**PERSONAL DATA IS THE NATURAL RESOURCE OF EACH NATION-STATE.**

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**1. Personal data as raw material**

Tessa Morris-Suzuki was the first to notice the emergence of a different stage in capitalism's evolution. And it is noteworthy that her prophecies are revealing, mainly because there was no Internet, the Web, or the digital good, which would later confirm them.[1]

The core of the reflection is the private appropriation of social knowledge and its conversion into a corporate profit source. The economy shifts from the production of goods to the creation of innovation, "new knowledge for the making of goods."

The correlative growth of knowledge producers addresses the reduction of the number of workers engaged in manufacturing production. The gain comes from exploiting the producer's knowledge. Every intangible has value and can be the object of transactions at a price (inventions, automation programs). It is another form of exploitation that opens new opportunities for the appropriation of economic surplus-value. The new source of profit is the "private appropriation of social knowledge".

The private appropriation of the raw material is knowledge in itself. The free capture of common knowledge for its private appropriation as a source of corporate profit is the new stage of capitalism.

*"Whereas the knowledge which comes out of this commercial production process is the private property of the corporation, fenced around with monopoly barriers which in dow it with market value, the knowledge which goes in as raw material is mostly social knowledge, produced and owned jointly by society as a whole. The process which uses social knowledge to create private knowledge can generate profits far more substantial than those which could be obtained from the pure exploitation by the corporation of its workforce "[2].*

The author anticipates the source of excess profits of the digital economy before it existed: the free use of the raw social material - personal data - which is transformed into a source of advantage by its private appropriation under industrial and intellectual protection. That is the transformation of the public domain into private property.

Innovation could be an excellent course of social benefits because it fuels the permanent desire for discovery and new knowledge. It appears distorted by the systematic vocation of profit that influences the patterns of the development of knowledge.

The (digital) innovation activity leads to oligopolistic situations of market dominance, that grows and become consolidated by merit of the free social raw material to create private knowledge, as a source of surplus-value. The new capitalism gets the gain from their workers, but from all the users, at the time, identifiable as data workers.

*"On the indirect exploitation of the labor of everyone in returned in the maintenance, transmission, and expansion of social knowledge: parents, teachers, journalists- in the end, everybody*" [3].

Zuboff would call this surveillance capitalism.

The private appropriation of social knowledge is the form of digital economic income, and the raw material is the collective, general knowledge of all.

Personal data is the first step of the collective knowledge of each one.

The first subject, personal data, is configured as fragments, like fractals of the digital person, resulting from the free capture of collective knowledge." Data double "is the aspiration to abstract the digital reproduction of the digital person as if it were a person, freely available in different physical, timeless spaces, and separately integrated into series of discrete information flows, predisposed for their commercial use.

*"In a cybernetic world, surplus value increasingly refers to the profit derived from the surplus information that different populations trail behind them in their daily lives." [4].*

The first matter of the data is the foundation of the object of algorithmic construction. The personal data collected evolve by the algorithm in production and manufacturing to a kind of artificial knowledge aimed at obtaining excess profits or pure information for other purposes, be they for security, control, or surveillance.

"The data harvested from individuals and fed into commercial systems of predictive analytics are framed as raw streams of observation to be gathered and then processed and systematized. "[5]

Personal data preexists double data; they are the essential person in its purest form. None of its references are divisible from the person who holds them and, in themselves, lack patrimonial value and are out of commerce: the right to privacy; to the body sphere; to personal freedom; the right to the name; to the image itself, its language, which is both the society where it is transmitted and the nation that makes it it's own.

Identity is the right to the personality of the person. Something that, paraphrasing Ferrara, guarantees the enjoyment of ourselves, assures each individual the seniority over his person, and the satisfaction of his physical and spiritual forces.

There is information that makes each person and that it is not appropriate to transfer to personal data organizations so that they extract from their use an infinite utility without their owner knowing it. Even if they know it, they can do nothing to avoid it. The digital person is not the person, and parts of the whole person split the personal data.

The appropriation of collective knowledge begins with that of personal data. Commercial exploitation of personal data does not seem consistent with the universal right to personality. Datification promotes a qualifying resource for its reuse value, capable of eternity, repetition, continuous and systematic application, having belonged to some, lost since that time the trace of his first identity.

The transcendence of data collection, however small or incidental, proposes a round-trip chain in which the protagonist is the end-user.

The borrowed identity contributes to the creation of another person. The digital person who threatens that others algorithmically construct it of the person: a hypothetical and even distorting personality. [6]

We are the data. Oil, corn, or wheat, or any other natural resource, is on the surface. Only its free extraction is needed, algorithmic data mining, for the appropriation of the public domain and commercialization as predictive products, under the protection of private possession.

Personal data is not a non-renewable resource, limited in quantity, and subject to scarcity. Its availability and reuse ensure long-term permanence and access are not hindered, until now, by law or tax, or insurmountable difficulties. Digital identity appears like a renewable natural resource, a raw material based on the person, but different.

 The oil industry analysis offers characteristics that help understand the data digitization and its transformation into located predictive products.

