

# Global Electronic Commerce: Issues & Policies for Developing Countries

**Catherine L. Mann**

**Senior Fellow, Institute for International Economics, USA**

**<CLMann@IIE.com>**

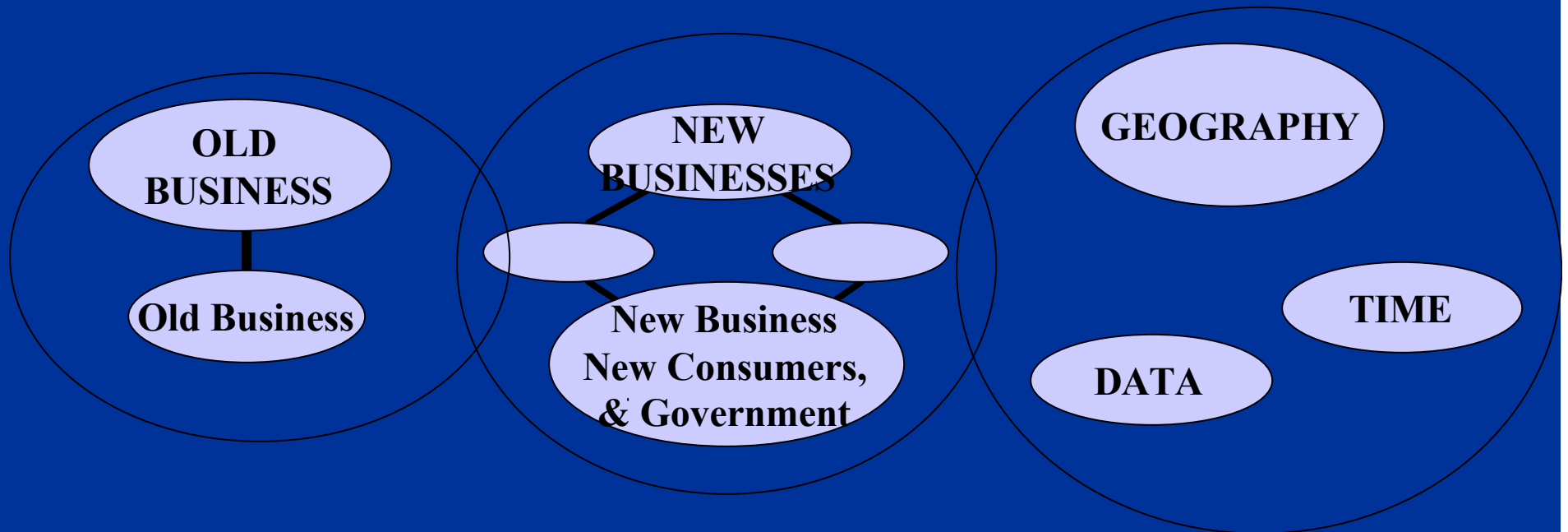
**E-Commerce Workshop**

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# Presentation Outline

- What is electronic commerce
- Economic potential
- E-commerce infrastructures
- Galvanizing the sense of urgency
- Policy conclusions

# E-Commerce Innovates the Marketplace



- **Process:** Doing old things (inventory, accounting) better
- **Product:** New products & services contingent on Internet
- **Markets:** Global, information rich, network benefits

# E-Commerce In Action

- Government to business and consumers
  - information, procurement, tax administration
  - medicine, education, weather
- Business to Business
  - information, inventory, acquisition, delivery....
  - technology, software, labor services, management know-how
- Business to Consumer
  - tourism, artisanship, products

