



Symposium on the unchecked power of Amazon in today's economy and society

2 December 2019
Brussels

1

Holding Amazon to account: the first-ever global symposium on Amazon's unchecked power

2

Amazon's world of work: labour rights under attack

3

Amazon's monopoly power: threats to a fair marketplace

4

Amazon and the climate crisis

5

Nowhere to hide: privacy and digital rights in Amazon World

6

Not paying its fair share: Amazon tax avoidance

7

What next?

Holding Amazon to account: the first-ever global symposium on Amazon's unchecked power

1

Holding Amazon to account: the first-ever global symposium on Amazon's unchecked power

Amazon's unchecked power on today's economy and society came under scrutiny at a symposium hosted by UNI Global Union and the International Trade Union Confederation in Brussels on 2 December. Timed to coincide with Cyber Monday, trade unions, regulators, climate activists, NGOs and tax experts came together for the first time to examine ways to challenge Amazon's monopoly of the marketplace and address the global platform's dubious record on labour rights, the environment, privacy and tax-avoidance.

As the world's biggest retailer and largest provider of cloud services, Amazon's creeping control over our everyday lives knows no limits. Not only does it dominate the online marketplace, most websites and many major online platforms run on its cloud infrastructure. Amazon is also a media services provider through Prime Video and Prime Music, while its voice assistant, Alexa, is designed to connect to countless Amazon devices in the home. All this gives Amazon a vast treasure trove of data, enabling it to control the marketplace and manipulate our behaviour.

SHARAN BURROW
GENERAL SECRETARY (ITUC)



“Fair competition, privacy, taxation, human and labour rights with freedom of association and collective bargaining are not outdated principles and standards.

Amazon must be broken up and forced to respect the social contract as a basis for doing business.”

CHRISTY HOFFMAN
GENERAL SECRETARY OF UNI GLOBAL UNION



“Amazon has acquired unparalleled influence, and it presents an unparalleled threat. Its business practices erode working standards, marketplaces, and our environment.

We're calling time on their unjust practices.”

1

Holding Amazon to account: the first-ever global symposium on Amazon's unchecked power

2

Amazon's world of work: labour rights under attack

3

Amazon's monopoly power: threats to a fair marketplace

4

Amazon and the climate crisis

5

Nowhere to hide: privacy and digital rights in Amazon World

6

Not paying its fair share: Amazon tax avoidance

7

What next?

Amazon's world of work: labour rights under attack

2 Amazon's world of work: labour rights under attack

IN BRIEF

Amazon's dire working conditions and practices are driving down labour standards universally. Stronger regulations are needed to improve social protections for workers. Gains can be achieved by organising workers, collective bargaining and forming strategic alliances with other stakeholders. Public opinion of Amazon counts and raising awareness of Amazon's bad practices can lead to change.



ABDIRAHMAN MUSE

Union and worker representatives gave a damning insight into egregious employment practices at Amazon, which are denigrating labour standards across the board.

"Amazon is transforming industry after industry, so when we discuss Amazon, we're talking about something that transcends the company; **we're talking about the future of work,**" said Stuart Appelbaum, President of the Retail, Wholesale and Department Store Union.

The Amazon business model squeezes workers through **brutal, high pressure, dangerous and even deadly work,** said Appelbaum, citing UK union, GMB, which reported 600 ambulance calls to Amazon facilities in the past three years. There have been at least seven deaths at Amazon facilities in the US in the last six years.

Workers are constantly being controlled and monitored, said Orhan Akman from United Services Union, ver.di in Germany. "**We are fighting for a cultural change in the company, to accept negotiating and unions, and behave like a normal employer,**" he said.

Spanish MEP, Iban Garcia del Blanco, added: "**We have our model to defend: a social model.** None of the Big Tech companies are European. They extract benefits from Europe while they push precarious working conditions." He argued for **stronger regulations** to deal with multinational corporations like Amazon that ignore social protections.