Following Bridge, the oil industry can have six sequential work processes: exploration, extraction, refining, distribution, consumption, and coal capture. The extractive industry means an appropriation of nature That has to do with the production of goods that modify social relations; the influence of the materiality of the resources on the organization of production - physical and chemical qualities, qualities of oil, the deposit of reserves and the ease of extraction - and, lastly, the territoriality of the resource, its location. The creation of value and the capture of income is verified by closing and exclusion, through property rights. [7]

Surveillance capitalism observes a structure and function similar to the extractive industry. Data exploration, extraction, profiling, distribution, and use and the institution of proprietary rights for closure and exclusion of rivals. Free appropriation and dispossession of data; the material conditions that condition the person's behavior through the construction of predictive products based on concomitances in education, social habits; the infrastructure that influences them, and, finally, the territorial location of the users.

The same it is appliable regarding the harvesting of raw materials within an industrial system of agriculture. Data, like raw materials, is both natural and cultivated, real, and highly artificial. Later the refineries originate by-products from the corn or wheat mills. So it is with data and data doubles.

*"After personal data have been cultivated and harvested, they are processed to generate patterns and predictions about consumer behavior and preferences." [8]*

The first subject of the surveillance assembly is the digital perso*n:* "*Today, however, we are witnessing the formation and coalescence of a new type of body, a form of becoming which transcends human corporeality and reduces flesh to pure information. Culled from the tentacles of the surveillant assemblage, this new body is our 'data dou*ble'" [9]

What are we talking about when we talk about the digital person?

The raw material is the digital person, the personal data collected in masse for its algorithmic treatment. The digital person is not the person, but an approximation more or less closes, but not identical, which becomes an abstraction for its economic, political, social, commercial use. It is the human person stripped of the seigniory of identity on his signs and his body. Each of the elements that highlight the human becomes data, whether they are of an essential identification, gender, religion, nationality, social or psychological group, interests, influences, inclinations, or merely bodily, of pure information.

"*Thus, the complete decision on what a person's identity is can be transferred to systems that order the information received according to their logic and projected their" own "representation of the person abroad ... You are what Google says you are: and on this basis, the person is known and classified, projections of his possible future decisions are built, so that the person risks being valued for his propensities and not for his actions."*[10]

The digital person loses his origin to join a mass concert, the more collective, the better, supported by correlations, abstractions, algorithmic generalizations, which reveal proximity, concomitance, or, on the contrary, distance.

*"Our big data-algorithmic identities are statistically ordained by correlation and nothing else." [11]*

The representation of the collective digital person acquires all its meaning in algorithmic abstraction, creating ideal models of data. Beyond generalization, the concept is a program of intentions in itself, aimed at obtaining certain types of results than others and without any surprise in the purpose, e.g., pricing algorithms.

The collective and abstract digital person adopts a future value that exceeds its beginning. It is a construction, for the purpose that is deemed appropriate, without space or time containing it. Unlike the person, the digital person is eternal and operational in different digital areas and at different times. It is a renewable raw material, of infinite reuse. It lacks the date of birth and death. The versatility of its composition allows it to act in as many modalities as the programmer's imagination allows.

The collective and abstract digital person, imbued with eternity, can also be and not be anywhere and at all at the same time. It is what D.Quah qualifies as aespatial. But, it is capable of localization in the digital space where it lays the foundation of the platform's power.

The digital space person is, at the same time, the essential component of the digital market, of the market where the immobility of the user resides. The digital person is not the same as a component of transactions in one place than in another. Its effectiveness depends on contemplating the network effect, capturing the personal data of users who find it according to their propensity. The digital market is a national market, by definition, where the homogeneity and diversity of civil society, its inclinations, and preferences, its interests and behaviors can be assessed.

The Achilles heel of the digital person is that without personal data, they cannot generate economic income, which forces their accumulation without truce. Personal data is always local, domestic, national market data. Let's say that the digital person is, by definition, national, and he has no present and no future without that cultural identity. Personal data show the past of each of us in a specific social historic territory.

**2. The digital person is a natural resource.**

The digital person is the raw material of the digital natural resource in each of the countries where real people operate or intend to do so.

What is a natural resource?

In the WTO definition

*"Stocks of materials that exist in the natural environment that are both scarce and economically useful in production or consumption, either in their raw state or after a minimal amount of processing."* [12]

Natural resources can be ubiquitous, air, water, or non-ubiquitous, copper, iron. The digital person is a non-ubiquitous natural resource because it occurs in specific and determined territories such as the Nation-State. These non-ubiquitous resources are considered localized resources. Natural capital has two components: Abiotic comprising underground assets,e,g, fossil fuels, metals, minerals, and abiotic flows, e.g., renewable energies.

Biotic, which consists of the ecosystems that satisfy public needs. such as forests, animals, fish. The Earth's biosphere is the zone of life that goes from the deepest within the Earth to the atmosphere. The Internet is the human creation of a digital biosphere.[13]

*"The increasing importance of data warrants treating it at par with other resources on which a country would have sovereign rights. Data is the new oil. Therefore, just like oil or any other natural resource, it is essential to protect data, prevent its misuse, regulate the use and processing of data, and address the concerns related to privacy and security.* [14]

 The digital person originates from the natural social human environment and is economically usable as raw material for predictive products or informational merchandise. It is both natural and artificial.

Unlike natural resources, oil, iron, minerals, it is not a scarcity material. The digital person postulates an infinite expansion that can be used repeatedly without additional costs.

The digital person has all the attributes of abundance that makes them inexhaustible and algorithmically profitable for their economic use. The digital person is a derivative of the person, the fruit of the digital environment.

The digital person is an asset of natural capital, different from the physical or human capital, whose source is the person and promotes the surveillance economy through its treatment.

