Dais Introduction

Greetings Delegates. My name is Chia Yong Gan. Myself and Ramiz Mehdiyev will be serving as your Dais for ECOSOC this WARMUN'21. I am currently pursuing a degree at a UK based university in a course I hold an interest in. Ramiz is a student at the University of Manchester studying Economics and Politics. We are both delighted to be chairing this committee. Before you go through this study guide, there is one thing we'd like to address.

It was a terrible year for a lot of us. As the world burned around us, many of us struggled to make or maintain social connections. Some days it might have seemed hard to get out of bed even. 'Talking to a friend' and 'reaching out' seem like blanket solutions, and are, more often than not, easier said than done. So you get up, get dressed and maintain the facade.

However, we sincerely urge you to seize the value that arises from having gone through such tumultuous times. This conference represents a chance to get involved in something bigger, to share ideas, learn about and change the world around you. Don't worry if you do not possess previous MUN experiences – WARMUN '21 is a very friendly and welcoming environment for everyone – whether you are a beginner or someone with multiple 'Best Delegate' awards – and we will ensure ECOSOC is no different. Wit and grit will shine through. Believe it or not, this pandemic has not taken from you the power of your perspective and your capacity for growth.

We look forward to meeting all of you at WARMUN '21. Welcome to ECOSOC!

P.S By all means, feel free to email us if you have any questions – remember, it is our duty to be of assistance!

Best wishes,
Chia Gan and Ramiz Mehdiyev

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Introduction of the committee

The Economic and Social Council (ECOSOC) is the United Nations' central platform for reflection, debates and innovative thinking on sustainable development. One of the six main organs of the United Nations established by the UN Charter in 1946, ECOSOC is the principal body for coordination, policy review, policy dialogue and recommendations on economic, social and environmental issues, as well as for implementation of the internationally agreed Sustainable Development Goals (SDGs). The Council, having undergone serious reforms in the last decade to strengthen its working methods, serves as the central mechanism for the activities of the UN system and its specialized agencies, and supervises the subsidiary and expert bodies in the economic, social and environmental fields. Engaging a wide variety of stakeholders – policymakers, parliamentarians, academics, major groups, foundations, business sector representatives and over 3,200 registered NGOs – in a productive dialogue on sustainable development through a programmatic cycle of meetings, the work of the council is guided by an issue-based approach to ensure a sustained and focused discussion among multiple stakeholders.

Position Paper Guidelines

ECOSOC, WARMUN''21 will be conducted with Harvard Model United Nations (HMUN) Rules of Procedure. As such, position papers are mandatory for this council and will be required for awards consideration. As a rule of thumb, position papers should include the following Information:

- Your country's stance on the topic;
- Justifying your country's reason for its particular stance on the matter; and
- The actions your country has taken regarding the matter.

Please **format your position papers according to these standards**

1. Arial, Font size 12;
2. Justified alignment with 1.15 spacing;
3. You are allowed to bold, underline, and use italics;
4. Maximum 3 pages for content;
5. Please include the page numbering at the bottom right corner;
6. Please cite your position paper (APA 6th Edition, no need for in-text citation);
7. Please include a Bibliography for your position paper, which is an additional page after your 3-page content;
8. Your PP should not exceed a total of 4 pages including content and Bibliography;
9. Should your Bibliography exceed 1 page, then your PP should NOT exceed a total of 5 pages with the content and Bibliography;
10. Please send it as a PDF file and not as a Google Document or Word Document, and send it to both Chairpersons;
11. Please do not include your personal name, a country flag, a country's emblem or equivalent, and personal information;
12. Please include the name of your country and your council name (follow this example: "ITALY - UNGA") in the Header section of the document;
13. When sending the PDF version of your PP, please name the PDF document accordingly (follow this example: "ITALY_UNGA_PP");
14. Please write the PP in English and no other language should be used in the writing of your position paper;
15. If any of the above standards are not followed, it will result in deduction of marks from your PP. Additionally, PPs not in PDF format will be rejected.
16. Email the position papers to BOTH chairs (chiayonggan@gmail.com and ramizmehdee@gmail.com).
17. Position papers are due on 24th November 2021 (Wednesday), 11:59 p.m. (GMT+1). Requests for extensions (with valid reason) can be made by emailing the chairs and will be considered on a case-by-case basis. If you require sample position papers or have any other queries in general, do email the chairs in a professional manner. With that, happy researching!

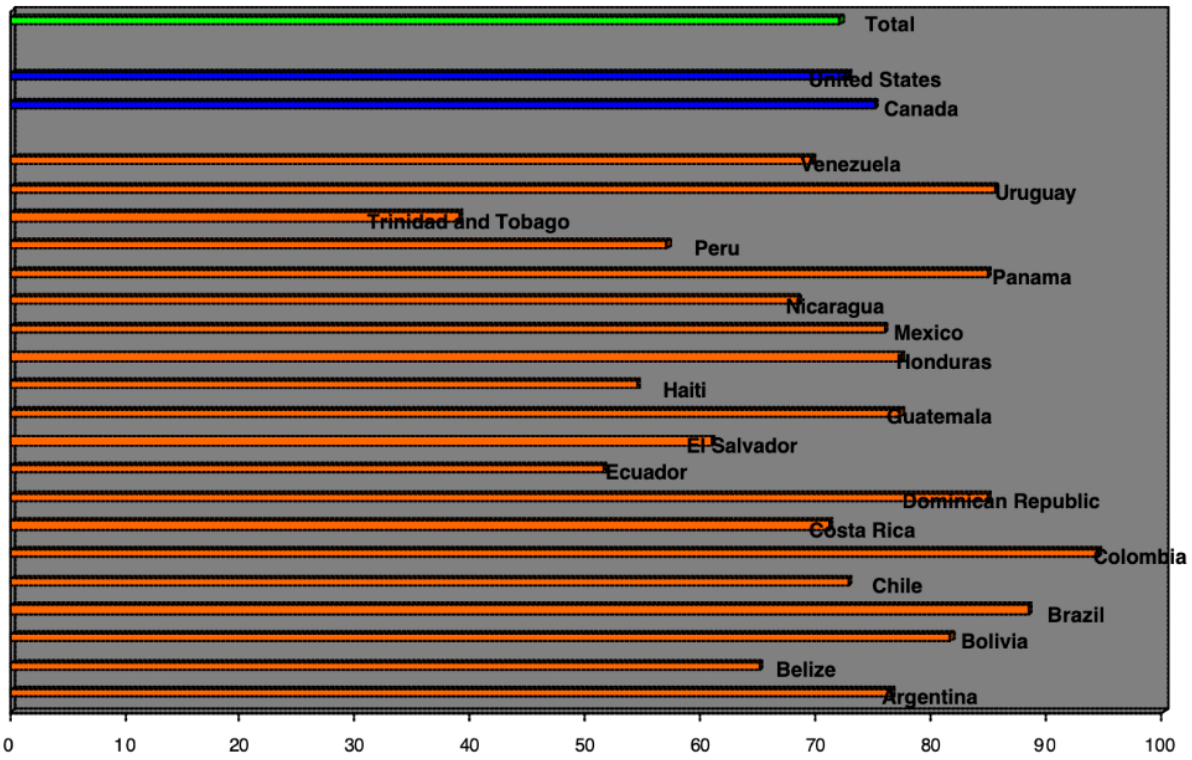
Topic A: Increasing access to technical and vocational education in Latin America and the Caribbean

by Ramiz Mehdiyev

Statement of the issue

Nowadays, with globalization and the global workforce becoming more dependent on interactions between humans and technology, technical and vocational education is almost essential for school-to-work transitions and upward career paths. In Latin America and the Caribbean, most people not having the 'luxury' of worker training has been persistent for a prolonged period of time (and is likely to be sustained without further substantial action), thereby contributing to slow and negative economic growth rates in said regions, which only exacerbates living standards and mainline concerns such as hunger, crime and unsound institutions in the region.

Technical education is a type of short-term higher education that is, usually, offered in post-high-school curricula (typically two years long) and is not designed to lead on to a bachelor's degree. In fact, recently, in Latin America and the Caribbean (**LAC**), instances with low opportunity costs and high economic rents for not receiving a university degree have been surprisingly frequent. For example, A study by the World Bank, '*At a Crossroads: Higher Education in Latin America and the Caribbean'*, has found that some Chilean technicians with two-year degrees in fields such as arts, science and technology have education returns that are only slightly lower than those of professionals in these fields with five-year university degrees. That being said, this is hardly the norm in LAC, where technical higher education remains limited, faces significant challenges and does not satisfy the criteria to be classed as successful – if we refer to Chile, for example, according to the International Labour Organization (ILO), less than 35% of young Chileans aged 15 to 24 are active participants in the labour market.