Abdirahman Muse from worker advocacy group, Awood Center, organizes migrant workers at an Amazon warehouse in Minnesota, USA, which has a large East African community. Workers went on strike to protest against high injury rates and inhumane working conditions. "People thought we were crazy and that we would never achieve anything. But **we created a space that's culturally relevant to organise migrant workers** and we had organisers who spoke their language," he said.

Amazon's opposition to unions means that there is virtually no comprehensive bargaining agreement anywhere in the world for 600,000 workers. But workers are joining forces - the **UNI Amazon Global Alliance now has 23 unions from 19 countries.**

"**You can stand up to Amazon, despite all its money and power, and you can defeat them,**" said Appelbaum, whose union led a successful campaign to stop a second Amazon headquarters in New York. "Amazon backed down because of all the negative publicity they received. Amazon cares about its image."

Forming alliances with other groups helps to push through change, he concluded. "We cannot focus just on specific worker issues; we must address all the issues workers face in their lives."

1

Holding Amazon to account: the first-ever global symposium on Amazon's unchecked power

2

Amazon's world of work: labour rights under attack

3

Amazon's monopoly power: threats to a fair marketplace

4

Amazon and the climate crisis

5

Nowhere to hide: privacy and digital rights in Amazon World

6

Not paying its fair share: Amazon tax avoidance

7

What next?



Amazon's monopoly power: threats to a fair marketplace

3

Amazon's monopoly power: threats to a fair marketplace

Half of all online shopping searches in the United States start on Amazon, meaning that many businesses have no choice but to sell on Amazon if they want a share of the market. But Amazon's position as a retailer and competitor on its own platform is **a threat to democracy**, said Stacy Mitchell, co-director of the Institute for Local Self-Reliance.

STACY MITCHELL

CO-DIRECTOR OF THE INSTITUTE FOR LOCAL SELF-RELIANCE



“In a democracy, a market is an open place governed by public rules.

What we are seeing with Amazon is that we no longer have markets, but market places, a private arena in which the rules are set by a single company, which has the power to set the terms for all the other participants in that market to tax, regulate and indeed punish the other participants.”

IN BRIEF

As long as Amazon is a retailer on its own platform, it will grow bigger. The same conflict of interest applies to AWS and the cloud; Amazon can copy and undercut software developers that depend on its cloud services. **Amazon must be broken up**, and competition laws must be updated to adapt to global online platforms.

Meryl Halls, from the UK and Ireland Booksellers Association, raised inequity in business taxation. Book shops in the UK suffer from crippling business rates, which are related to property prices on the high street, whereas Amazon warehouses out of town pay a fraction of these taxes. Amazon's dominance in book selling, achieved through aggressive discounting and trading at a loss, has translated to audiobooks, with Amazon's Audible having guzzled up the market. Similarly, Amazon developed Kindle to sell their own books, taking up 90 per cent of the e-book market.

The EU is investigating how Amazon is using data it gains from its marketplace. By analysing which products sell well at what price, Amazon reduces its own risk, said Professor Dr Thomas Höppner, a lawyer from Hausfeld LP in Germany. It can then move in and beat the seller by undercutting and copying, taking the incentive away from companies to be innovative.

While people turn to competition law to challenge Amazon, this type of legal redress has its problems, as cases can only be proved once the battle for the market has already been won.

Through Amazon Web Services (AWS), the world's biggest cloud service provider, **Amazon controls the underlying infrastructure of the cloud, giving it a god-like view.** AWS has more than a million customers, including companies such as Netflix, Airbnb and Expedia.