The digital person is a natural resource based on the appropriation and capture of personal data, of people, at any time and place, and that becomes economically useful for its exploitation and transformation into a predictive product or informational merchandise.

The digital person is a renewable resource, ideal for their replenishment and recovery that far exceeds their consumption rate. Their permanence is not threatened by exhaustion, as is the case with non-renewable resources. Its quantity is unlimited, and its versatility is infinite. The digital person does not have a date of birth or death. It is for use without expiration time. If it were not so, as a non-renewable resource, it would risk its existence in quantity and renewal of itself over time.

The digital person is a universal resource and different from most of the natural resources. It is not concentrated in a small number of countries. Its distribution throughout the states follows the local population's social, political, cultural, and economic signs. Unlike other raw materials, oil, for example, there is no risk of disparity in its global distribution unless they are the consequence of the division between industrialized and developing countries. The digital person is under the fiduciary or public domain of each national jurisdiction as it happens with any other natural resource placed in its territory.

 The digital person has the local population as a factor of immobility. The ownership of the public domain of the data corresponds to each people in each Nation-State. The embeddedness space of the digital person is the primary source of profit for the digital industry.

The capture of data and its manufacture, like other natural resources, of the mining or fishing type, need the location State's legal discipline. Like other natural resources, they might entail serious negative externalities. It breaks the social and cultural identity of the community, through manipulation and disinformation.

The purpose of the digital person is its economic exploitation. The very survival of platforms providers of the digital persons depends on the users in each country, each sector, each region. It is not enough with the actual information, but it is necessary to increase it in all directions intended to increase the network effect.

The natural resource of the digital person has an economic value as marketable informational merchandise. It is fictitious merchandise, which comes close to others that Polanyi described at the time as such: work, land, and currency.

Paraphrasing Polanyi, it can be said that the digital person, like work, is just another name for a human activity that accompanies life itself, which is not for sale, but for entirely different reasons, nor can this activity separate from life, accumulate or mobilize.[15]

Personal data are not goods in the real sense, but they acquire the virtue as such of being products subject to price, for sale in the market. Informational goods or predictive products are intangibles that result in mass transformation processes and whose distribution occurs as if they were material, physical goods.

*"Our algorithmic identities are made through data and only data. It is a process that gleans from databases; It reads our behavior s as data, our social ties as data, and our bodies as data. And it conditions our present and futures based on dynamic interpretation of that reading. "[16]*

**3. From natural resources to natural capital. Contribution to the person**.

Natural capital is a concept related to the stock of renewable and non-renewable resources, e.g., plants, animals, air, water, soils, minerals that combine to generate a flow of benefits for people. [17]

Natural capital is a utilitarian economic approach to nature. An accent to

those aspects of it that the person uses or can use as a source of derived benefits as ecosystem services. The economic analysis of nature raises doubts about the breadth of the definition. It can lead to methodological contamination of the process related to the market and narrow the field of knowledge to other areas such as sociology, culture, and freedoms of choice and action. It is a definition that leaves out everything that is not strictly environmental science and economy.

The Platform Intergovernmental Scientific - Normative Diversity Biological and Ecosystem Services (IPBES) produced in 2019 a comprehensive report on the starting point of natural capital. The basic concept is that of nature's contributions to people, which allows for a broader and more versatile knowledge of the relationships between people, the environment, and society. A sourceless not only attached to the market economy with a clear vocation natural and social sciences, humanities, and knowledge of professionals and indigenous and local communities.[18]

*"For contributions of nature to peoples and they understand all contributions that humanity derives from nature. Ecosystem goods and services, examined separately or together, are included in this category. Within other knowledge systems, the gifts of nature and other similar concepts refer to the benefits of nature from which people obtain a good quality of life. This broad category also includes aspects of nature that can be negative for people (harm), such as pests, pathogens, or predators. "[19]*

The contributions of nature to people also include **anthropogenic assets**, benefits that are produced jointly between the environment and society. Firstly, knowledge, education, technical or scientific knowledge, relationships of trust, language.

Language is a first-rate anthropogenic asset for the consolidation of the immaterial dimensions of nature's contribution to people because it nurtures the sense of cultural identity.

"Feeling of belonging to one or more social groups (as related, for instance, to locality , country, ethnicity , religion , activity , gender , generation ) being respected for self-determination, practice of language , education and transmission , activities related to intangible values and culturally-valued means of existence ." [20]

Digitization is not unrelated to the requirement to contribute to the quality of life that nature provides to the person. Their contribution is not produced exclusively through biophysical processes, but interacting with anthropogenic assets, such as language, knowledge, cultural, spiritual values ​​, and the institutions that have fiduciary responsibility for their conservation and reproduction.

The interaction can be positive or negative. The predatory offensive of the digital platform, whose base is the digital person, acts to the detriment nature's contribution to people,e.g., manipulation and disinformation. The result of economic exploitation disregard any of the immaterial dimensions that indicate the freedom of choice and action of the person, her beliefs, the cultural and social values that accompany her. The digital person is the felled tree or the mined ore.

Culture appears, unlike natural capital, as a determining factor in the relationships between nature and people.

The contributions of nature to people are all those that affect their quality of life, including the material and immaterial dimensions. The protection falls within the jurisdiction where nature provides service to people.