Percentage of firms in LAC that train their workers; Source: IDB (https://publications.iadb.org/publications/english/document/Training-the-Workforce-in-Latin-America-What-Needs-to-be-Done.pdf)

Technical and vocational higher education, if designed and implemented to high standards, has the potential to improve the productivity of workers and their integration into the labour market. Because it is shorter (just two or three years), it helps reduce student dropout rates and improves the labour force participation rate, thereby lowering unemployment, which is now, understandably, quite high throughout LAC due to a variety of factors, with the most obvious one being the global health crisis known as the COVID-19 pandemic. While the worldwide situation has gotten much better overall due to medical advancements (e.g. Coronavirus vaccines) and advancements in the gig economy (which are now better able to provide employment, although there are still massive drawbacks due to, for example, worker rights not being protected to the extent that they are in the traditional economy [no minimum wage, modern slavery etc.], *ceteris paribus*), the near future does not look promising for LAC. It is predicted that, by the end of the pandemic (a time that cannot yet be accurately predicted), the region will have experienced a push of 80 million people into extreme poverty. There have been several

considerable programs, introduced with the aim of tackling difficulties that have risen with said crisis, such as the *'Coursera Workforce Recovery Initiative'* that helps reskill people so that they are able to find new employment. At least one government agency in 90% of LAC is said to be using the aforementioned program, with that number expected to rise with more people interested in online learning. Around 12 million people are currently enrolled in Coursera's online courses, but only 150,000 of those are unemployed – this further highlights the extent to which vocational education is inaccessible. Dual programs, which combine on-the-job apprenticeships with technical or vocational training, are also great examples of technical and vocational education, and countries that have embraced this model, such as the United States, Germany, Sweden, and Switzerland, have youth labour participation rates between 50 and 65 percent – higher than average levels across LAC. Meanwhile, some LAC countries with high enrollment rates in higher education, such as Chile and Argentina have youth labour force participation rates that range between 35 and 45 percent – which, coupled with stagnant productivity, continues to undermine economic growth.

Most of the overall enrollment in higher education in LAC is still dominated by traditional five-year academic programs. According to a study called '*Higher Education in Latin America: Trends and Explanations*', just 15% of people across LAC who have ever enrolled in higher education have completed technical degrees, compared to 25% worldwide. This figure has remained largely unchanged over the past three decades.

Country	% that Accessed HE		% in 2013 that Completed HE		% by HE modality		% of increase Due to enrollemnt in AHE
	Circa 1995	Circa 2013	Accessed but did not complete HE	Completed HE	Academic	Technical	
Argentina	13,3%	32,0%	12,3%	19,1%	19,0%	12,4%	57,1%
Bolivia	23,8%	22,6%	11,2%	10,8%	16,7%	5,2%	84,3%
Brasil	7,9%	11,9%	0,0%	11,3%			
Chile	14,7%	23,8%	6,8%	16,4%	15,1%	8,0%	93,3%
Colombia	19,5%	24,4%	10,7%	13,1%	21,8%	8,0%	54,8%
CostaRica	13,6%	25,2%	12,1%	12,5%	23,6%	1,0%	94,9%
Ecuador	17,3%	22,7%	10,6%	11,4%	21,1%	1,0%	103,0%
ElSalvador	8,6%	8,9%	2,5%	5,8%	8,2%	0,1%	100,0%
Guatemala	7,4%	15,3%	1,1%	13,6%			
Honduras	5,5%	5,9%	1,2%	4,1%	5,1%	0,2%	89,4%
Mexico	11,7%	16,5%	3,3%	12,6%	14,9%	1,0%	92,8%
Nicaragua	7,7%	15,2%	4,8%	9,9%	13,8%	0,8%	98,0%
Panama	27,8%	24,5%	11,4%	12,6%	23,5%	0,4%	11,2%
Paraguay	14,4%	15,3%	6,4%	8,3%	13,3%	1,4%	77,1%
Peru	22,9%	28,3%	8,6%	19,1%	13,2%	14,5%	27,2%
RDominicana	15,8%	18,9%	6,9%	11,3%	18,0%	0,2%	112,9%
Uruguay	15,3%	16,1%	8,0%	7,5%	12,4%	3,1%	80,4%
Venezuela	14,6%	26,7%	6,8%	19,3%	18,0%	8,1%	75,7%
Average	15%	19,7%	7,6%	12,1%	16,1%	4,1%	78,3%

Share of working population that have ever enrolled in higher education in Latin America, circa 1995 and circa 2013; Source: Macrothink Institute (https://www.macrothink.org/journal/index.php/jse/article/view/11361/9226)

With only a few exceptions, such as Colombia, Brazil, and Chile, technical education remains limited across LAC, and most efforts to further higher education continue to focus on universities. The challenge is compounded by the fact that technical programs in the region carry stigma and lack prestige, and many young people still prefer to pursue general academic education at the secondary and tertiary levels. Furthermore, many individuals with technical degrees face a career 'ceiling' and are unable to secure promotions at work as quickly as people with traditional academic degrees.

In addition, the technical higher education programs in LAC that do exist largely fail to respond to the needs of the private sector. In many countries, these programs are offered by an abundance of low-quality providers that operate in a mostly unregulated market. Except for a few countries, such as Brazil and Costa Rica, technical higher education

programs lack ‘dual’ learning systems at scale. Also, with the exception of Chile, many of these programs are focused on the service sector (i.e. accounting, tourism, computer science), with less emphasis on manufacturing, agroindustry and high-technology sectors. In many cases, this occurs because programs and institutions underinvest in equipment and laboratories.

History

Economic and social development in Latin America was boosted in the 1940s and 1950s by wars in Europe and Korea, and the consequent war production in the United States. The wartime economy of the United States led to greater demand in LAC for raw materials, semi-finished industrial goods and foodstuffs. These developments placed greater training demands on industries that were slowly becoming established. With the help of the International Labour Organization (ILO), similar organizations were set up throughout the region to provide initial and continuing vocational training. With the exception of a few countries such as Uruguay, these typically had a number of common features. They were subject to Ministries of Labour with no legal or institutional connection with the existing technical secondary schools run by Ministries of Education, which, generally, provide broad technical qualifications in a range of occupations, which can also lead to higher education. Because of the possibility of moving on to higher education, the technical courses offered in secondary schools are known as *educación técnica*, while the vocational training provided under the sponsorship of Ministries of Labour is termed, somewhat dismissively, *formación profesional*. Since vocational courses do not lead to university education, these supplementary, free courses are also referred to as educación no formal. They often last only one or two years, and their purpose is to provide practical vocational training in industrial and craft trades. Moreover, they aim to respond to the socio-political needs of the less well off section of the population. The initial and continuing vocational training provided by these typical institutions in classroom-based teaching centres is controlled by a system of so-called *tripartismo*, in which the state, employers and representatives of the trade unions are supposed to have equal shares in determining the policy of these organisations and in responsibility for

their operation and development. The main social actors have thus been closely involved, through a formal mechanism for agreement and models of management that assume agreement, in planning and guiding the vocational training establishments subject to Ministries of Labour. The compulsory levy imposed by law on employers in practically all Latin American countries has ensured that these training providers have received consistent and substantial funding. Employers' levels of contribution have varied from country to country according to size of enterprise (payments being compulsory for any business with five or more employees) and the nominal size of the wage and salary bill (between 0.5 and 2%). These payments have been levied together with social security contributions and passed on to the vocational training establishments subject to Ministries of Labour (Atchoarena 1998). For a long time, therefore, Latin America has practised what is currently being proposed in Germany: employers are required to fund vocational training through a training levy, and this training is provided in traditional vocational training centres by bodies not tied to particular companies, unlike in Europe. This arrangement has provided the regulatory framework for the development of a system of vocational training outside the technical secondary schools and the Ministries of Education. The numerous regulations underpinning these semi-governmental training establishments provided industry in the 1960s and 1970s with a body of skilled workers that was more or less adequate in quantity and quality. At the same time, disadvantaged sections of the population were involved more closely in society by being drawn into some form of education through the flexible provision of initial and continuing vocational training. The formal education provided under the support of Ministries of Education was complemented by vocational training establishments under Ministries of Labour addressed above all to those sections of the population who had, for various reasons, dropped out of Ministry of Education courses. These establishments, with their one-year and two-year initial training, and continuing training courses, became a crucial supplement to the provision of Ministries of Education and took on the educational responsibility associated with a welfare state for providing some institutional security for poorer sections of the population. This is one of the reasons why private companies have launched, and still launch, few initiatives of their own in vocational

training. The guaranteed involvement of poorer sections of the population in vocational training provided under the backing of Ministries of Labour but funded by enterprises (systemically guaranteed by the state) was intended to ensure that employers had a supply of skilled workers. But this was an assumption that was not sustainable in the long term, since training moved into academic training centres that were removed from places of employment. Because of worldwide changes in the division of labour, and as a result of the economic recession in all Latin American countries in the 1980s (known colloquially as the 'lost decade') brought about by a policy of so-called import substitution (tariff barriers to protect local markets), these training providers were strongly criticised, largely by the employers. Against the background of falling market prospects, businesses complained above all the obsolescence and lack of practical relevance of the vocational training provided. The causes of this criticism are to be found in:

a) worldwide trends in economic development and systematic neglect of the workplace as a place of learning;
b) the excessive socio-political burden placed on these training organisations, their structure and operational systems.

