UNCTAD

Contribution on e-business to PrepCom 2 of the World Summit on the Information Society (Geneva 17-28 February 2003).[1]

This note summarizes the main elements, emanating from UNCTAD's ongoing work on e-commerce strategies for development, which could contribute to the treatment of the question of e-commerce at the WSIS and be reflected in the Declaration and the Action Plan to be adopted by the Summit.

In recent months the question of e-commerce strategies, as a key part of broader ICT-for-development polices has been addressed in UNCTAD both at the intergovernmental level and at a series of high-level regional events with participation of policy-makers and members of the business community and the civil society.

The application of ICT to business operations is a key element of the globalisation of the world economy and markets. It is increasingly having considerable economic impact on the exchange of goods of services and on the productivity of enterprises, including SMEs. An increasing share of trade transactions especially between businesses is relying on methods that apply ICT, reduce transaction costs and enable businesses reach a global market at relatively low costs. ICT also allows large improvements in enterprise competitiveness, productivity and business relationships within and between enterprises. E-business therefore merits a higher profile in both the declaration and the plan of action than it has so far had in the preparatory discussions because the adoption of e-business practices likely to be one of the most powerful transmission mechanisms through which the effects of ICTs will spread across developing economies. E-business can make developing economies more competitive, more attractive to foreign investors and generally more likely to benefit from integration in the global economy. This process of adoption of e-commerce by developing economies is still at a very early stage and most developing countries still need to put in place national e-commerce strategies and action plans to create an enabling environment for e-commerce. A great deal of commonality exists between the policy measures that are required for the development of a supportive environment for e-commerce and those required for the promotion of other ICT-for-development applications such as (e-education, e-government, e-health). It is important however to ensure that the issues that are specific to the commercial applications of ICT in developing countries receive adequate

---

[1] This document is submitted by the UNCTAD secretariat in addition to the proposals it presented on the question of ICT indicators as contained in documents WSISI/PC2/CONTR/0063 and WSIS/PC2/CONTR/0063 Add. 1.

attention from policy-makers when designing and implementing the agenda for change that should emerge from the WSIS.

In this respect, the dialogue about e-commerce strategies that is taking place in UNCTAD has allowed the identification of a range of issues in which action is needed for e-commerce to realize its full potential in developing countries:

- E-commerce development strategies should be an integral part of national economic and social development strategies. They should be based on and tailored to the national economic and social context and, at the same time, reflect international best practice. E-commerce strategies for development should also be technology-neutral and be based on effective competition, while at the same time they should be formulated with the involvement of all relevant stakeholders. Internationally comparable indicators to measure and monitor progress in the adoption of e-commerce need to be developed and implemented.

- Public awareness and understanding of e-commerce, its tools and techniques and the changes it represents for the operation of enterprises and markets should be promoted through education and training, particularly in the SME sector.

- The reform, including through liberalization, of telecommunications services and payments systems may be required for a successful adoption of e-business practices. Such measures should be accompanied by remedial actions to address the needs of people and regions that may be negatively affected; they should also be implemented in a consistent manner and in the context of broader national structural reform.

- Legislation to adapt national legal frameworks in order to promote security and trust among business and consumers, as well as to address privacy concerns should be enacted.

- Developing countries should step up their efforts to participate in international discussions that can have an impact on the commercial applications of ICT and the Internet. In this regard efforts to achieve a better understanding of the development implications of the e-commerce aspects of issues such as taxation, customs, intellectual property, consumer or privacy protection should be supported.

- The application of the Internet to government services that affect the performance of commercial operations, such as for instance customs, can improve the efficiency of enterprises and enhance the effectiveness of good governance policies.

These points[2] illustrate the scope of the coverage that the discussion of the WSIS and the ensuing declaration could devote to e-commerce issues. For its part, the Plan of Action should incorporate an e-commerce component that could identify the priority e-commerce issues that should be addressed by ICT-oriented international cooperation programmes. An indicative list could be the following:

---

[2] The recommendations formulated at the various UNCTAD expert meetings and regional high-level seminars from which the above points are extracted can be found at www.unctad.org/ecommerce

- Support for the design and implementation of e-commerce policies as part of national e-strategies, for national benchmarking and monitoring of e-commerce adoption, for the adaptation of national legal frameworks and for the effective participation of developing countries in international discussions related to e-commerce.
- Support for the development and implementation of ICT applications in sectors of specific interest to developing countries, specially the LDCs (for example, e-tourism, commodities).
- Support for specific e-government solutions which can have a direct impact on the efficiency of the operation of the enterprises of developing countries (for example customs or transport services).