South Centre, E-commerce and the Digital economy: key challenges, policy development issues & the way forward

South Centre for eTrade for all exclusive interview
Q 1. Would you like to tell us how the South Centre’s work and in particular its research on key policy development issues touch upon e-commerce and the digital economy?

R. South Centre was established in 1995 as an intergovernmental think-tank for the developing world. It undertakes policy-oriented research, supports delegations in international negotiations and debates on various fields (such as trade, intellectual property, investment, health, climate change) and provides technical assistance to its members.

How to design and implement development policies in the digital economy certainly is one of the big challenges that developing countries face today. While an expanded use of new technologies may lead to significant increases in productivity in some sectors, the required capital, organizational capacity and qualified human resources will not be available to many countries in the short term. Development strategies need to be re-conceptualized; each country will have to find its own way for reaping potential benefits while avoiding or mitigating possible costs, namely in terms of employment. The South Centre will objectively examine these issues with a view to provide inputs for the design and implementation of national and regional policies.

Q. 2. According to the South Centre, what are the key challenges that developing countries will have to tackle in order to reap the benefits of e-commerce for sustainable development?

R. The digital economy is renovating everything from production to consumption. E-commerce is providing a range of benefits to developing countries such as the opening up of new market access opportunities to micro and small business, providing better access with more choice to consumers. It can potentially be the most important instrument to address the first transformative change that the United Nations Sustainable Development Goals is to address – that “leave no one behind”.

At a time when the global community is just about a decade away from achieving the SDGs, digital transformation of economic activities has emerged as an opportunity as well as challenge. However, to reap its benefits, developing countries are required to address a number of challenges such as:

● Sub-optimal level of online/internet penetration resulting in digital divide;
Trust deficit among producers; Consumers and service providers; Inadequate level of required infrastructure; Absence of a balanced regulatory regime governing digital transactions.

As digital operations are rendering physical boundaries obsolete, these complicated challenges cannot be addressed by domestic reforms alone.

They require holistic efforts and political will at the global level. International cooperation among multilateral bodies, private sector players and civil society organisations is required to strengthen the governance of e-commerce to achieve its overall purpose for sustainable development.

Q.
3. The South Centre also supports developing countries so that they can effectively participate in international processes that are relevant to the achievement of SDGs: how can this support translate into bridging the existing digital gaps?

R
In effect, the South Centre participates in many debates in Geneva, New York and elsewhere relevant to the achievement of SDGs, including in the area of human rights. The South Centre’s institutional mission is to support developing countries to ‘effectively participate in international negotiating processes that are relevant to the achievement of SDGs. The Centre promotes the unity of the South in such processes while recognizing the diversity of national interests and priorities’. Exploiting the opportunities offered by new technologies is an important objective for the Centre. There are many drivers of the existing digital gaps and a multiplicity of policy approaches to address them. In our view, it’s crucial no only to deal with the symptoms but to hollistically address the deep causes of such divide, namely unacceptable levels of poverty and inequality. The South Centre focuses it work on assisting developing countries to develop an international regime that is supportive, and does not undermine, their development efforts at the national and regional level.

Q.
4. What prompted your organisation to join a multi-stakeholder partnership such as eTrade for all and what are your expectations out of it?

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The potential of working together with other organizations and the belief that we can contribute with specialized knowledge and assistance in the regulatory areas, including intellectual property, the legal treatment of data,
consumer protection and competition law.

Q.
5. Is there something else you would like to share with the eTrade for all family?

R.
Just the desire to start working soon in the context of eTrade, in partnership with other member organizations and in response to specific demands. Like in other areas, ‘one size does not fill all’ and the Centre has the experience and capacity to look into particular situations and customize any proposed policy responses to different contexts.