The increasingly burdensome function of socio-political integration of poorer sections of the population imposed on training organisations in the 1980s led to a widespread failure to deliver. The majority of training providers dealt with all sectors of the economy and pursued their own purposes in the crisis-ridden 1980s, expanding the quantity of (short) training courses of questionable quality for political ends. These failed to meet the needs of employers but appeared impressive because they produced higher enrolment figures. Training providers now not only run courses but are also required to act as their own monitoring and support agency (similar to the role of the Federal Institute of Vocational Education in Germany). At the same time, they are supposed to plan training provision professionally in response to employers' demands and the needs of the population. In an education and training landscape that is changing because of technological developments, the shortcomings in the training of their own staff means that the establishments have not had the potential required to meet the complex tasks of revising the system (e.g. updating the content of the vocational training) to match changes in

economic circumstances, technology and infrastructures. Private providers have seen improved prospects in the largely unregulated training market that has come into being. Even though some provision is questionable, this has led to a further loss in the prestige of the established providers, which have had to argue ever harder for continued payroll funding by industry and craft trades. Furthermore, three strongly hierarchical levels of functioning can also be identified as weaknesses, alongside the failure to modernise the system.

Firstly – the level of delivery of vocational training: teachers and trainers are directly charged with delivering vocational initial and continuing training although, significantly, in Latin America there is no training (of various types) for vocational teachers that is comparable to that of European countries. Those appointed are generally either graduates of the self-same courses, or, increasingly, unemployed engineers who have no training in education or have received, at best, a quick ‘dose’ of basic introductory training. In the almost school-like centre-based training given by the traditional training providers it is evident how quickly skills in fields such as electronics and electrical technology become outdated without adequate professional training.

Secondly – the level of planning and management: this level includes curriculum developers, planners of training and heads of centres. Some of these professionals show weaknesses for much the same reasons as teachers – they lack proper training. Moreover, appointments are often made at this level for political reasons rather than by ‘goodness’ of professional ability.

Thirdly – the level of decision-making, which is heavily politicised: management teams in the vocational training establishments have not demonstrated well founded professional knowledge and appropriate management skills, but have been appointed because of the political and meritocratic influence exercised by their own interest groups in society, which care relatively little about matters to do with the internal and external effectiveness of vocational training systems. Weaknesses have not, however, been confined to the faults of particular groups, but relate

also to the entire manner in which these systems have operated. The major weaknesses are discussed below.

There has been a lack of ‘interfaces’ in the organisation of training establishments, since they have seen themselves as state agencies – limited responsibility and overloading middle and senior management with bureaucratic tasks have prevented the cooperation that would have improved internal organisation. Moreover, the planning, arrangement and implementation of training courses have become time-consuming because of the excessive division of labour. The absence of strategies for overall staff and organisational development has led to questionable attempts at updating to match changed needs and requirements: this has had a detrimental impact on the level of skills among the professional staff, who have tended to carry out the tasks required by each independent establishment, rather than providing a service to customers by responding rapidly to employers’ immediate practical needs. The more glaring the obvious inability to offer training provision of relevance to employers has become, the more establishments have stressed their autonomy and monopoly of responsibility. In the final analysis, *tripartismo* has been unable to offer training courses that respond to needs and relate to practice: the supervisory boards of these organisations, whose members were appointed largely for political reasons by the state, trade unions and employers, have degenerated into disputatious and divergent interest groups of social actors, who have failed in the event to fulfil their decision-making tasks of planning and updating vocational training provision. The politicisation of the establishments has led to the obsolescence of their provision – the formally agreed manner of operation of the entire sub-system of vocational training has ignored the real level of practical cooperation between public and private places of learning and has shifted this ‘cooperation’ on to a multi-layered plane of bureaucracy which has failed to meet employers’ practical requirements. Hence, in the 1980s, it became increasingly difficult to argue the case for vocational training in these organisations, given the constantly falling cost-effectiveness and efficiency despite expansion of provision in all three sectors of the economy and the consequent rise in the bureaucratic complexity of operation.

Relevant international action

In recent years, with Norway's cooperation, the United Nations Economic Commission for Latin America and the Caribbean (ECLAC) has sought to strengthen the link between technical and vocational education and training and the labour market, making the issue a strategic pillar of the regional agenda of Latin America and the Caribbean. Looking at this from different perspectives has generated knowledge and recommendations that have underpinned key policy discussions within ECLAC initiatives. The various ECLAC divisions involved in this project have incorporated the technical recommendations from this research in the main documents presented at official regional and subregional meetings, promoting policy dialogue among countries and highlighting the importance of this topic as a link between social and production development in the region.

In this context, ECLAC has sought to document practices by generating evidence, building capacities and providing technical assistance to selected countries to strengthen technical and vocational education systems and programmes to promote greater equality.

Interdivisional work

The Division for Gender Affairs: this Division's work has focused on generating knowledge about the situation of women in technical and vocational education systems and analysing the challenges they face when entering technical professions and over the course of their careers. This analysis has led to public policy recommendations that could reverse the gender biases in vocational and technical education and that promote the economic autonomy of women graduates of that educational system, by fostering dialogue among national mechanisms for the advancement of women and other key actors in the countries of the region.

The Economic Development Division: this division's work has focused on building knowledge on best practices and methods used to identify and anticipate the competencies needed in the labour market and how this information is shared with the main social stakeholders. It has also sought

to identify policy recommendations for financing technical and vocational education systems while ensuring the best use of resources.

The Social Development Division: this division's work has focused on analysing the supply of work training programmes (particularly, those that address the situation of people excluded from the labour market) and the supply of formal technical and vocational education at the secondary and tertiary levels. Based on research and experience-sharing, the division aims to help countries enhance the supply of training programmes and the link between education and employment by promoting dialogue among the various stakeholders.

The following are the instances of technical assistance provided to LAC states, between 2016 and 2019:

- (2017-2018) In Ecuador, a national plan for technical and vocational education and training was being drawn up by the Ministry of Education in conjunction with the Secretariat for Higher Education, Science, Technology and Innovation. Technical assistance was requested from ECLAC in that connection. As part of that assistance, three workshops were organized with the technical teams from each department focusing on coordinating technical education at the secondary and tertiary levels, on statistical information systems and on drafting the National Plan. At the same time, qualitative research was undertaken on the educational and professional trajectories of women who complete technical and vocational education programmes;

- (2017-2018) At the request of the Ministry of Labour of Argentina, technical assistance was provided to develop a methodology to identify employment trends and the short and medium-term demand for skills and competencies by gender on the basis of the employment indicators survey;

- (2017-2018) In Uruguay, assistance was provided at the request of the National Women's Institute (INMUJERES) to investigate the educational and employment paths of young women graduating

from technical and vocational education institutions and to review training programmes that seek to enhance the employability of women living in poverty;

- (2017-2019) The work carried out with the countries revealed the need for the sharing of the Global South's experiences in designing employer surveys to identify labour requirements, and for mechanisms to disseminate employment data. ECLAC facilitated this process of dialogue by holding virtual meetings with representatives of Chile, Costa Rica, Ecuador and Paraguay;

- (2017-2018) The situation of national and regional labour observatories were also analysed, with inputs from representatives of the Ministries of Labour of Argentina, Brazil, Chile, Costa Rica, Colombia, the Dominican Republic, Mexico, Panama, Paraguay, Peru and Uruguay;

- (2017-2018) The Ministry of Economy, Planning and Development of the Dominican Republic requested support in identifying the training needs of the production sector. Technical assistance was provided to create an institutional framework for a permanent mechanism to identify and anticipate the country's training needs;

- (2017-2018) The Ministry of Labour of Colombia requested technical assistance with regard to implementing and validating a conceptual standardization process to unify criteria and broker an agreement among the different education and training institutions in the country;

- (2016-2017) Chile's request for support from ECLAC covered two areas. Within the framework of its presidency of the Pacific Alliance (at the time), the Ministry of Education requested support for discussions to strengthen technical and vocational education and its link with the production sectors. The National Training and Employment Service (SENCE) of the Ministry of Labour requested support to implement and strengthen its labour inclusion programme, 'Más Capaz';

Possible solutions

To build up a sound training system for work (and for life in general), technical and vocational training policies will have to:

1. Promote the alignment of productive development policies with technological change;
2. Build upon social dialogue;
3. Ensure a regulatory framework that covers the core aspects of an integrated technical and vocational training system;
4. Make sure sufficient, sustained and guaranteed-by-law funding is provided;
5. Promote lifelong learning and coordination between formal education and vocational training;
6. Foster quality apprenticeship;
7. Increase the quality and relevance of training by constantly improving institutions, developing knowledge and creating relevant information;
8. Use more effective teaching methodologies and approaches, based on evidence, and constantly improve them, considering experience and assessment;
9. Promote equal opportunities and social inclusion;
10. Coordinate with employment and vocational guidance services and with active labour market policies.

