

Forum: United Nations Commission on Science and Technology for Development (UNCSTD)

Issue: Addressing the implications of data sovereignty and equitable development in the Global South

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Introduction

While developing nations/Less Economically Developed Countries in the area known as the Global South are generating an ever-increasing share of global data, most infrastructure algorithms and revenue capture remain concentrated in a small number of companies in the Global North. This dynamic has been criticized by scholars as “digital colonialism” or “data colonialism”.

The General Assembly has therefore tasked the UNCSTD with a mandate in UNGA resolution 79/1 to lead a multi-stakeholder dialogue on global data governance, find a solution that addresses the issues of “data/digital colonialism” as well as a more equitable approach to development of LEDCs in the Global South.

The issue itself can be separated into two distinct layers. The first layer is the legal aspect of this issue, as data is subject to the laws and governance of the jurisdiction that it is collected in, similar to traditional territorial sovereignty. However, this becomes an issue when enforcing domestic law of the country of origin (of the data), since a server located in another jurisdiction cannot be seized or audited meaningfully. This makes the legal sovereignty largely declarative. Many countries might pursue more localization of data storage in order to mitigate this issue. Localization however is very expensive, especially for LEDCs, as they have more limited fiscal capacity and local/international investment.

The second layer is the economic layer, as the value generated by the data is usually captured by a multinational company and/or the country in which the data is stored and processed. A country can even store its own data and yet not have the economic benefits, as it may lack the skilled labour or processing capacity needed for value generation.

On the other hand, sovereignty measures in terms of data storage and processing can also reduce development outcomes, as it can raise compliance costs, fragment markets, and even entrench or enhance mass surveillance of citizens.

Definition of Key Terms

Global South

Is not a purely geographic term, as it denotes more the historically entrenched structural inequality in terms of development. Most countries in this category are in the southern hemisphere, hence the name. The category is also not homogenous, as certain more powerful and more developed nations such as India, Brazil, South Africa, and Indonesia still have the market size to impose their own rules, contrary to many even less developed nations.

Data sovereignty

Is the principle that data is subject to the laws and governance structures of the nation in which it is collected, similar to traditional territorial sovereignty.

Digital/data colonialism

Is the extraction of value from data generated in the Global South by infrastructure, digital platforms and algorithms owned in the Global North, therefore providing little benefit for local populations as the data is processed and monetised elsewhere.

Data Localisation

Is the implementation of legal/regulatory functions that require specific categories of data to be stored on servers physically located within a country's borders.

Cross-border data flows

Is the movement of data across national jurisdictions, now being one of the fastest-growing forms of trade/economic exchange

Digital Divide

Is the differences in affordability, access as well as quality of digital infrastructure between and within countries

Equitable Development

Equitable is when resources are shared not equally but rather in a way that suits specific needs/capacities. It focuses on including marginalized groups and countries and providing them with the resources needed to develop.

Background Information

The extraction dynamic

Digital platforms are used extensively and systematically to extract value from the Global South, while providing minimal local economic benefit. A 2025 study found that Meta generated over 134 billion USD in 2023 revenue with substantial data from Asia, Africa, and Latin America, while only around 3% of its workforce is based in said areas.

The growth of cross-border data flows

Global internet bandwidth had its largest single-year increase since 2023 during the COVID-19 pandemic. However, most cross-border traffic still runs between North America, Europe, and Asia, therefore largely bypassing the Global South as an active participant rather than just a source of data.

The governance gap

The United Nations Conference on Trade and Development (UNCTAD) flagship 2021 report has found that existing international institutions are not fit for governing global data flows and has called for a new global institutional framework balancing free data flow against equitable benefit sharing.

The human cost behind AI models

Behind the headline-grabbing new and evermore advanced AI models is a largely invisible labour force of data taggers and content moderators, heavily concentrated in the Global South in countries such as Kenya, Venezuela, India, Pakistan and others. These workers are paid fractions of what Global North workers earn for the same tasks, thus deepening the extraction dynamic of not just data but also cheap labour.