 **4. The personal data belongs to the Nation-State, where it is recognized and located.**

The immobility factor of the person in each country allows platforms to accumulate with more personal data, feeding the stock digital people. The digital person is the raw material of the natural resource. The logical output comes from the people of the Nation-State from where the platforms collect personal data and transform it into merchandise. The identity of people is the identity of the community and the identity of the Nation-State. The appropriation and capture of the digital person is the disaggregation of the community and the Nation-State. Natural resources are under to fiduciary sovereignty of each State, precisely like the raw materials within its territory.

Jean L. Cohen states that *"the nation-state still exists and remains sovereign "in many respects ... The State continues to exercise the judicial authority, the sanctioning power, and coercion vis-a-vis those in their territory.* "[21]

The return of the nation-state shows its relevance in its essential aspects. Its territory, community, power of coercion and jurisdiction, and the preservation of natural resources and ecosystems services. Cohen aspires to a logic of articulation between the new sovereignty in action and the growing influence of global politics. The encounter between independence and global discipline calls for compatibility between sovereign equality between states and the common principles and standards, basically informal or informal, of the worldwide fact; but in the direction of the global norm's constitutionalization. [22]

The State cannot renounce the protection of its bases in matters of work, markets, finances, taxation, which may threaten its local and democratic practices. The BEPS was born for the protection of national tax bases. Globalization cannot leave the State unarmed over its power, government, and governance or refusing its difference in needs, social, cultural and political preferences, economics, which have to do with their identity.

"*We need to accept the right of individual countries to safeguard their domestic institutional choices. The recognition of institutional diversity would be meaningless if nations were unable to "protect" domestic institutions - if they did not have the instruments available to shape and maintain their institutions*." [23]

India, in a recent document, defines and defends its sovereign right over the digital person, over the data of its citizens and does it in a clear and precise way, as it already did in the introduction of the Equalization Levy.

The data of a country is a collective resource, a national asset that the government manages in the confidence of its citizens. The best analogy is that of the mine as a natural resource or the spectrum.

*"India and its citizens have a sovereign right to their data. This understanding flows from the acknowledgment that data about an Indian is his / her own. Data can, therefore, best be likened to a societal commons'. National data of various forms is a national resource that should be equitably accessed by all Indians. The same way that non-Indians do not have access to the national resources on the same jogging as Indians, non-Indians do not have equal rights to access Indian data. Thus, the e-commerce policy is about how best to exploit this national resource". [24]*

The freedom of the citizen in his community is a public good that needs protection from the threat of third parties that endanger it. The public good is a duty of the government, and citizens are, in this sense, the custodian's leading destination because there is no other natural resource that is more a national resource than the commons` social community.

**5. The specific location rent of the users.**

The rent derived from the exploitation of personal data is a natural resource of the people that inhabit the Nation-State. Its protection is proper to the jurisdiction where its source is. It is a concrete action of the right of each State to protect its taxable base.

It is a rent that comes from data mining, never better expressed, under the governance and economic power of digital global value chains. The free accumulation, repository, treatment, and manufacture of informational commodities of the raw material is an underlying condition of monopoly.

Cui identifies the creation of value by the user to individualize the specific location of the surplus-value of the producer. Where the user is is the place where the State can capture the rents of specific locations created by the digital platforms in their territory.

The taxpayers are the digital platforms that generate market power through their network effects, two or more sided business models, irrelevant marginal cost, and geographic mobility in the location of the performance of the service and the recognition of the benefit.

*"The idea is to allow the country where the rent is located to tax the rent. Research on the industrial organization of digital platforms has revealed a rich variety of ways to earn supra-normal profits. ".[25]*

The digital rent is a specific location rent that originates in the countries where the user resides. It is a rent similar to those who derive from natural resources with defined locations. To the extent that the user allows to obtain benefits to the platform for the use of data, it is easy to deduce that the taxation rights derived correspond in part to the users' location.

*"The" mining "of data could be directly analogized to the mining of natural resources."* [26]

The user creates the value of the digital service in the territory where he is. From its location comes the income and surplus-value of the global digital chain. Data is a natural resource located and under the jurisdiction of the Nation-State.

*"In the context of services provided by digital platforms, the applicable concept we advocate is the Ricardian definition of rent." [2*7]

Ricardian income defines the rent from the user to the platform: the amount earned by a production factor or a resource more than the sum necessary for the resource provision. What for Hobson and Griziotti constituted excess profits, unearned income of a monopolistic nature.

For D. Ricardo, the economic rent was a transfer of profit to the agricultural owners simply because they had a monopoly on scarce resources such as land. The rent was the farmer's payment to the owner, a consequence of the unequal distribution of land ownership.

*"The classical economists (such as Ricardo) argued that economic rent accrues based on unequal ownership/access or control over an existing scarce resource (eg.lands).[28]*

Ricardian income was an unearned income, a transfer from the productive to the unproductive sector, which does not serve reproduction. Instead, it is parasitism of the economic system. And its breadth includes not only land, but also extractive natural resources - mining, hydrocarbons, minerals, food - and, likewise, the data freely owned in the digital economy.

"*This leads to a natural justification of the taxation of such rent and the jurisdiction where the users are located. If the right to tax is the sovereign right of the State over its residents, in exchange for the provision of protection and access to public goods and institutions, then the State is within its rights to tax the rent appropriated by a (non-resident) platform whenever that State's resident individuals create the value of this rent."* [29]

The tax compliance concerns the advantages that the taxpayer procures for his allegiance to the community through the public goods that he uses or enjoys. The allegiance allows him to live and act in a territory: a place of residence or as a place where it carries out taxable events - income, consumption, transmissions -.