Promoting the alignment of productive development policies with technological change

Training for work and for life must be adapted in real time to technological change and the rapidly changing requirements of the productive sector. It must expect the demand of new skills resulting from technological change and productive diversification. The Agenda for Sustainable Development Goal 8 is to '***Promote inclusive and sustainable economic growth, employment and decent work for all***'. Furthermore, SDG 9 is to '***Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation***'. The patterns of growth, productive development and employment are closely related and also highly influenced by technological advance and its impact. Most of the tools that may exert an influence on the pattern of

growth and create more and better jobs are in the field of Productive Development Policies (PDPs). A brighter future could not be built up without a better future for production.

If workers have no relevant skills for the labour market, they will not access quality jobs. If workers are not skilled or able to constantly acquire new skills and throughout their lives, productive transformation, the incorporation of technologies, innovation and the increase of productivity will not be as fast and as successful as necessary.

In countries with the best economic performance in productivity and employment, the effort and the mechanisms to align their vocational education and training systems with their PDPs have been a fundamental aspect. The very much limited use of PDPs in LAC to foster new growth, compared to the widespread use of these policies in high-performing countries, is one of the more significant factors that explains the poor performance of the region in terms of productive diversification, productivity and employment. Notably, well-defined PDPs enable consistent guidance not only for training systems and institutions but also for the youth and their families, in order to make well-informed decisions about their studies, careers and specialties.

Building upon social dialogue

Social dialogue comprises all the information exchange, consultations, participation and bargaining processes among representatives from governments, employers and workers on issues that are of common interest. In terms of technical and vocational training, social dialogue is fundamental for the attainment of several objectives. Firstly – matching the training offer with the needs of the productive sector. Secondly – social partners' involvement, commitment and ownership of policies designed and executed with their participation. Thirdly – guaranteeing the exercise of the right to training by all social groups. Fourthly – complying with regulations related to labour contracts with training purposes. Finally – controlling the use of public resources allocated to human resources development.

Ensuring a regulatory framework that covers the core aspects of an integrated vocational training system

The structure and operation of national technical and vocational education system must have a regulatory framework that covers core aspects, such as distributing roles and skills among different government agencies of the system, defining incentives and decision-making mechanisms, determining the participation of social partners, setting up legal and regulatory frameworks to assess private training providers and enabling, through cooperation, dialogue, assessment and testing, the identification of problems and design of solutions.

Making sure sufficient, sustained and guaranteed-by-law funding is provided

Investing in education and training provides measurable returns in the improvement of employment and income and, therefore, in the well-being and quality of life of persons. At the same time, continuously improving technical and vocational education systems requires sufficient, permanent, steady and sustainable funding sources to ensure the quality and accessibility of related policies and services.

Promoting life-long learning and coordination between formal education and vocational training

The ability of countries to attain the goal of lifelong learning requires mechanisms that enable continuously developing new skills and qualifications of people regardless of the place or the way in which they were acquired. It also requires promoting and facilitating the transition between different vocational training and educational systems. This is essential for increasing the options for the youth and ensuring flexibility. Skills recognition, incentives to the progress of vocational training and education, as well as a smooth flow to the labour market are crucial to favour employability and try to reduce skills mismatch.

Fostering quality apprenticeship

Quality apprenticeship can be defined as a unique form of vocational training which combines on-the-job training and school-based learning, for the development of specifically-defined skills and work processes. It is regulated by law and based on an employment contract, for a clearly defined duration, with a compensatory payment, and standard social protection coverage. There is formal assessment and a final certification of acquired skills and competencies.

This type of apprenticeship combines gaining professional experiences that are directly applicable at workplaces. Learning applied knowledge and skills that enable apprentices to understand the logic behind the job they are tasked with, cope with unpredictable situations, and acquire higher level and transferable skills. A quality apprenticeship is a sophisticated learning mechanism based on mutual trust and collaboration among the stakeholders – employers, workers, government agencies and technical vocational education and training institutions.

Increasing the quality and relevance of training by constantly improving institutions, developing knowledge and creating relevant information

The task of public and private institutions that are involved in training for work and for life does not only imply implementing training actions but it also includes an ongoing creation and accumulation of knowledge and institutional skills. Research and development of information systems are key for innovation, design, planning, implementing and assessing vocational training and human resources development policies. The capacity of government training institutions and social partners to obtain and/or generate and analyse information enables informed decision-making to continuously improve institution management and training programmes. It is also fundamental to align the training offer with productive and inclusive development priorities in order to reduce skill gaps in the labour market, improve productivity of enterprises and broaden the opportunities of people to access product and decent jobs.

Using more effective teaching methodologies and approaches, based on evidence, and constantly improving them, considering experience and assessment

Abundant research on education and teaching design which is available internationally is not being applied to vocational training in the region. New constructive-based approaches which sustain such innovation trends place an emphasis on active and critical training processes where participants (learning subjects) build their own knowledge and skills structure. Such development is understood simultaneously as individual and collective, where collaboration and teamwork are both an educational tool and a skill to be developed. Education experts agree that applying these innovations generate deeper and more long-lasting learning.

Furthermore, the future scenario of work requires developing the so-called 21st Century Skills that include basic skills (science, maths, reading) – critical thinking skills, creativity, communication skills, capacity to collaborate and work in teams. Moreover, socioemotional skills such as persistence, adaptability, curiosity and leadership are just as important if the goal is to be achieved fully.

Promoting equal opportunities and social inclusion

Everyone has the right to be educated and trained. Education and training are also a fundamental tool to promote a more inclusive and equal socioeconomic development. A national training and education system must guarantee lifelong learning opportunities for all people, and ensure the inclusion of the most vulnerable groups such as disabled people, the rural population, indigenous population, young people excluded from education and work, people deprived of freedom and low-income people.

Technical and vocational training policies must mainstream the gender perspective so that each of its training actions are relevant and of high quality, and promote equal opportunities among women and men in the access of lifelong learning.

Coordinating training and employment services, vocational guidance and active labour market policies

Public employment services (PES) play a key role as they offer vocational guidance and counselling, materials about access to training and employment intermediation. PES help workers and employers in the transition to the labour market by offering employment intermediation services, information access and specific programmes. Furthermore, they help job-seekers choose the most appropriate choices for employability by spreading reliable information about the labour market, vocational guidance and counselling as well as a range of tools and techniques to support them in their job search. Many services also manage unemployment insurance programmes and provide temporary financial support to workers.

The concept of active labour market policies that include employment, transfers for unemployment and training has not been as widespread in the region as in European countries, for example. In the future, this concept should be further developed and there should be a stronger connection between training for work and for life policies and these elements from active labour market policies. Apart from PES, private employment agencies are playing an increasing role in improving the operation of the labour market.

Conclusion

International experience has indicated that technical and vocational education has the potential to increase productivity, while improving competitiveness and opportunities to join the labour market. It has also shown that, even in the most developed contexts, not all citizens have access to university education – but the young population can remain competitive in the labour market without a university degree. As the situation in the US, Switzerland and Germany shows, it is, indeed, possible to thrive in the labour force by obtaining expertise in technological fields, which continue to be in-demand and essential for both economic growth and economic development. Technical and

vocational education has opened doors for so many young people in the world, and the LAC should be no exception. It is of high importance that policymakers across the region put '*increasing access to technical and vocational education*' higher up on their agenda.

