



# No digital justice without fiscal justice

## Appeal to stakeholders in the WSIS+20 Review Process

### Summary of our demands

Twenty years ago, the WSIS Summit failed to provide public financing guarantees for bridging the global divides in connectivity and digital infrastructural capabilities. Meanwhile, inequalities in the digital paradigm have only deepened. There is little coordination between the Financing for Development process and the WSIS mechanisms. The WSIS+20 Review process must recognize global fiscal justice as a necessary condition for the realization of digital justice everywhere. The Global Digital Justice Forum, therefore, exhorts the WSIS+20 process to galvanize commitments for the following: 1) A Digital Development Tax, as proposed by the UN Secretary General, 2) International action to tackle tax evasion by transnational digital corporations, 3) A comprehensive and inclusive UN Tax Convention with no carve-outs for the digital economy, 4) An international digital trade regime that respects and enables the fiscal sovereignty of all countries, 5) An end to regressive and irrational taxation measures at the national level that penalize internet users, and 6) Tax transparency obligations on digital corporations.

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Twenty years after the WSIS, the vision of a ‘people-centered, inclusive and development-oriented’ digital society, far from being realized, is in danger of receding into the distance. A third of the world’s population, around 2.6 billion, remains offline. Moreover, the majority of the unconnected are in the Global South, excluded because of their class, race, and gender. Digital connectivity is also marked by a striking paradox – increasing Internet access has seen a rise, rather than decline, in global inequality. Overlaying this is the deeply skewed [geographic distribution of cloud infrastructure](#), with the compute capacity required for AI development predominantly concentrated in a handful of countries, primarily the United States. In the neo-colonial international digital order, [the United States has](#) around one-third of the top 500 supercomputers and more than half of the overall computational performance. Apple, Nvidia, and Microsoft, all headquartered in the United States, each have a capitalization of more than USD 3 trillion, close to the gross domestic product (GDP) of the entire African continent.

Bridging the digital infrastructure divide is an urgent priority. It needs real alternatives to failed market mechanisms. With global public debt levels hitting USD 100 trillion, and 25 out of 54 countries spending more on interest payments than on health and food security, [market-first approaches](#) to development finance have only deepened the debt crisis. Sadly, contributions to Official Development Assistance are stuck at [0.37% of the GNI of DAC countries](#) (just half the target set by the Monterrey Consensus). The global debt crisis has seen the entrenchment of Big Tech dominance and sidelining of local digital alternatives.

The Global South has been forced to cede vital fiscal space by restrictions imposed on taxation in [bilateral trade deals](#) and the [WTO e-commerce moratorium](#). Developing countries cannot access pertinent information necessary to tax transnational corporations and other business enterprises in the digital economy due to [unfair clauses](#) in such trade agreements. Estimates show that between 2017 and 2020, developing countries and LDCs [lost USD 56 billion](#) in potential tariff revenue, with USD 48 billion lost by developing countries and USD 8 billion by LDCs. Developing countries also face monumental costs of [base erosion and profit shifting](#), as digital behemoths take advantage of an anachronistic international tax architecture and its arcane rules on physical presence and permanent establishment.

The money that leaves developing countries each year in illicit capital flight [amounts to ten times](#) the annual global aid flows, and twice the debt service developing countries pay each year. Meanwhile, resource-starved governments in the Global South, particularly in the African continent, end up imposing [regressive taxes](#) on citizen end-users, further disincentivizing the participation of the poorest communities in the digital economy and society.

A just digital transition in the majority world depends significantly on fiscal justice. The virtualized digital economy is inextricably embedded in real economy value chains such as extractives, manufacturing, and construction. The loss of revenue from unjust trade and tax practices directly prevents developing countries from honoring their commitment to the right to development and building a rich public domain, key commitments made under the [WSIS Geneva Declaration](#). It deprives them of the rightful resources to build the requisite digital infrastructure, to bridge the gender digital divide, to guarantee the right to access and meaningful participation for all, and to provide social security for workers in an economy of pervasive platformization, and in general, to ensure digital innovation dividends serve their societies.

The current international economic and financial system is [stacked against](#) the digital futures of developing countries. Despite strong calls from civil society, the [outcome document](#) of the Fourth UN Financing for Development Conference reflects the policy priorities of Global North governments. With ambitious language on sovereign debt architecture reform, international tax cooperation, and development finance significantly weakened during negotiations, the document falls short of meaningful action-oriented commitments.

Against this backdrop, the Global Digital Justice Forum exhorts the WSIS+20 review process to recognize fiscal justice as essential to the realization of digital justice. We call for urgent action to realign the global digital economy and its financial architecture with principles of fairness, inclusivity, and accountability.

The WSIS+20 review is a historic opportunity for the global digital community to acknowledge the critical role of [international cooperation](#) for tax justice, and to galvanize commitments for the following:

1. A digital development tax, whereby the companies that have benefited for decades from a free and open Internet contribute to the connectivity of the people who are still offline and to a safer digital world, along the lines [proposed by the UN Secretary General](#).
2. Stronger international action to tackle tax evasion, money laundering, and illicit financial flows in the context of virtualized business operations
3. A UN Tax Convention that is comprehensive and inclusive, with no carve-outs for the digital economy.
4. An international digital trade regime that respects and enables the fiscal sovereignty of all countries, including the right to tax cross-border digital services.
5. An end to regressive and irrational social media taxes and taxes on mobile money, and the replacement of these revenues through the collection of legitimate taxes from transnational corporations extracting superprofits from local data capture.
6. A tax transparency obligation that requires corporations (including digital companies) to implement the Global Reporting Initiative (GRI) standard 207, publishing public, country-by-country reports on the taxes they pay, their economic activity, and employees in every jurisdiction.

Global fiscal justice is a non-negotiable step towards building sustainable public financing in developing countries for digital infrastructure and to an equitable redistribution of innovation dividends across nations and peoples.

**Join us to endorse this crucial agenda towards WSIS+20 and beyond.**