In a shocking example, Kenyan workers hired by outsourcing firm Sama to label and tag toxic content for OpenAI were paid around 1.32-2 USD per hour, while OpenAI itself paid Sama around 12.50 USD per hour per worker. Furthermore, when other Sama workers attempted to unionise, they were promptly dismissed, with their cases still being heard in Kenyan courts. This exposes how exploitative data-based jobs are in the Global South, raising not only Human Rights concerns but also highlighting a further exploitative dynamic that reduces the equitable growth in countries such as Kenya.

Infrastructure ownership

As of writing, Africa hosts around 211 active data centres but still holds only less than 1% of global data storage. This highlights how areas included in the definition of the Global South are still lagging behind the Global North in terms of digital and data-processing/storing infrastructure. In the increasingly digital global economy, this has resulted in Global South countries having to pay millions every year to Global North cloud providers. This is due to a handful of companies, namely AWS, Microsoft, Google, Oracle, Alibaba and Huawei collectively owning over 70% of the global cloud/data-centre market. Therefore, reducing the negotiating leverage individual Global South governments have over how their data is stored and processed.

Major Countries and Organisations Involved

India

India is one of the biggest economies in the Global South and thus has a higher leveraging power as well as ability to protect its own data. Therefore, the government was able to implement an aggressive data localisation program in its financial sector as all payment data is mandated by the Reserve Bank of India to be stored on local servers. India also has a more nuanced Digital Personal Data Protection Act that permits cross-border transfers of other data except to specific blacklisted countries. This approach could be emulated in some form in other Global South countries due to its current overall success for India.

Nigeria

Nigeria is currently in the process of building its own “sovereign cloud”, named Kasi Cloud as an alternative to Global North providers, in order to reduce the 850 million USD annual outflows. This could also be achieved in other Global South nations in order to reduce reliance on the Global North and retain more sovereignty over data handling and storage.

African Union

The African Union has adopted the Malabo Convention on Cyber Security and Personal Data Protection in 2014 (in force since 2023) as well as a continent-wide Data Policy Framework calling for a regional cross-border data flow mechanism. As the main intergovernmental organisation in Africa, it can support African Global South nations not only through these conventions and frameworks but also through monetary and other assistance.

Timeline of Events

Date	Description of event
April 6 th 2018	The Reserve Bank of India first mandates all payment data to be stored locally.
December 29 th 2021	The landmark UNCTAD report is published, revealing how the Global South lacks constructive and mutually beneficial cross-border digital flows
September 22 nd 2024	The Global Digital Compact is adopted at the Summit of the Future.
March 26 th -30 th 2026	The WTO's 14 th ministerial conference fails to reach consensus, resulting in the lapsing of the e-commerce customs moratorium on the 30 th .

Relevant UN Treaties and Events

- Outcome document of the high-level meeting of the General Assembly on the overall review of the implementation of the outcomes of the World Summit on the Information Society, 17 December 2025 (A/RES/80/173)
- Enhancing international cooperation on capacity-building of artificial intelligence, 1 July 2024 (A/RES/78/311)
- Seizing the opportunities of safe, secure and trustworthy artificial intelligence systems for sustainable development, 21 March 2024 (A/RES/78/265)
- Terms of reference and modalities for the establishment and functioning of the Independent International Scientific Panel on Artificial Intelligence and the Global Dialogue on Artificial Intelligence Governance, 26 August 2025 (A/RES/79/325):

Previous Attempts to Solve the Issue

The World Summit on the Information Society (WSIS)

Is a UN sponsored multi-stakeholder process to create a more inclusive global information society. It is effectively a foundational policy framework, helping governments around the world to promote information inclusivity. In terms of its execution, it is moderately effective, since it did unite governments, civil society and tech companies to create goals, however due to these goals being non-binding and uneven funding, digital inequality still persists. This committee is also the designated review body, as mandated by ECOSOC. In the 20th year anniversary report in 2025(A/RES/80/173), it was

recorded that still around a third of the world's population lacks internet access, directly revealing the partial effectiveness of WSIS.