With COVID-19 there has been a huge increase in the prime importance of further training for professional and management staff working for training providers in Latin America – the significance of this will, undoubtedly, be much greater in the future, in the 're-invented' world. The focus of further training will remain on teaching staff (teachers and trainers) – only through improved skills are they able to deliver better teaching. Cooperation between colleges and business will become increasingly important in the further training of these teachers. This will provide a flexible response to skills shortages and tend to break down the institutional autonomy of traditional training providers even further. That being said, the survival of LAC training institutions faces challenges in the drastically changed economic environment of today and tomorrow. Strategies for providing initial and further training for training staff will need to be accompanied by changes within the institutions and throughout the system, to meet the training needs of the economy more closely.

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Topic B: Addressing the monopolisation of global tech markets.

Current Situation

The COVID-19 pandemic has underscored the importance of internet access that is affordable, competitive, and widely available for workers, families, and businesses.However, the digital economy has become highly concentrated and prone to monopolization.Tech Giants, Amazon, Apple, Facebook, and Google—have come to play an important role in our economy and society and represent the underlying infrastructure for national and international exchanges of communications, information, and goods and services. As of September 2020, the combined valuation of these platforms is more than $5 trillion—more than a third of the value of the S&P 100[1]. Thus, as we continue to shift our work, commerce, and communications online, these firms stand to become even more interwoven into the fabric of our economy and our lives; having captured control over key channels of distribution and functioning as gatekeepers. Just a decade into the future, 30% of the world's gross economic output may lie with these firms, and just a handful of others. [2]It has diminished consumer choice, eroded innovation and entrepreneurship in the U.S. economy, weakened the vibrancy of the free and diverse press, and undermined Americans' privacy.

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Apple

Apple has significant and durable market power in the mobile operating system market. Apple's dominance in this market involves its control on the iOS mobile operating system that runs on Apple mobile devices. This in turn has resulted in Apple's monopoly power in the mobile app store market, controlling access to more than 100 million iPhones and iPads in the U.S.

[1] SUBCOMMITTEE ON ANTITRUST, COMMERCIAL AND ADMINISTRATIVE LAW, 2020. Investigation of Competition in Digital Markets. United States.

[2] SUBCOMMITTEE ON ANTITRUST, COMMERCIAL AND ADMINISTRATIVE LAW, 2020. Investigation of Competition in Digital Markets. United States.

Apple's mobile ecosystem has produced significant benefits to app developers and consumers.

Launched in 2008, the App Store revolutionized software distribution on mobile devices, reducing barriers to entry for app developers and increasing the choices available to consumers. Despite this, Apple leverages its control of iOS and the App Store to create and enforce barriers to competition and discriminate against and exclude rivals while preferencing its own offerings. Apple also uses its power to exploit app developers through misappropriation of competitively sensitive information and to charge app developers supra-competitive prices within the App Store. Apple has maintained its dominance due to the presence of network effects, high barriers to entry, and high switching costs in the mobile operating system market. Apple is primarily a hardware company that derives most of its revenue from sales of devices and accessories. However, as the market for products like the iPhone has matured, Apple has pivoted to rely increasingly on sales of its applications and services, as well as collecting commissions and fees in the App Store. In the absence of competition, Apple's monopoly power over software distribution to iOS devices has resulted in harm to competitors and competition, reducing quality and innovation among app developers, and increasing prices and reducing choices for consumers.

Amazon

Amazon has significant and durable market power in online retail markets. Although Amazon is frequently described as controlling about 40% of U.S. online retail sales, this market share is likely understated, and estimates of about 50% or higher are more credible[3]. As the dominant marketplace in countries such as the United States and United Kigdom for online shopping, Amazon's market power is at its height in its dealings with third-party sellers. The platform has monopoly power over many small- and medium-sized businesses that do not have a viable alternative to Amazon for reaching online consumers. Thus, although Amazon has 2.3 million active third-party sellers on its marketplace worldwide, recent survey's estimate that about 37% of them—about 850,000 sellers—rely on Amazon as their sole source of income.[4]

[3] https://www.oberlo.co.uk/blog/amazon-statistics
[4] SUBCOMMITTEE ON ANTITRUST, COMMERCIAL AND ADMINISTRATIVE LAW, 2020. Investigation of Competition in Digital Markets. United States.

Amazon achieved its current dominant position, in part, through acquiring its competitors, including Diapers.com and Zappos. It has also acquired companies that operate in adjacent markets, adding customer data to its stockpile and further shoring up its competitive moats. This strategy has entrenched and expanded Amazon's market power in e-commerce, as well as in other markets. The company's control over and reach across its many business lines enable it to self-preference and disadvantage competitors in ways that undermine free and fair competition. As a result of Amazon's dominance, other businesses are dependent on Amazon for their success and their survival

Google

Google has a monopoly in the markets for general online searches and advertising. Google's dominance is protected by high entry barriers, including its click-and-query data and the extensive default positions that Google has obtained across most of the world's devices and browsers as no alternate search engine serves as a substitute. Google maintained its monopoly over general search through a series of anticompetitive tactics. These include an aggressive campaign to undermine vertical search providers, which Google viewed as a significant threat. Over the years, Google has used its search monopoly to misappropriate content from third parties and to boost Google's own inferior vertical offerings while imposing search penalties to demote third-party vertical providers. Google has steadily proliferated its search results page with ads and with Google's own content, while also blurring the distinction between paid ads and organic results. As a result of these tactics, Google appears to be siphoning off traffic from the rest of the web, while entities seeking to reach users must pay Google steadily increasing sums for ads. Numerous market participants analogized Google to a gatekeeper that is extorting users for access to its critical distribution channel, even as its search page shows users less relevant results.

A second way Google has maintained its monopoly over general search has been through a series of anticompetitive contracts. After purchasing the Android operating system in 2005, Google used contractual restrictions and exclusivity provisions to extend Google's search monopoly from desktop to mobile. Documents show that Google required smartphone manufacturers to pre-install and give default status to Google's own apps, impeding competitors in search as well as in other apps. Today, Google is ubiquitous across the digital economy, serving as the infrastructure for core products

and services online. Through Chrome, Google now owns the world's most popular browser—a critical gateway to the internet that it has used to both protect and promote its other lines of business. Through Google Maps, Google now captures over 80% of the market for navigation mapping service—a key input over which Google consolidated control through an anti-competitive acquisition and which it now leverages to advance its position in search and advertising. And through Google Cloud, Google has another core platform in which it is now heavily investing through acquisitions, positioning itself to dominate the "Internet of Things," the next wave of surveillance technologies. In certain instances, Google has covertly set up programs to more closely track potential and actual competitors, including through projects such as Android Lockbox. As each of its services provides Google with a trove of user data, reinforcing its dominance across markets and driving greater monetization through online ads, Google increasingly functions as an ecosystem of interlocking monopolies through linking these services together.

Facebook

Facebook has monopoly power in the market for social networking which is firmly entrenched and unlikely to be eroded by competitive pressure from new entrants or existing firms. In 2012, the company described its network effects as a "flywheel" in an internal presentation prepared for Facebook at the direction of its Chief Financial Officer. This presentation also said that Facebook's network effects get "stronger every day." Documents produced during the US investigation into Facebook show that it has tipped the social networking market toward a monopoly, and now considers competition within its own family of products to be more considerable than competition from any other firm. Facebook has also maintained its monopoly through a series of anticompetitive business practices. The company used its data advantage to create superior market intelligence to identify nascent competitive threats and then acquire, copy, or kill these firms. Once dominant, Facebook selectively enforced its platform policies based on whether it perceived other companies as competitive threats. In doing so, it advantaged its own services while weakening other firms.