The factors were pointed out by B.Griziotti.[30]

- The general advantages derived from belonging to a political, economic, and social group.

- The particular advantages derived from social activity.

- The ability to pay of the individual to contribute to the collective life for the public goods offered.

The relationship between the taxpayer and the tax authority in a given territory is a function of their political, social, and economic allegiance to a State, which taxes economic results based on the ability to pay for the advantages that "collective economic life" means.[31]

The location of users is a manifestation of the ability to pay in the State-Nation where they are. The creation of digital value by the user configures a right of State taxation on the income or rents extracted by non-resident digital platforms.

The income derived from the user's data collection ( data-input) is the basic model for the opportunity of great benefits above what can be considered normal return ( excess profits). Manufacturing in the predictive product, informational commodity, leads to behavioral surplus.

F. Maffezzoni maintains that it is not the territoriality of a fact that confers the qualification of the ability to pay indicator. On the contrary, it is the ability to pay that gives territoriality.[32]

The ability to pay off the user grants its territoriality, a form of rent of a specific location.

*"After all, the data is about users in particular locations."* [33]

The State's tax power can be deployed in its territory because there is an income borne for the user's specific location, member of his community.

*".. and after analyzing the role and contribution made by the users by way of data, content creation and the networking benefits, consider that users are a significant indicator of both nexus and creation of value in the jurisdiction of the source. In the view of the Committee, the presence of users of a digital or telecommunication network in a multi-dimensional business model means value creation and economic participation in that tax jurisdiction and should give rise to the threshold nexus for taxing that enterprise in that jurisdiction, particularly, when such user contribution is relied upon for earning income from that jurisdiction*. "[34]

Data extraction is an ideal natural resource rent for establishing a tax that captures the "pure benefit" without costs. The rent from natural resources are royalties that belong to the State, fiduciary owner of the data. They are justified taxes designed to capture the rent resource, such as the extraction of oil or gas.

The data belongs to the people; the Administration is fiduciary, not the real owner, of the personal data, predisposed for its defense as custodian of public good for the benefit of the community. Its protection and fiscal protection passes through the royalties or taxes on digital income on the natural resource nature of the user's activities in the territory.

The royalty is a fixed payment on the full income for the use of a natural resource. It is a pure public income characterized, besides, because it prevents the displacement of benefits. The type of tax ranges in the treaties to avoid double taxation and start from 5% to 20%.

The Digital Services Tax in the European model or the Equalization Levy of India is an analogous tax to the royalty.

The Digital Services Tax, following Wei Cui, is interpreted as a tax on specific localized rents as a royalty on the extraction of natural resources; economic rents obtained by digital platforms in particular locations.

"*Taxes on LSR possess two highly desirable features. First, they generate tax revenue with minimal distortions to business decisions. Second, rent that can be attributed to specific locations permits a natural allocation of taxing rights: the jurisdictions in which the rent is located can reasonably claim primary taxing rights, and this, in turn, implies natural solutions to coordination problems in mitigating the risk of excessive taxation." [*35]

The substantial digital rent derives from the users in the countries where the platforms operate internationally.

User data has significant economic value and is similar to natural resources with defined locations. There is a mistake by the authors when they limit their importance by granting more rent to that derived from advertising or the intermediation of consumer transactions. The source of the digital economy is data (personal and non-personal), and only in this way can the likeness with the natural resource be understood.

Digital income is in the expression of Bankman, Kane, and Sykes, a real economic rent based on the market power of their agents, the absence of rival competition, and little less than absolute governance of the platform from which they operate. Ricardian rent comes from free raw materials and the exogenous income derived from location savings in third countries, from access to people with sufficient education, or infrastructure and telecommunications that they take advantage of at zero cost, due to tax immunity.[36]

The gross income is a reasonable measure since it affects close to a profit tax. Cui and Shaviro agree that digital platforms have low or even marginal operating costs in the jurisdiction.[37]

The adaptation of the royalty to the figure of the gross income tax of digital platforms can go beyond the fixed rate of tax. Nothing prevents the progressive rate of tax based on the economic and market dimensions of large platforms.

The starting point is precise; the so-called price-based royalty can be applicable to tax extractive industries. A tax that increases according to the increase in profits or prices. The idea is that the royalty based on gross income varies with changes in product prices.

*"A price-based royalty captures some of the desirable attributes of an income or resource rent tax, but in comparison to such taxes, it is easier to administer since revenues are much less sensitive to transfer price manipulation and tax avoidance efforts."* [38]

In the same direction of progressive royalty, an analog opportunity to progressively tax digital rent from a gross rent will be consistent with the European model of Digital Services Tax.

The digital tax, on the natural resource of people's data, of the digital person, must respect a critical point: the contribution to public spending must be compensated or reimbursed as a social dividend to the real owners of the natural resource: the citizens of the community.

The taxation of surveillance capitalism, in charge of the State, should nourish the social dividend to each citizen of the community, which leads to the creation of an earmarked Civic Fund that allows the return of the income collected to the citizens who created the digital value.

This payment is a dividend based, on the one hand, on the fact that everyone owns a part of the natural and shared resources, enabled to access a portion of the benefits obtained and, on the other, that without their co-creation, the value algorithm would not go beyond a mathematical approximation.(39)

The extraction of data is equivalent to the extraction of value from personal data, digitization for the development of predictive products. Exactly, as a common natural resource, in the same category as oil or mining. G. Franzoni compares the material presence of a permanent establishment in the extraction of natural resources with the immaterial extraction of data, data mining.