1

Holding Amazon to account: the first-ever global symposium on Amazon's unchecked power

2

Amazon's world of work: labour rights under attack

3

Amazon's monopoly power: threats to a fair marketplace

4

Amazon and the climate crisis

5

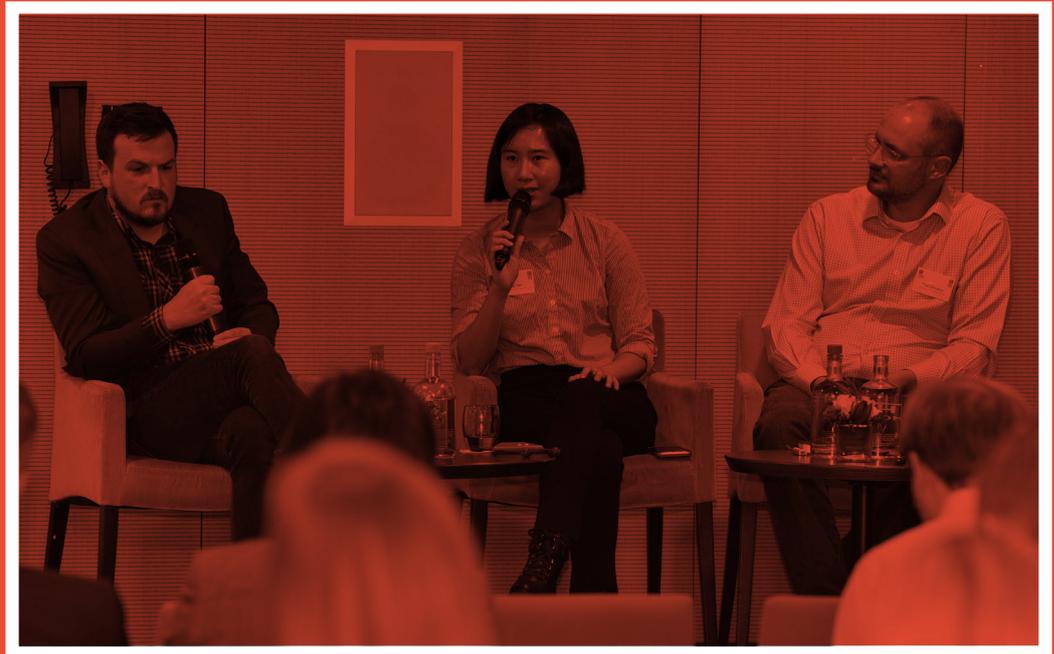
Nowhere to hide: privacy and digital rights in Amazon World

6

Not paying its fair share: Amazon tax avoidance

7

What next?



Amazon and the climate crisis

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IN BRIEF

Amazon's impact on the environment is multifold; from the packaging and pollution generated by millions of deliveries, to the vast amounts of energy needed to power AWS servers. Organizing by workers has succeeded in making Amazon commit to reducing its carbon emissions and put a spotlight on Amazon's growing impact on the environment. However, it is not enough. More public pressure is needed to make Amazon accept its responsibility to the planet.

Amazon's carbon footprint has ballooned, not just through its day-to-day operations but through the energy demands of its massive infrastructure. Its new data centre complex in Ireland is projected to use four per cent of the country's entire electricity supply.

"Amazon workers care about the environment. We were horrified that our company was responsible for so much carbon. We had to take this to the top of the company," said Eliza Pan from Amazon Employees for Climate Justice (AECJ), which organised a walk-out of thousands of employees as part of the global climate strikes.

"Climate justice is about more than carbon footprints. It's about addressing systemic inequities and total impact. The same mentality of putting profit above all is driving Amazon's choices about climate crisis and how it treats workers. We're fighting the same system of extraction," said Pan.

Campaigning by AECJ pressured Amazon to make concessions and it made a Climate Pledge to become carbon-neutral by 2040. **"Climate change is a lightning rod for tech worker activism at Amazon.** It has sparked a broader movement of tech organizing," said Pan. **"All changes have come about due to workers organizing, policy and community pressure.** We want to hold Amazon to account from the inside."

Paul Johnston was a tech worker at AWS in the UK: "We used to just think 'we can look after ourselves' but now we are looking at the roles companies like Amazon should play in society."