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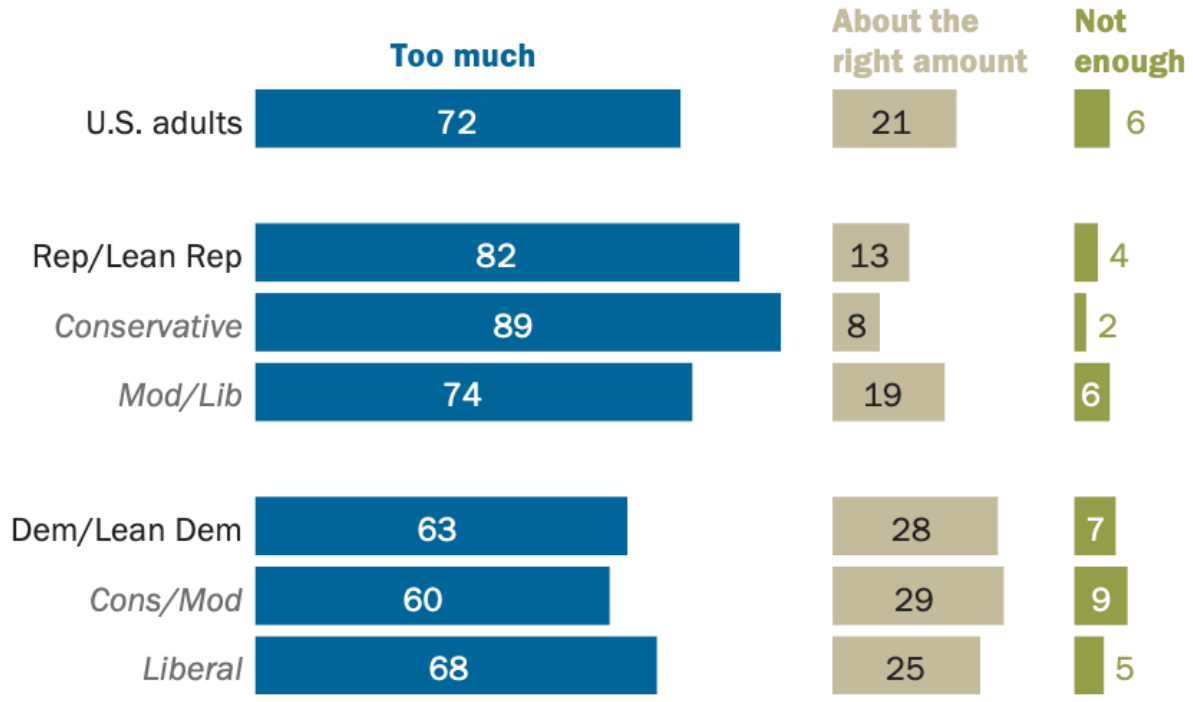
Furthermore, the commercial and economic dominance of tech giants have attracted the attention of the powerful Chinese state and the supranational state entity of the EU. The dominance of tech giants has provoked responses from powerful entities to curtail some activities of these tech giants/titans. Some of these tech giant companies were fined for unfair practices in the EU while others were cited for privacy concerns. Some tech giants/titans were also accused by the EU and other stakeholders of hoarding IT human resources talents within a closed circle or restricting the mobility of these individuals through tacit agreements.

Thus, internationally, there has been a marked rise in the anti-monopoly and antitrust instincts which advocates monopolies and titans if they are proven to practise unfair competition. This was recently shown in a US Pew Report.

Majorities across parties believe social media companies have too much power and influence in politics; Republicans are especially likely to say this

% of U.S. adults who say social media companies have ___ (of) power and influence in politics today



Note: Those who did not give an answer are not shown.
Source: Survey of U.S. adults conducted June 16-22, 2020.

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At the individual firm level, the Big Five's market shares have risen sharply (Figure 2.). In 2019, their market shares are substantially large, particularly in the case of Apple, which generates nearly the 75% of its industry sales.[5] These data indicate that the industries analysed resemble more oligopolies than competitive markets.

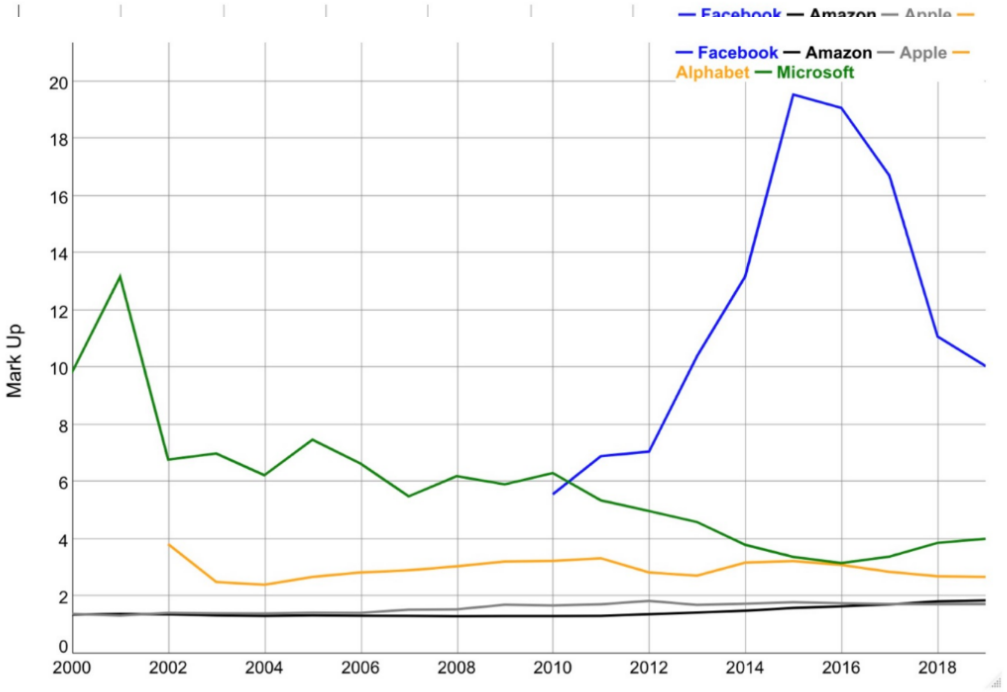

Figure 4. Mark Ups of the Big Five, 2000-2019.
Note: Alphabet and Facebook data starts from 2010 and 2003 respectively.
Source: Own calculations based on Compustat database (2020).

Another commonly used measure to assess firms' market power is markups, computed as the ratio between prices and marginal costs. In an ideal perfectly competitive market, where firms are price taker, prices are equal to marginal costs and therefore markups are equal to one. Clearly, the perfectly competitive market of classical economics is more an abstraction than a reality, but still markups are valid indicators to grasp the market power of large corporations. In the industries where Amazon and Apple operate, markups have remained relatively stable throughout the period considered, while they have eventually declined in the Microsoft's one. On the contrary, in the case of Alphabet's industry, we observe an initial increase in markups and then a relatively stable behaviour. The most surprising case is perhaps Facebook, where the relative change in markups reached a peak of more than 800% in 2017 after a continuous rise. Not surprisingly, given their relative weight, the trends in mark-ups for the Big Five corporations reflect an industry-wide one.

[5] Crescioli, T., 2021. Tech Giants and Competition: A Political Economy Perspective.

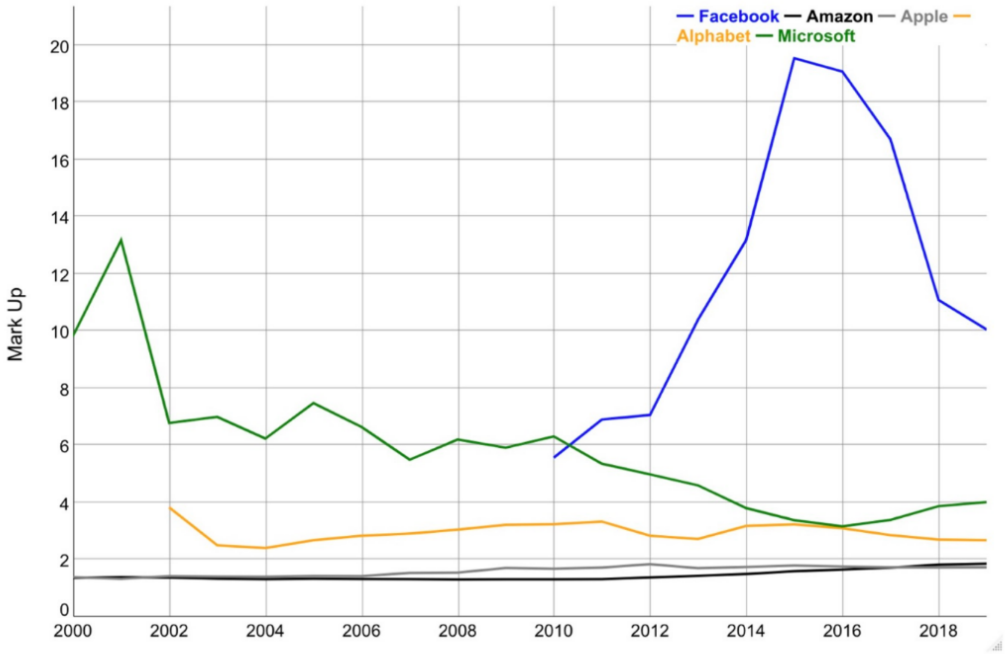

Figure 4. Mark Ups of the Big Five, 2000-2019.
Note: Alphabet and Facebook data starts from 2010 and 2003 respectively.
Source: Own calculations based on Compustat database (2020).