 The acquisition of data, such as oil, or metals for the extractive industries, is the main raw material of value that "has as its source the members of the communities residing in each State, which are its" mine ".[40]

 **6.The digital tax is not discriminatory.**

Is the progressivity of a tax on turnover or sales figure justifiable from the ability to pay principle?

Advocate General Kokott's Opinion in the European Court of Justice sustains the premise that profit-based taxation is not the only way compatible with the principle of ability to pay; this also includes turnover tax. (41)

First, because high profits are not possible without a high turnover and second since the benefit derived from an additional turnover (marginal benefit) increases with the decrease in fixed costs per unit. Turnover is not an irrational consideration as a reflection of the size or market position, and potential benefits of the company, indicators of ability to pay susceptible to progressive taxation.

It is wrong to conceive as discriminatory the different treatment in tax difference between taxpayers based on their ability to pay.

Nor is there a direct relationship between the government of difference and unequal treatment between taxpayers' size. Discrimination depends on the duty of constitutional contribution to the public expenditure of each Member State. The taxpayers under the application of the principle of ability to pay should be subject to different treatments if they are different. With so, neither freedom of establishment nor State aid is violated.

The dividing line between the government of the difference and the government difference between the impartial, congruent, proportional difference, and the capricious or covert arbitrary distinction lies in the purpose and discriminatory effect that affects the competitive conditions. The end and aim is none other than the purpose and effect of protecting the local tax base.

Intentional discrimination must be legally relevant, and not a mere correlation of coincidences, which requires that its primary purpose was to create disadvantages for foreign companies and supported by the Member State as long as there are no other objective reasons that justify it.

The intention is in the form that configures the measure, and the purpose is never identifiable with the legislator's subjective intent. The discriminatory purpose cannot be detached from the legislator's mind or its intimate objective, but from the objective ratio revealed by the measure [42]. The primary purpose is, obviously, objective. The State's support is in the configuration, architecture, text, and context of the adopted provision, and the motivation comes from the approved norms. The discriminatory purpose does not fit if it is not inferred from the structure, design, visible architecture of the measures. Of course, taxing with distinction the different ability to pay does not constitute an assumption of competitive discrimination.

There is no distortion of competition if the tax is paid for an identical turnover *"If a higher tax is payable for higher turnover, the same 'unequal treatment' exists as to where higher tax is payable for higher profit" (par.168)*  [43]

Turnover is an indicator of ability to pay. Net profit is not the only valid indicator of taxable capacity and financial capacity. The ability to pay is a principle recognized by European jurisprudence at least regarding the consistency of the tax system in conjunction with the Welfare State (art.3 (3) TEU).

*"It would not, therefore, appear unreasonable to regard turnover as a reflection of an undertaking's size or market position and .potential profits, also as a reflection of its financial capacity and to tax it on that basis."....*

Consequently, the general presumption made by the Hungarian legislature that, as a rule, larger (higher-turnover) undertakings also have more financial capacity than smaller companies (see also the preamble to the Law on the special tax) is in any case not manifestly incorrect. The (private) banking sector also differentiates in lending operations according to the volume of turnover of the borrower. Even the planned EU digital services tax appears to be based on this presumption if only undertakings from a certain turnover limit are to be taxed (regardless of whether they actually generate profits). Therefore, turnover is perhaps not an ideal indicator, but neither is it an irrelevant indicator of financial capacity. (Par. 101,102).

Turnover taxation prevents the use of aggressive tax planning for base erosion and profit shifting better than that applied to profits, citing one of the Commission's reasons (44) for the introduction of the European Tax on Digital Services, ensuring that the opportunity for circumvention and evasion lies with large companies. (Opinion, par.103)

The Advocate General also refers to the projected digital services tax within the European Union. It would not be an abuse of law to apply to a progressive tax on the sales figure of large digital platforms to ensure fair taxation for small operating companies only within the European Union.

It not only supports the proposal for taxation of digital services but also tends to progressive tax rates, not contemplated in the European project.

*"This is also consistent with the approach taken by the Commission in the planned EU-wide digital services tax. The Commission is also attempting to obtain a greater contribution to public costs from multinational undertakings (in that case, primarily from certain non-member countries) if they generate profits within the EU, without being subject to income tax. If the Commission considers a turnover-based progressive tax for certain undertakings to be necessary to ensure fair taxation between larger, globally operating undertakings and smaller undertakings operating (only) throughout Europe, a comparable national tax which seeks to obtain a greater contribution to the public burden from larger undertakings than from smaller undertakings can hardly, in principle, constitute an abuse of rights ." (Opinion par.96)*

And she insists again:

Accordingly, as the Commission itself shows with the proposal for a digital services tax, turnover can also be seen as a (slightly rougher) indicator of greater economic power, and thus greater financial capacity. (Opinion par. 169)

The judgment of the European Union Court of Justice draws a conclusion coinciding with the Opinion of Advocate General Kokott:

"*Progressive taxation can be based on turnover, since, on the one hand, the amount of the latter constitutes a neutral criterion of distinction and, on the other, it is a pertinent indicator of the taxable capacity of taxpayers. It follows that, by applying a markedly progressive scale based on turnover, said Law intended to tax taxable persons with a tax capacity "greater than the general tax obligation*".(43)

It is not contrary to Community law for a Member State that: *"Establishes a markedly progressive tax on the volume of business whose effective burden falls mainly on companies controlled directly or indirectly by nationals of other Member States or by companies that have their registered office in another Member State because these companies carry out the largest business volumes in the market in question."*

The taxpayer's configuration based on size or economic dimension does not constitute disguised national discrimination. It is easily verified that objective discrimination is concerning minor operators and by the principles that guide the national tax system. It is an application of the fiscal protective protection to the tax base of the country.

