“digital economy”

More broadly, however, it is above all the very
logic underlying the functioning of the digital
economy as a whole that constitutes the main
challenge for workers in general and for work-
ers in the South in particular. Indeed, this
new economy is based on the extraction and
exploitation of “data” whose status is ambigu-
ous to say the least. On the one hand, compa-
ies consider them as resources they can use
as they wish. But on the other hand, these
data are produced by individuals and groups of
individuals who could assert legitimate politi-
cal and social rights over them. We often talk
about the right to privacy, but this could also
include the right to remuneration or collective
control of authorized uses.

Another problem is that the network effect
associated with services based on those data
leads to the creation of huge monopolies with
unprecedented market power, resulting in
new forms of control and exploitation of la-
bour, which are hard to combat as they tend
to appear as the consequences of strictly tech-
nical processes. For example, Amazon relies
on recording its workers’ productivity data
to automatically lay off those with the lowest
performances. More broadly, as a sector
digitalizes, it becomes increasingly difficult,
if not impossible, for small producers to par-
ticipate without entering more or less directly
into the dependence of a digital giant.

The situation is even more problematic for
workers and populations in the Global South,
since most of these digital monopolies are
based in the North, and in particular in the
United States, creating new global depend-
encies and exploitation relationships with
potentially significant economic and geopoliti-
cal consequences. In this context, the ongo-
ing global discussions on the liberalization of
“e-commerce” will prove crucial, since they
may well enshrine the current situation by
drastically limiting the possibilities of regu-
lating the digital economy for the benefit of

Finally, it should be recalled that working con-
ditions in these platforms also remain prob-
lematic, with low and irregular pay, excessive-
ly long and/or variable working hours, the lack
of social protection and collective bargaining,
the dangerous nature of activities and dis-

make way for a (relative...) formalisation of
this work, unlike what is happening in nor-
thern countries.

However, it should be recalled that Internet
access is far from being widespread in the
South, with penetration rates often below 50%
of the population (especially in sub-Saharan
Africa and South Asia) compared to around 90%
in Europe and North America. And it is pre-
cisely the already most marginalized sectors
of the population who have the least access to
it. And even when they do have access, the
quality is often lower than that of the most
advantaged populations/regions, not to men-
tion the differences in skills and qualifications
that constitute an additional handicap. More
than a boon, the arrival of these platforms
could therefore lead above all to the further
marginalization of the least qualified and/or
least connected workers, in particular by fur-
ther restricting the limited opportunities they
hitherto had in the informal economy.

Moreover, the idea of neutral platforms free
of “race”, class or gender bias is also false.
Indeed, users’ personal information is by na-
ture accessible to others through their “pro-
file” and (at least for the moment) nothing
prevents this information from being used to
refuse a service provider and/or to refuse to
perform a service. Even algorithms are not
immune to this type of bias since the crite-
ria they use to assess, rank, etc. may favour
some population groups over others. As vari-
ous studies have shown, far from eliminating
inequalities, platforms are therefore part of
their reproduction (or even aggravate them),
both within and between countries.
populations and workers, particularly in the South. The Trans-Pacific Partnership Agreement (TPP) or the new United States-Mexico-Canada Agreement (USMCA) already include clauses that prevent the “free flow of data across borders” from being infringed, or that ban data localization requirements. And this type of clause is now being discussed worldwide within the framework of the WTO.\(^1\)

However, other orientations are possible. At a minimum, they imply curtailing the current discussions on “el-commerce” in order to avoid reducing the issues raised by the digital economy to the sole angle of trade. Its implications include the economy as a whole, but also the political sphere and the sphere of human and social rights. Only then could we conceive principles, policies and institutions to make digital technologies available to workers and populations in the North and South, while respecting environmental constraints and development differences between countries and regions of the world. ❲

*(Translation: the author and ALAI)*

---

1. See: [https://www.cetri.be/OMC-lancement-de-négociations](https://www.cetri.be/OMC-lancement-de-négociations).