Beyond purely economic criteria, another light under which evaluating giant tech firms operating is political. Studies that chart Lobbying expenditure can be used as proxy to capture this additional dimension.As Tech Giants are shown to spend whooping capitals in lobbying, ranging from $6 to $22 million in 2018, placing all of them are in the US top 1% of the lobbying expenditure distribution, this highlights how large corporations are not only economic, but also political agents, thereby making it difficult to separate the political and the economic sphere when discussing their activities. Take Facebook and Google together. These two firms hold more private information about the world's population than any other entities on earth. They also, collectively, have an apparent power to influence elections; perhaps not to decide them, but enough to swing a close vote. Should that power come into the hands of an entity determined to stay in office forever, the consequences could be truly alarming. It may begin, innocuously enough, with the idea that tech is doing its national duty as it aids the state. But it is apparent, based on the history of monopoly in the last century, that this is indeed the road to serfdom

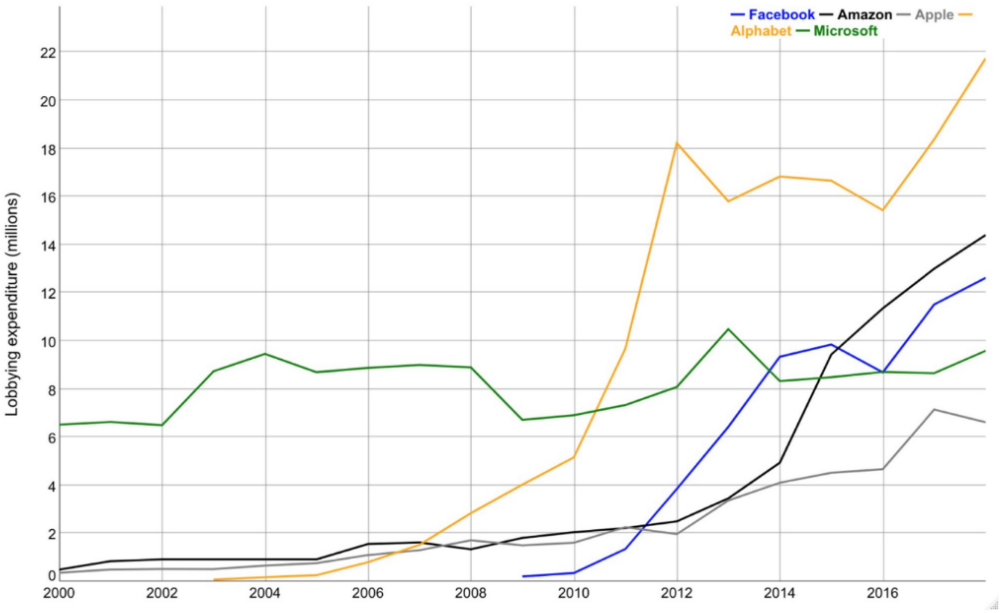

Figure 5. Annual Lobbying Expenditure ($) of the Big Five, 2000-2019.
Note: Alphabet and Facebook data starts from 2009 and 2003 respectively.
Source: Own calculations based on Center for Responsive Politics database (2020).

Two Main Understandings to Tech Monopolisation

Antitrust, Market Operations and Monopoly Power

'imagine a place where trespassers leave no footprints, where goods can be stolen an infinite number of times and yet remain in the possession of their original owners, where businesses you never heard of can own the history of your personal affairs, where only children feel completely at home, where the physics is that of thought rather than things, and where everyone is as virtual as the shadows in Plato's cave.' Barlow.J EFF Co-founder.

Our earliest conceptions of the digital economy and its technological markets # suggested that in cyberspace, there could be no such thing as a lasting monopoly. The Internet would never stand for it. Business models and corporate operation was now moving at Internet speed: a threeyear-old firm was middle-aged; a five-year-old firm almost certainly near death. 'Barriers to entry' was a twentieth-century concept. Now, competition was always just 'one click away'.

But after a decade of open chaos and easy market entry, something surprising did happen. As the 2010s began, a few firms – Google, Facebook and Amazon – did not disappear. They hit that five-year mark of obsolescence with no signs of impending collapse or retirement. Instead, the major firms seemed to be sticking, and even growing in their dominance. Suddenly, there weren't a dozen search engines, each with a different idea, but a single search engine. There were no longer hundreds of stores that everyone went to, but one 'everything store'. And to avoid Facebook was to make yourself a digital hermit. There stopped being a next new thing, or at least, a new thing that was a serious challenge to the old thing. In this way, the tech industry became largely composed of just a few giant trusts: Google for search and related industries, Facebook for social media, and, in the United States, Amazon for online commerce. While competitors remained in the wings, their positions became marginalized with every passing day. This RR will illustrate three ways tech monopolies consolidated their power.

Buying

Tech Giants have been know to acquire and buy-out firms that represent competition. Together, the 4 Tech Giants have acquired hundreds of companies just in the last ten years. In some cases, these dominant firm acquired nascent or potential competitors to neutralize a competitive threat or to maintain and expand the firm's dominance. In other cases, a dominant firm acquired smaller companies to shut them down or discontinue underlying products entirely—transactions aptly described as "killer acquisitions. An example of this was when Facebook bought-out the up and coming Instagram. As Time Magazine came to put it, 'Facebook buying Instagram conveyed to investors that the company was serious about dominating the mobile ecosystem while also neutralizing a nascent competitor.' This highlighted a gap within antimonopoly laws as both American and European regulators found themselves unable to find anything wrong with the takeover. The American analysis remains secret while the United Kingdom's report reached the extraordinary conclusion that Facebook and Instagram were not competitors predicated on a) Instagram was photo-taking app, meaning that Facebook was not competing with Instagram for consumers b) Instagram did not have advertising revenue, so it did not compete with Facebook in advertisiing either. In total, Facebook has managed to string together more than 90 unchallenged acquisitions, which seems impressive, until you consider that Google got away with at least 270.

Cloning

A further means through which tech monopolies might distort the competitive nature of the market is through cloning the services of their competition and taking advantage of their monopolies of scale. Facing potentially challenge from Yelp's popular reviews of local businesses in the early 2010s, Google created its own local sites attached to Google maps. And when google as a newcomer realised that The value in any such site would rest in the quality of its user reviews, It solved the problem by simply purloining Yelp's reviews and putting them on its site, making Yelp essentially redundant, and also harvesting the proceeds of its many years of work. Facebook cloned so many of its rival Snapchat's features that it began to seem like a running joke – most notably, its 'stories' feature. However, There is a line where copying and exclusion become anti-competitive, where the goal becomes the maintenance of monopoly as opposed to real improvement and innocation. When companies such as Facebook spies on competitors or summons a firm to a meeting just to figure out how to copy it more accurately or discourages funding of competitors, a line is crossed.

State Protectionism

A rising means of proliferation of global tech markets beyond is through nationalistic practices and protectionisms. Beyond Anglo-American practices, China's tech sector is, in particular, a by-product of state involvement and encouragement. Although it is relevant to note that China has a highly talented class of software engineers and scientists, an entrepreneurial culture, and a citizenry that has rapidly embraced new technologies. And it is also true that its tech sector has more competition than other parts of the Chinese economy. It stands to reason that China might only be a middling tech power if not for several types of state intervention. For one thing, most of the major American tech platforms are either blocked (Facebook, Twitter) or heavily disadvantaged (Google). That, along with extensive state subsidization – tech is regularly included in China's 'five-year plans' – has fertilized the growth of domestic giants. These include China Mobile, the state-owned mobile operator; Tencent, the giant of social media, an equivalent to Facebook and Twitter; Alibaba, which is like a combination of eBay, Amazon and PayPal; Baidu, China's leading search engine; and Huawei.

This in turn has led to Mark Zuckerberg of Facebook and other tech leaders offering a stark warning to those who might want more competition in the tech industries. It goes like this: 'We understand that we've made mistakes. But don't you realize that if we damage the current tech giants, we'll just be handing over the future to China?

Unlike us, the Chinese government is standing behind its tech firms, because it knows that competition is global, and it wants to win.' (Wu, 2020) Some add that at least firms like Facebook and Google were founded inplaces with progressive ideals and democratic values. A future dominated by China would be far worse for the individual rights that we value. This is Big Tech's version of the 'too big to fail argument. Its appeal is superficial and nationalistic. It may also appeal to some who believe in an 'us versus them' populist narrative or become, through its assent, a self-fulfilling prophecy.

Competition is a critical source of innovation, business dynamism, entrepreneurship, and the "launching of new industries." Vigorously contested markets have and always will be a critical competitive asset. While large firms with significant resources may invest in research and development for new products and services, competition forces companies to "run faster" in order to offer improved products and services.Without competitive pressure, some level of innovation may still occur, but at a slower, iterative pace In recent decades, however, there has been a sharp decline in new business formation as well as early-stage startup funding. The number of new technology firms in the digital economy has declined,while the entrepreneurship rate—the share of startups and young firms in the industry as a whole—has also fallen significantly in this market. Unsurprisingly, there has also been a sharp reduction in early-stage funding for technology startups. The rates of entrepreneurship and job creation have also declined over this period. The entrepreneurship rate—defined as the "share of startups and young firms" in the industry as a whole— fell from 60% in 1982 to a low of 38% as of 2011.[6]

[6] American Technology Giants Are Making Life Tough for Startups, THE ECONOMIST (June 2, 2018), https://www.economist.com/business/2018/06/02/american-technology-giants-are-making-life-tough-for-startups.