The Malabo Convention

Formally the African Union (AU) Convention on Cyber Security and Personal Data Protection, is an African-led attempt at continental harmonisation in the domains of personal data protection, electronic transactions and e-commerce, as well as cyber security and crime. Implementation was delayed nearly a decade due to a 15-member ratification requirement, which was met when Mauritania deposited its ratification on the 9th of May 2023. It obliges every AU member state to enact domestic legislation in the domains that it covers, as well as establishing independent data protection oversight bodies. However, it has been relatively ineffective due to the convention containing no provision for monitoring or supporting implementation in individual countries. The convention also completely omits cross-border data flows, which is one of the most critical issues facing many nations in terms of data sovereignty.

The World Trade Organisation E-commerce Customs Moratorium

The E-commerce Customs Moratorium was a WTO treaty which kept digital trade duty-free as a stopgap/makeshift multilateral compromise. The moratorium lasted for 28 years but developing nations in the Global South opposed it until it lapsed in March 2026. This was an example of an attempt to solve elements of the issue that ultimately collapsed. A group of WTO members later on issued a joint statement confirming they will not be imposing customs duties among themselves and these members agreed to move forward with a plurilateral (meaning a select group of countries, not universal like multilateral treaties) agreement on electronic commerce. This shows that when universal agreement cannot be reached, a solution for a select group of countries could be a partial solution.

Possible Solutions

One possible solution is creating a dedicated financing facility for regional and sovereign digital infrastructure. This could be implemented by utilizing the funds from the UN and other development agencies/banks such as the International Monetary Fund or the World Bank to finance the construction of data centre and cloud capacity in the Global South. This would prevent individual countries needing to sign contracts with hyperscalers and multinational companies, as these are often more exploitative and provide less economic benefit to the host nation. Some questions to keep in mind are as such: the type of financing, should it be grants, loans or blended finance? Should facilities be national or regional? Should there be conditions for things such as labour rights, or does that just recreate the dependency problem? The main objection to this solution include power and water constraints, as many LEDCs have

less developed infrastructure, which might not be able to cope with the demand from data centres. If a facility is financed but cannot be powered, nothing is achieved and money is wasted.

Another possible solution is sharing the benefits from data either through a digital tax or pooling the value that data creates. A digital development tax has already been suggested by the UN Secretary General, as a mechanism that mandates contributions from transnational/multinational data platforms that have profited from data, earmarked for closing the digital divide. This idea could be expanded to a wider range of companies that process and utilize data. Another way that the benefits of data collection could be shared is through mandatory data sharing, which is when large multinational companies are obliged to share anonymous, aggregated data sets to the public, which they can then use to benefit economically. The second idea is highly relevant to equitable AI development as well as money cannot train a model, but data does. Questions to consider are as such: who will collect this money and disperse it? Does the money/data contribute to ideas like a pooled fund (the first idea)? The main objection to this idea is the difficulty to get consensus, as seen with the collapse of the WTO moratorium. There will be significant compromises needed in order to pass a resolution with this idea in mind.

A possible range of solutions to the issue of labour exploitation could be ideas like mandating AI and multinational companies to fully disclose their subcontractors and pay rates, as well as ideas such as a certification and auditing scheme for subcontractors. Other solutions could be mandating client-country governments to hold their companies accountable in their own home jurisdiction in line with their respective labour rights and protections. Things to ponder about would be things like the extent of the requirements for transparency or auditing, as that will impact both the effectiveness and cost of these ideas in terms of combating this issue. The main issue based on the example given previously is transparency, so this should be a key focus of the resolution/clause focusing on this issue. One of the main objections to these ideas would be the cost for country regulators to mandate increased supply chain transparency and/or a new auditing system. Many countries, especially in the Global South, might not have the fiscal capacity to properly implement these ideas.

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Appendices

The full text of the Malabo Convention, as well as selected UN resolutions mentioned previously can be accessed here:

- I. https://digitallibrary.un.org/record/4087699/files/A_RES_79_325-EN.pdf
- II. <https://au.int/en/treaties/african-union-convention-cyber-security-and-personal-data-protection>
- III. <https://digitallibrary.un.org/record/4043244?ln=en>