The fiscal protection of the internal market is part of the functioning of the European Single Market.

Accordingly, the difference of the similar service is not equivalent to that of its provider, in this case, digital platforms, which, as such, may be subject to different treatment, e.g., tax protection measures. Similar service providers located in various jurisdictions of that of the Member State may be legitimately treated differently. Similarity cannot be established for the service without weighing the provider's qualities.

In short, the European Union Court of Justice rejects the conservative ideology that it claims to see in digital tax assumptions of discrimination by nationality. The bottom line of its reasoning, sponsored by the Advocate General's Opinion, is that there is no discrimination when it confronts diversity of treatment by the difference between the taxpayer's ability to pay and the State reacts in the protection of its tax base. [44]

**7. Language as a sufficient territorial connection The virtual nexus.**

Google Ireland's activity in Hungary is subject to the Advertising Tax, whatever its place of residence. The taxable event includes digital advertising if the advertisement or the website on which it appears is mainly in the Hungarian language.

The nature of the Advertising Tax is that of a direct income tax.

"*From this perspective, the rating of the consumption tax advertising tax based on turnover is not convincing. On the contrary, as conceived, the Hungarian advertising tax is applied directly to service providers. It intends to tax the financial capacity of these companies, and not that of their clients, as evidence, in particular, the fact that clients can fulfill their tax obligation with simple information about the company that performs the advertising, following article 2, section 1, letter b) of the Advertising Tax Law. Therefore, due to its characteristics, the special tax for advertising companies resembles a special direct tax on income whose tax base, instead of profit, is "simply" the income obtained during a certain period. Thus, it has the character of a direct income tax ... "[45]*

Hungary's tax authority cannot be discussed as long as a reasonable connection for the tax application can be justified. The link is not only through physical or material presence but also through personal ties that make the collective person located in a space determined.

Language is a sufficient territorial connection. Advertising is directed at people residing in Hungarian territory, users of the Magyar language.

*"Therefore, Google generates income with" help "from the population of Hungary population, which is not taxed in that country. Without the invention of the Internet, probably most of this income could only be obtained through an establishment located on Hungarian territory, and Hungary could have simply received the corresponding income tax. Is this competition to be lost solely because technical progress creates new possibilities of earning income without being present in the Member State concerne*d?" [46]

The absence of physical or material presence, of a permanent establishment, does not prevent the digital platform from obtaining income with the help of users in Hungary, without this having to suppose that the State loses its competence to collect the respective income tax.

The use of the official language is a sufficiently reasonable territorial connection because it allows obtaining digital income through the Internet.

"*No one can dispute that language constitutes an essential element of the nation's identity and, therefore, has a close relationship with a State and its territory ... This implies that the use of the Hungarian language may indicate an orientation of Google's activity to the Hungarian territory.* "[47]

User participation is a natural resource of the Nation-State. Its official language, personal data of singular relevance, can be configured as an identity element of a nation in close relationship with the territory and organization of the State. Part of Google success arises on the fact that Hungarian nationals usually use Hungarian Internet advertising. The language is the permanent virtual establishment that legitimizes the subjection to the Advertising Tax. Google must register as a taxpayer.

The Opinion of the Advocate General is precious because it contributes to ratify the conviction that the digital person is part of the natural resources of each Nation-State. That language is constitutive of the location of personal data for its capture, accumulation, and treatment, liable to be taxed as an indication of the ability to pay off a direct income tax.

The language inspires a renewed approach to the virtual nexus, which, until now, was not taken into consideration. The economics of language is a new discipline,of multidisciplinary nature that supports some language assumptions that serve as a specific reference.

Language is like technology or a social communication tool; it is a public good. Its use does not exclude anyone, and the use of many does not exhaust that of others. Language is an instrument that is advantageous to all, and none can be excluded from its benefit, of indivisible nature, of plural or collective enjoyment. Language, as a public good, prevents its appropriation by any economic agent for its use.

Language is a natural resource of a community that keeps its participants integrated into its values, moral standards of behavior, and social networks. It is essential for individual emotions and feelings that become social.

*"Through language, therefore, more than ideas are communicated: emotions, values, ways of life, and shared references are also transferred." [48]*

The language sometimes is called social capital to highlight its adjectives of cooperation and mutual community trust. However, the definition of social capital is not adequate. The language is, first, of each individual in his relationship with the others.

It is a natural resource of the person in a society whose origin and membership are strict of the person as such and imposed on the relationship and interconnection with other people in identical circumstances,a natural resource such as a site or a river. The economy of the language is close to that of extractive resources.

*"... No iron or bauxite is produced:what is done is to “extract”iron or bauxite from the corresponding mines: a necessary condition for the subsequent productive use of those minerals. "[*49]

Indeed, J.Alonso is right: language is a renewable mine, like people, whose extraction is essential for its subsequent economic use, with the particularity that its use-value is free, at zero cost to the extent that its consumption expands.

