The G20 and The Digital Imagination: A Disappointing and Disconnected Policy Menu

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Executive Summary

Digital technologies are a force that provide considerable economic, social, environmental and political challenges in addition to opportunities. The G20 talks in Argentina in 2018 offered a platform for these issues to be discussed in depth, however, the policy options that they produced consist of a set of naïve status-quo development solutions, which provide little security for the future of people and the planet. Despite leaders offering some vague assurances, without adequate understanding and protection, technological development will only provide trauma and inequity.

You Say You Want a Revolution

Talk of the promise of the 'fourth industrial revolution', or 'industry 4.0', conjures up an image of seismic shifts in the relationships of production, that, when properly harnessed, will return vast riches to those in the right place: a digital gold rush. Any discussion that frames change as 'revolution' raises an obvious pair of related questions: what exactly is it that is being labelled as new, and what are we differentiating it from?

As with the passing of each iteration of the iPhone being labelled a *revolution*, industry 4.0, at least in G20 and OECD policy discussion, is largely synonymous with the continuation of digitalisation processes that defined 'industry 3.0'. Included here are advanced robotics, 3D printers, smartphones, big data, A.I., and biotechnologies, to name the most prominent examples.

The G20 discussions in Buenos Aires, on technologies and the future of economy, labour, and society, build upon the consensuses that were achieved under the preceding Chinese and German Presidencies. In the talks that occurred before the talks, a narrative quickly developed. Following the supposed economic lessons of the past, this narrative claims that new technologies will produce an period of initial disruption and wide scale redundancies, before eventually giving way to equitable growth. At this point workers will supposedly be

gifted wage rises as a reward for developing the skills needed to fill all the jobs that utilise these more advanced technologies.

With this being deemed the most likely forecast, in August ministers created a menu of policy options that task the summit's membership with spreading the benefits of economic growth while minimising growing pains for citizens. The subsequently incorporated set of policy recommendations are underpinned by the assertion that 'technology is the key to productivity, growth and rising living standards', and suggest ways in which it can be harnessed.

To achieve these aims, the dissemination of technology to SMEs is promoted through tax and public expenditure at the national scale. At the international level, meanwhile, it is hoped that attracting investment and trade through deregulation and infrastructure spending will result in the diffusion of innovation and entrepreneurship beyond those transnational actors who win the race. In order to support and encourage labour transition, education, particularly of the life-long variety, is imagined to be the primary means of limiting any disruption to people and the flows of capital.

Poverty of the Imagination

Rehearsing the line that was to become ubiquitous to this year's summit discussions, the G20 Digital Economy Ministerial Declaration in August claimed that the policy options they have curated are human-centric. This claim, however, is taken some distance from the truth by virtue of a lack of understanding of economic development, the environment, digital technologies, and even humans themselves.

More accurately, and unsurprisingly for establishment development discourse, the focus of the narrative is the need to create programmes that produce people who are able to meet the needs of capital accumulation, and rises in production and consumption. Others have suggested that this digital narrative and its associated policy objectives are lacking when it comes to appreciating the differences in accumulating human capital between countries in the Global North and South. As a result of this oversight, it is claimed that equitable growth won't be obtained. While this criticism is fair, it falls short in at least three crucial ways.

Poverty in Reality

Firstly, the assumption that new technologies will eventually bring larger wages for the general population is problematic and based upon the common

depoliticised understanding of development as a problem that needs primarily technical solutions.

Significantly, despite processes of continuous digitalisation over the past couple of decades, wages and productivity are still stagnating overall, with the incomes of the world's wealthiest continuing to rise. Expectations that technological advancement will eventually lead to equitable growth are based upon the work of economists such as Simon Kuznets and Branko Milanovic. Respectively, in relation to national and global contexts, the pair argue that after an initial period of bifurcation, industrialisation and economic liberalisation will eventually lead to 'economic maturation', bringing with it equitable growth and income equality.

Jason Hickle, however, argues that Milanovic and the World Bank's reading of diminishing global inequality is based upon a questionable narration of statistics, with the trend being manufactured and explained by the rise of China and East Asia. Although unmentioned, they pursued growth strategies opposed to those that the Bank attempts to vindicate. In this time, Hickle continues, absolute inequality, in terms of the difference in mean incomes between the wealthiest and poorest nations, has increased exponentially.

Hickle then counters Kuznets' analysis, which compared changes in income equality in post-war Europe – the only post-industrial time and place that saw a convergence of incomes – with that of the developing world. Citing Thomas Piketty, however, he argues that the changes in Europe only occurred due to workers voting for redistributive Keynesian policies that gave them greater political and economic power. This debunking suggests that the eventual improvement that the digital narrative clings on to was an aberration rather than the norm for technological change. Instead of equality being generated by apolitical market forces, they are won through political power.

In-Work Poverty

The second issue of concern for the digital narrative is that the technological changes under discussion here will likely be qualitatively, not just quantitatively, different from those that occurred during the industrial revolution proper.