He said many Amazon tech workers are opposed to the company's portfolio of oil clients, which are using AWS to extract more oil and faster. **"We're not just tech workers, we're citizens too."**

"Amazon is abdicating responsibility to its customers. If customers don't mention it, then they are not interested," said Johnston adding that the company is extremely sensitive to customer opinion. "Why don't they show the carbon footprint of shipping options? Because Amazon doesn't want the customer to think anymore before they buy."

The lie that tech platforms are neutral will be seen as one of the greatest enablers of the climate crisis down the line, said journalist Brian Merchant. Tech has a problem.

Amazon is concentrating pollution in communities of colour and exacerbating racial inequalities, said Pan, referring to the diesel pollution from thousands of vans and trucks in areas servicing Amazon warehouses. Meanwhile, Amazon is building more and more data centres in India and China, which depend heavily on energy sourced from coal-fired electricity plants.

1

Holding Amazon to account: the first-ever global symposium on Amazon's unchecked power

2

Amazon's world of work: labour rights under attack

3

Amazon's monopoly power: threats to a fair marketplace

4

Amazon and the climate crisis

5

Nowhere to hide: privacy and digital rights in Amazon World

6

Not paying its fair share: Amazon tax avoidance

7

What next?



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5 Nowhere to hide: privacy and digital rights in Amazon World

IN BRIEF

Amazon has a vast accumulation of personal data, which can be exploited for enormous financial gain. Privacy laws must be strengthened to protect digital rights and increase data protection. A new business model is needed that promotes privacy by design and privacy default. Security is also an issue with banks, security agencies and essential services relying on AWS. Privacy rights at work are equally critical.

Amazon has a huge accumulation and aggregation of personal data, said Ursula Pahl, from European consumer organisation, BEUC. **"They know what we buy, they know what we read, what music we listen to, who we are connected to, and what conversations we're having."**

"We are concerned about surveillance capitalism," says Pahl, using a term coined to describe the online surveillance of massive amounts of personal data and using it to make money.

"Everything we do is being used to predict and manipulate our behaviour. **We demand transparency and accountability that goes beyond GDPR,"** said Pahl, referring to the European data protection regulation.

Amazon controls 50 per cent of online sales in the US and most websites today are using cloud services from AWS. "It is impossible to block Amazon from your daily life," said Burcu Kilic from Public Citizen. "Amazon keeps a low profile. There is no control over how much data they can collect about us or how long they can store it for. **We want a comprehensive and meaningful privacy law in the US."**

Discussions around privacy should also include accountability, transparency, digital rights and data protection, said Kilic. "Companies are not implementing GDPR. EU consumers are tracked as much as US consumers. **We need a new business model.** These companies still see privacy as a compliance issue rather than a design issue. **We need privacy by design, privacy by default.** And privacy does not stifle innovation."

Peter Eberl, from the Unit for Cybersecurity and Digital Privacy Policy at the European Commission, called for increasing digital sovereignty and building cloud capacity in Europe – arguing that it was not protectionism but a question of consumer choice. **Cloud services pose a problem to security as well as privacy, as many banks and financial institutions store data in the cloud.**

"If Amazon had low-level security it would have an impact on the whole of the economy and society. Intrusion and hacking can happen at the weakest link with the end user's devices," said Eberl.

Most people don't understand what data is being taken from them or how it is being used, said Pahl: "Consumers are increasingly resigned; they don't understand what they can do about it. Despite GDPR, terms and conditions are extremely complicated, and no one has time to look at them. **It is unrealistic to say consumers should inform themselves."**

Amazon's intrusion into the privacy of its customers, also applies to the workplace. Workers are under intense surveillance at Amazon. Their performance is monitored by algorithms and workers are fired based on an automated system of not meeting targets.