Language is a detachment from the need for common coexistence and the coexistence of the common needs of people in society. It is a natural resource and a public good capable of being safeguarded by the public powers against the pretense of its weakening, postponement, or extinction by third parties outside the community. The public good of the language is a sign of collective identity.

The language of each one in common is a natural resource that identifies an element of collective identity. Language is an intangible who speaks of the whole, of shared knowledge, of communication, and the bond of society with third parties or other societies.

*"One of the identifying elements of this group, perhaps one of the most visible, is language, which then operates as a factor of link and recognition of this set of identity elements."* [51]

Finally, language is the carrier of network externalities like digital networks, by which its potential value is critically linked to the number of those who practice it or the multiplication of current users' benefits.

*"The presence of network externalities gives the language (equivalent, in this case, a communication software) the character of a" super-collective "asset; that is, the more individuals participate in the consumption of the good, the greater its value."* [52]

Language is a "*metaphorical network "that provides interrelationships in which there is no physical connection and stands out because it cannot be the object of private appropriation”.*[53]

The use of language communication technology by the activity of digital platforms in different countries is key to their access to the market for their purposes, on the one hand, to expand their network effect and, on the other, to obtain a differential (Ricardian ) rent.

The extensive use of local languages is a decisive instrument for capturing the natural resource's digital income that we call language. No market can be accessed without the use of the communication capacity offered by the language. Or, also, without the language, no economic transactions are possible. From this, it is easy to understand the cause of language as a virtual connection. [54]

The Court of Justice of the European Union broadly agrees with the Opinion of the Advocate General or, at least, does not motivate her difference or confront her Opinion on language. In the judgment, it agrees to point out as contrary to article 56 TFEU the system of fines established by the volume and speed of its accumulation in case of non-compliance with the duty to inform the Advertising Tax. The time required for compliance is considered disproportionate. The complete set of fines on foreign service providers was rated discriminatory and unjustified compared to the similar obligation of domestic service providers.

The citizens of a society are social beings in a particular identifiable and irreplaceable spatial and political framework, which is why people carry out their communication and connection activities through language. It is one language and not another that gives value to coexistence, and this exclusivity does not have a reductionist or discriminatory character, but of belonging, of place. The context of language is the text of localization. Text is a natural resource, subject to common uses, education, of the cultural, social, and economic promotion of the talking subjects. Its commercial exploitation offers disproportionate benefits to digital platforms and, still, possibilities of impoverishment at the favorable language levels of society. The conservation and continuity of the language are part of the community's primary natural resources.

It is not mistaken who, evaluating the Kokott Conclusions and the sentence, maintains that it is an expansion of the doctrine of a permanent establishment, starting from the territorial link between a nation and its language (rectius: between a nation and its community in a given territory).

"*If Italy were to enact an identical Google tax, without the overbearing penalties, would it pass muster? What about Germany or Spain? We can only speculate about the outer limits of language-as-nexus, but it seems those boundaries are there"* [55]

Hungary obtained the virtual nexus from the language, from the most intimate personal data of the digital person. Nothing prevents the other Member States of the European Union from trying the same as Hungary through digital income taxes, which are obtained from the economic usability of the local market.

**Conclusions.**

The private appropriation of common knowledge is the form of digital economic rent, and the raw material is the collective, general knowledge of everyone. Personal data is the first step of the collective knowledge of everyone. The personal data collected evolve by the algorithm in production and manufacturing to a kind of artificial knowledge aimed at obtaining excess profits or pure information for other purposes, such as security, control, surveillance.

We are the data. Oil, corn, or wheat, or any other natural resource, is on the surface, and only its free extraction is needed. It is algorithmic data mining, for the appropriation of the public domain and commercialization as predictive products, under the protection of private possession. The raw material is the digital person, the personal data collected for its algorithmic treatment. The digital person is the raw material of the digital natural resource in each of the countries where real people operate. The natural resource of the digital person has an economic value as informational merchandise marketable. It is a fictitious merchandise. The identity of people is, at the same time, the identity of the community and the identity of the nation-state. The appropriation and capture of the digital person is a disaggregation of the community and the nation-state. Natural resources belong to each State's fiduciary sovereignty , precisely like the raw materials within its territory. The rent derived from the exploitation of personal data is a natural resource of the people that inhabit the Nation-State. The use of a user's language has public value.

The digital rent is a specific location rent that originates in the countries where the user resides. It is a rent similar to natural resources with defined locations. To the extent that the user allows to obtain benefits to the platform for the use of data, it is easy to deduce that the benefits derived belongs in part to the States users' location. The location of users is a manifestation of the ability to pay in the State-Nation where they are. The creation of digital value by the user configures a right of State taxation on the rent extracted by non-resident digital platforms. The data belongs to the people; the Administration is fiduciary, not real owner, of the personal data, for its defense as fiduciary of public good for the community´s benefit. Its protection and tax protection passes through royalties or taxes on digital rent in the territory. Nothing prevents the progressive rate of charge based on the economic and market dimensions of large platforms.

The language of each one in common is a natural resource that identifies an element of collective identity. The language is an intangible who speaks of the whole, of shared knowledge, of communication, and the bond of society with third parties or other communities.

Hungary obtained the virtual nexus from the language, from the most intimate personal data of the digital person. Nothing prevents the other Member States of the European Union from trying the same as Hungary through digital income taxes, which are obtained from the economic usability of the local market.

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