In this regard, digital technologies and/or infrastructures, may not only reduce the need for workers in the services and industrial sectors, following automation and the pursuit of greater profit through cutting labour costs, but they can also fundamentally change the material, social

and political dynamics of labour relations, such that workers become forced into increasing precarity. This situation is made increasingly likely if significant deregulation, as suggested by the policy menu, occurs.

One means through which such changes to production relationships are already occurring, is through networks of employees becoming re-imagined as self-employed, with businesses re-cast themselves as platforms rather than employers. This reduces workers' security, rights and bargaining power, and Deliveroo and Uber provide examples of digital precarity being rolled out across the Global North and South alike.

In the future, precarity could be further normalised through demands for substantial labour mobility and lifelong vocational re-skilling to keep up with ever evolving and transient technologies. This fight to stay useful will also erode worker's ability to organise, and will removing any semblance of economic security unless adequate measures are introduced.

A Land in Poverty

Lastly, and – in light of the IPCC's recent report warning of increasing dangers if mean temperatures rise more than 1.5°C above pre-industrial levels – arguably the most importantly: our planet is not able to sustain continued increases in production and consumption levels.

However, while energy consumption – increased massively through some new digital technologies – carbon emissions, and their resultant impact on climate change, constitute one means through which the world's ecosystems are threatened, they are not alone in this regard. Of further harm to the planet are chemical pollutants, the degradation of soil, overuse of pesticides, mass species extinction, and the over-exploitation of natural resources. Each of these instances are inextricably tied to the pursuit of greater economic growth and increased production.

It should also be noted that that environment is not the result of the 'anthropocene', and humanity at large, but of profit, with industrialisation and production increases being the primary driving forces. In a finite planet, with a limited capacity to regenerate, expectations of boundless growth are unrealistic when growth itself is tied to non-renewable resource usage. At present, it is estimated that global production levels need to drop by around 50 per cent in order to be environmentally sustainable. As such, it is unlikely that new technologies, alone, will be able to offset

this damage any time soon in order to continue *net* global growth.

The Revolution will be…

Unsurprisingly, the work of G20 countries prior to this year's summit has consisted of the status quo policies that are associated with the digital narrative. Predominantly this has been focused in terms of exploring options for encouraging entrepreneurship and investment using tax incentives, deregulation, subsidies and increased infrastructure spending. Educational programmes to provide a sufficiently skilled workforce, meanwhile, have aimed at increasing participation in, and offerings of, relevant vocational training. Some nations, however, have pursued or suggested measures that could go further in protecting workers and the environment, depending on their specifics. These include:

- Brazil has implemented a programme to support projects that prioritise social, environmental and technological issues.
- Spain is planning to create a 'regulatory sandbox' to provide communication between innovators and regulatory bodies.
- Canada conducted a gender budget analysis in attempt to integrate intersectional equality objectives into budget decision-making.
- France is to invest in ecological transition and agricultural transformation over the next five years.
- South Korea is running a programme that provides tax incentives to companies that hire vulnerable groups seeking jobs.
- The United Kingdom has launched a non-compulsory pension scheme whereby employers make automatically make contributions.

… Lukewarm

Were the results of the consensus declaration an improvement on the previous work undertaken by ministers and sherpas? The policy menu itself was underwhelming and demonstrated a lack of understanding of the breadth or depth of issues, while rehashing the liberal economic fantasy of the rich getting richer while simultaneously reducing global income inequality.

With the bar being set so low, the leaders' declaration was actually provided with an opportunity to be a welcome surprise. Despite giving a full endorsement of the policy menu, there were positive references to improving labour conditions and the promotion of formalisation,

strengthening social protection systems, increasing participation of under-represented and vulnerable groups, and a wide-ranging appreciation of environmental challenges.

Unfortunately, however, these pronouncements lack any kind of detail beyond being noted. However, with the policy menu being the only document that begins to outline what the agreements might look like in practice, nothing has been gained from the event itself.

In his press conference, playing the leader of a humble nation, Mauricio Macri said that Argentina has been learning from other nations and has no lessons to offer the next G20 host, Japan. This is a shame, considering that the summit is being held in Latin America for the first time. The region has birthed an array of alternative socio-political perspectives, practices, and movements. From Paolo Freire's critical pedagogy to dependency and then post-development theory, Participatory Action Research, the rights of nature, and post-extractivism, continual demands have been produced for radical and equitable options for people and their environments. There is no reason why these voices should not be brought into discussions when they have much to say about the ideals that the G20 declare.

There is also no reason why new technologies could not be used to tackle the issues discussed above. Digital technologies offer possibilities for creating public knowledge resources and small-scale local production. Furthermore, they can destabilise the relationship between production and natural resources so as to protect the planet. There are therefore lots of elegant options for navigating any potential digital storm. It is time to start talking about them.

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