1

Holding Amazon to account: the first-ever global symposium on Amazon's unchecked power

2

Amazon's world of work: labour rights under attack

3

Amazon's monopoly power: threats to a fair marketplace

4

Amazon and the climate crisis

5

Nowhere to hide: privacy and digital rights in Amazon World

6

Not paying its fair share: Amazon tax avoidance

7

What next?



Not paying its fair share: Amazon tax avoidance

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IN BRIEF

Amazon has adopted an aggressive tax avoidance stance in every country it operates, which starves public services and gives the company an unfair edge over small-and-medium size competitors who play by the rules. Competition law is ill-equipped to deal with global online platforms and there are calls for a digital tax in Europe. A unitary tax system would mean that multinational companies, like Amazon, pay tax in the places where they do business.

Amazon has adopted an aggressive tax avoidance stance in every country it operates.

“Tax avoidance is central to its competitive advantage,” said Matthew Gardner from the Institute on Taxation and Economic Policy. “The strategies we have seen Amazon pursue over the last two decades in the US for tax avoidance, and rationalising their tax avoidance, are now being seen on an international level.”

Evelyn Regner, Social and Democratic party MEP from Austria, called for a long-term solution for dealing with digital taxes on companies like Amazon and others. In 2018, **Amazon made profits of over US\$10 billion, but paid zero income tax in the US.** It is estimated that **Amazon avoided 250 million euros in European income taxes between 2006 and 2014.**

“As a digital giant, Amazon has turned the retail world upside down. The bitter afterthought, however, is that the company name is now synonymous with price dumping and tremendous pressure on workers. In addition, when it comes to creative tax planning, Amazon is world champion. These figures show how broken the global tax system is and how direly we need a fundamental reform. In the European context this calls for the immediate introduction of a real digital tax and measure to stop the destructive tax competition between member states.”

“There’s no clearer example of corporate abuse than an Amazon warehouse worker paying more income tax than Jeff Bezos, the world’s richest man,” said Jason Ward from Centre for International Corporate Tax Accountability and Research.

Even in Poland, where Amazon employs 20,000 workers, there is no Amazon Poland. The facilities there serve the German market.

“We need a stronger collective voice,” said Ward. “Amazon is on the defensive and they are sensitive to public opinion. **Doing nothing is not a choice if we want a fair future.**”

MAYA BACACHE

BOARD MEMBER,
FRENCH
REGULATORY
AUTHORITY FOR
ELECTRONIC
COMMUNICATIONS
AND POSTS



“Today the balance is not in favour of consumers and the users of platforms.”

1

Holding Amazon to account: the first-ever global symposium on Amazon's unchecked power

2

Amazon's world of work: labour rights under attack

3

Amazon's monopoly power: threats to a fair marketplace

4

Amazon and the climate crisis

5

Nowhere to hide: privacy and digital rights in Amazon World

6

Not paying its fair share: Amazon tax avoidance

7

What next?

What next?

7 What next?

Amazon has become too big and too powerful. It has trampled over workers' rights, crushed independent retailers and manipulated legal loopholes to avoid paying tax – all the while making billions of dollars in profits. Amazon must stop exploiting workers, customers and the environment, and start paying back into society.

The first Amazon Symposium called for action to:

Break up Amazon, and call for an urgent overhaul of competition legislation to adapt to global online platforms

Improve labour rights and working conditions through stronger social protections

Make Amazon recognise trade unions and engage in collective bargaining

Ensure Amazon pays tax where it earns

Pressure Amazon to reduce carbon emissions from e-commerce and data centres, and stop using its technology to empower the oil and gas industry

Establish comprehensive privacy laws that protect personal data and prevent surveillance capitalism

WERNER
STENGG

FORMER
HEAD OF UNIT,
E-COMMERCE
AND
PLATFORMS,
EUROPEAN
COMMISSION



“Platforms organize the internet for us.

On the positive side, you can find what you're looking for very easily. On the negative side, it gives platforms unprecedented control of the information they hold and the data they are collecting, and the potential to use algorithms to influence outcomes that are not in the interest of competitive behaviour.”