

## **Input from the Global Digital Justice Forum**

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Hello everyone, my name is Sadhana, speaking on behalf of the Global Digital Justice Forum and IT for Change.

In the twenty years since WSIS, inequalities in the digital paradigm have only deepened. A third of the world's population, around 2.6 billion people, remains offline. The majority of the unconnected are in the Global South, who are excluded also because of their class, race, geography, and gender. This divide is also prominent in the emerging AI economy, with the compute capabilities and infrastructure required for AI development concentrated in a handful of countries, predominantly in the United States. These stark illustrations of digital inequality can be traced back both to the failure to provide for public financing mechanisms to bridge these divides as well as anachronistic tax regimes ill-suited to the transnational and virtual operation of tech corporations.

Market-led approaches to development financing have not delivered on addressing these structural inequalities. They have instead only exacerbated the debt crisis, with countries often spending more on interest payments than even food security and healthcare. Countries in the Global South are also denied tax revenue from the digital economy's explosive growth, through the customs moratorium on electronic transmissions, digital trade rules, and corporate tax avoidance through practices as base erosion and profit shifting. The cumulative impact of inadequate public financing mechanisms and the flight of tax revenue is that countries are deprived of the resources to build essential digital infrastructure, bridge the digital gender divide, guarantee the right to access and meaningful connectivity for all, and in general, to ensure digital innovation dividends serve their societies and communities.

To promote long-term digital infrastructural and human capabilities for the majority world, the WSIS+20 outcome document must respond adequately to structural economic inequalities by addressing the public financing deficit. We recommend the following proposals for public financing:

- A digital development tax, whereby dominant tech corporations contribute to the connectivity of those who are still offline, and to a safer digital world, as proposed in Our Common Agenda.
- Institution of a Global Taskforce on Financing for Inclusive Digital Transformation with member states as well as experts in public finance and fiscal justice. The Task Force can take a leaf out of initiatives such as the Global Solidarity Levies Task Force and enable coordinated fiscal reform for the digital economy.
- Stronger international action to tackle tax evasion and illicit financial flows in the context of virtual and cross-border business operations

Thank you for the opportunity to speak today.