Techno-colonisation; tech giants in developing countries

Today, a new form of corporate colonisation is taking place. Instead of the conquest of land, Big Tech corporations are colonising digital technology. The following functions are all dominated by a handful of US multinationals: search engines (Google); web browsers (Google Chrome); smartphone and tablet operating systems (Google Android, Apple iOS); desktop and laptop operating systems (Microsoft Windows); office software (Microsoft Office, Google G Suite); cloud infrastructure and services (Amazon, Microsoft, Google, IBM); social networking platforms (Facebook, Twitter); transportation (Uber, Lyft); business networking (Microsoft LinkedIn); streaming video (Google YouTube, Netflix, Hulu); and online advertising (Google, Facebook) – among others. GAFAM now comprise the five wealthiest corporations in the world, with a combined market cap exceeding $3 trillion.9 If South Africans integrate Big Tech products into their society, the United States will obtain enormous power over their economy and create technological dependencies that will lead to perpetual resource extraction. Early research and case examples suggest the economic impact of Big Tech intermediaries is detrimental to local African industries. Murphy, Carmody and Surborg, who studied the role of ICTs among small, medium, and micro-sized enterprises (SMMEs) in South Africa's and Tanzania's wood and tourism industries, found that ICTs introduced the dominance of information intermediaries. Increased use of ICTs also led to greater worker surveillance in some instances. They concluded that ICT integration is, on balance, benefiting foreign-owned businesses and corporations.[7]

Facebook's Free Basics service offers another case of how Big Tech corporations expand empire in the Global South. Despite initially dismissing claims of underlying profit motive, Free Basics was always a way to promote Facebook to first-time Internet users, to grow its user base, and to provide a competitive advantage to the corporation in emerging markets. Free Basics offers a stripped-down version of free Internet services to people with little or no disposable income. Facebook decides which content and websites the poor can access – while conveniently providing Facebook itself within the app. Free Basics is zero-rated by ISPs, meaning that data transfers inside the app are paid for by ISPs instead of their customers. The ISPs hope that the limited Internet experience will lead to paying customers who, having tasted a free sample, will purchase data for the full experience.

[7] Kwet, M. (2019)

In May 2010, 50 mobile operators launched it in 45 countries, including DRC, Rwanda, Uganda, and Ivory Coast. Facebook hoped to access emerging markets with low Internet penetration rate and high data costs, but with high mobile phone uptake and tremendous demographic growth. By targeting these users, Facebook Zero sought to make Facebook their first entry point to the web, while boosting its user growth ahead of its 2012 initial public offering (IPO). That same year, Twitter, Wikipedia, and Google launched similar zero-rated services invariably presented as efforts targeting the 'next billion users' in emerging, mobile-first markets. Foreign corporations undermine local development, dominate the market, and extract revenue from the Global South, with power obtained primarily through the structural domination of digital architecture, which leads to more general forms of imperial control[8]. Thus, Free Basics resulted not only in Facebook playing Internet gatekeeper of the poor, it also violates net neutrality laws: zero-rated offerings place content providers on an unequal footing. Several countries have terminated Free Basics, in part due to popular backlash.However, Internet.org has put over 100 million users from over sixty countries, including South Africa, into the Facebook platform, which channels them towards the Facebook ecosystem. Integrating platforms like Facebook outside the US does more than drain local advertising revenue: it undermines various forms of local governance. Seventyfive per cent of web publisher's traffic now comes from Google (46 per cent) and Facebook (29 per cent).39 Centralisation of services into their hands provides them with centralised control over communications – by way of code. These two firms filter search results and news feeds with proprietary black box algorithms, granting them enormous power to shape who sees what news. Leftist outlets have published data suggesting that Google censors socialist views, while Facebook has been found to favour mainstream liberal media.

This illustrates two broader and interrelated trends in the digital industry when expanding, digital experiments on marginalized populations and data extraction. There is increasing evidence that vulnerable and disadvantaged populations, such as minority groups, refugees, and impoverished communities are prime, albeit largely nonconsenting subjects of digital experiments – be they designed to 'help' or surveil these communities.[9] Data extraction, for its part, is central to the digital economy[10]. It is key to building unique, rich datasets that train competitive algorithms, which are then generally used to connect businesses to customers.

[8] MacMillan. (2012)
[9] Latonero and Kift, (2018); Madianou, (2019); Mann and Daly, (2018)
[10] Zuboff. (2019)

The story of the tech industries should not just be a story of the United States and China. Yet with the exception of a handful of other countries, including Israel, Japan, Taiwan and the
Scandinavian nations, very few countries have successfully developed domestic tech industries of real significance. It is unusual for the world to be ruled not just by domestic monopolies, but fully global monopolies. The question for the rest of the world is, does all comparative advantage lie with only two countries? Over the next decade, if wealth is to be more evenly distributed, how can it do so if certain companies based out of specific countries enjoy asymmetrically dependent relationships, threatening to 'eat everything'?

Rationalising Potential Approaches

Broadly speaking, it is possible to classify regulators' preferences for antitrust and competition policy into two macro categories: firm-based and market based. Such ideal categories of preferences are not fixed and can switch over time [11]. The firm-based approach, which derives from the so-called Chicago tradition, does not see industry concentration as a problem per se, as long as consumers' welfare is not harmed [12]. Building on this tradition, it follows that policymakers' intervention should be guided more by changes in mark ups rather than concentration indexes. The reason stems directly from one of the milestones of economics:The First Welfare Theorem. Since society's welfare is maximised in a world of price-taking firms, earning zero profits, the higher the markups the further we are from the Pareto optimum, whereby the lower is consumers' welfare.

On the other hand, the market-based approach, also called Ordoliberal, is concerned in maintaining free and competitive markets, ideally populated by few very large firms and by many small-medium enterprises, thereby enhancing the principles of economic freedom. It follows logically that under these preferences high industry concentration and large market shares are reason to intervene. Arguably, these different approaches constitute the Atlantic divide existing between American and European policymakers: the former pursuing the firm-based approach, whereas the latter the market-based one. The American firm-based approach can be reflected in the more lenient orientation of US regulators towards big businesses and the laxer blocking of dominance mergers with respect to

[11] Peinert (2020)
[12] Ergen and Kohl (2019)

European counterparts . Indeed, during the Bush administration American antitrust law has been relaxed and the Department of Justice changed its guidelines to make more difficult to sue large corporations for anticompetitive actions. Instead, the market-oriented approach of European authorities can be found in the more aggressive antitrust policies as against large tech companies, exemplified by the Google Shopping decision of the European Commission, wherein Google was fined for its abuse of dominance (Portuese 2020).

Thus, three main suggestions have been individuated for policymakers on both sides of the Atlantic. The first is not to focus on concentration per se but evaluate it within a broad set of indicators and factors, such as the creation of barriers preventing the entry of new competitors and the actual impact on consumers. Furthermore, lower competition, to some extent, can be tolerated if it is the result of superior products, and if it can foster innovation. [13]Secondly, there is the need to build transnational cooperation among regulators, as suggested by Büthe (2015). The rationale behind this argument is that these companies are acquiring an ever-increasing global dimension, the domestic regulator, even when its jurisdictional reach is large –as in the case of the US and Europe – and this may prove inadequate in a democratic context. Moreover, increasing cooperation between national regulators may result in a more homogenous enforcement of competition and antitrust policy, which is actually lacking at the moment. Finally, large corporations should be evaluated not only for their economic, but also political weight. The goal of regulators and policymakers, in this respect, should be minimising the preferential access to politics of tech giants given by their superior financial resources.

QARMA

1) What are the potential spillover effects of Big Tech regulation and how would ECOSOC ensure countries with varying levels of development are equally insulated from such effects?

2) To what extent can a global framework that restores the Antimonopoly Goals of the Antitrust Laws be agreed upon?

3) How might member nations collaborate to allow capacity building for data driven digitalisation and policymaking in reference to tech markets?

[13] Aghion and Howitt (1992)

4) What level of collaboration is required between public and private sectors in regulating global tech markets and how would countries ensure that multinational companies are held to the same standards internationally?

5) How would countries collaborate to continue identifying, classifying and overcoming the dangers of social media within an ever mercurial digital landscape?

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