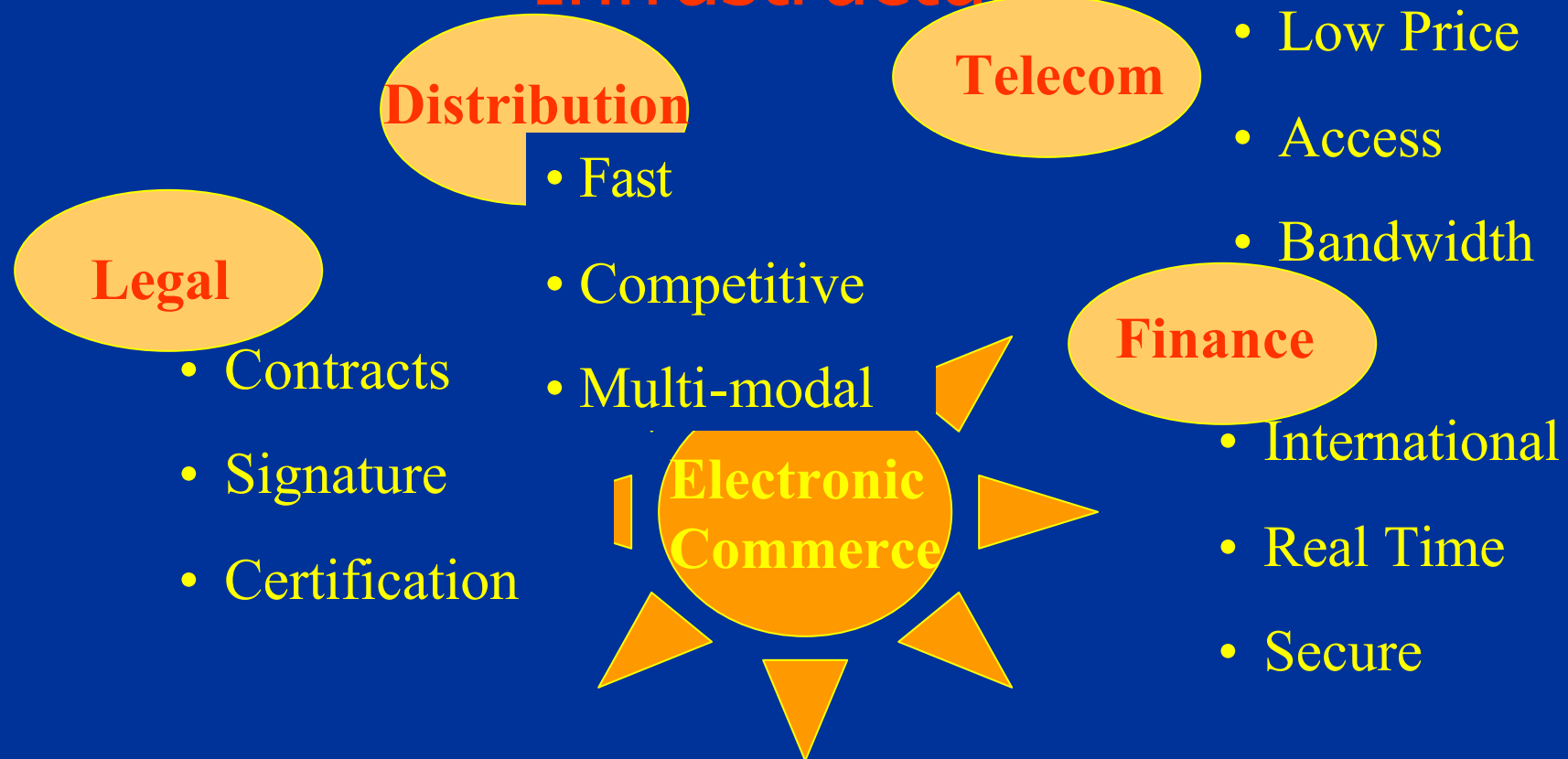
## Economic Potential

- Productivity and Growth
  - Real, large, and not just for the first-mover
- Trade concentration of e-commerce
  - Global value chain, from textiles to software
- Development potential
  - Rural access to development, health, education



***A commitment to e-commerce is a commitment to trade and economic development***

# E-Commerce Depends on Domestic Infrastructures



*The “e” in e-commerce to catalyze reforms that support the “c” in e-commerce.*

# Policy Lessons

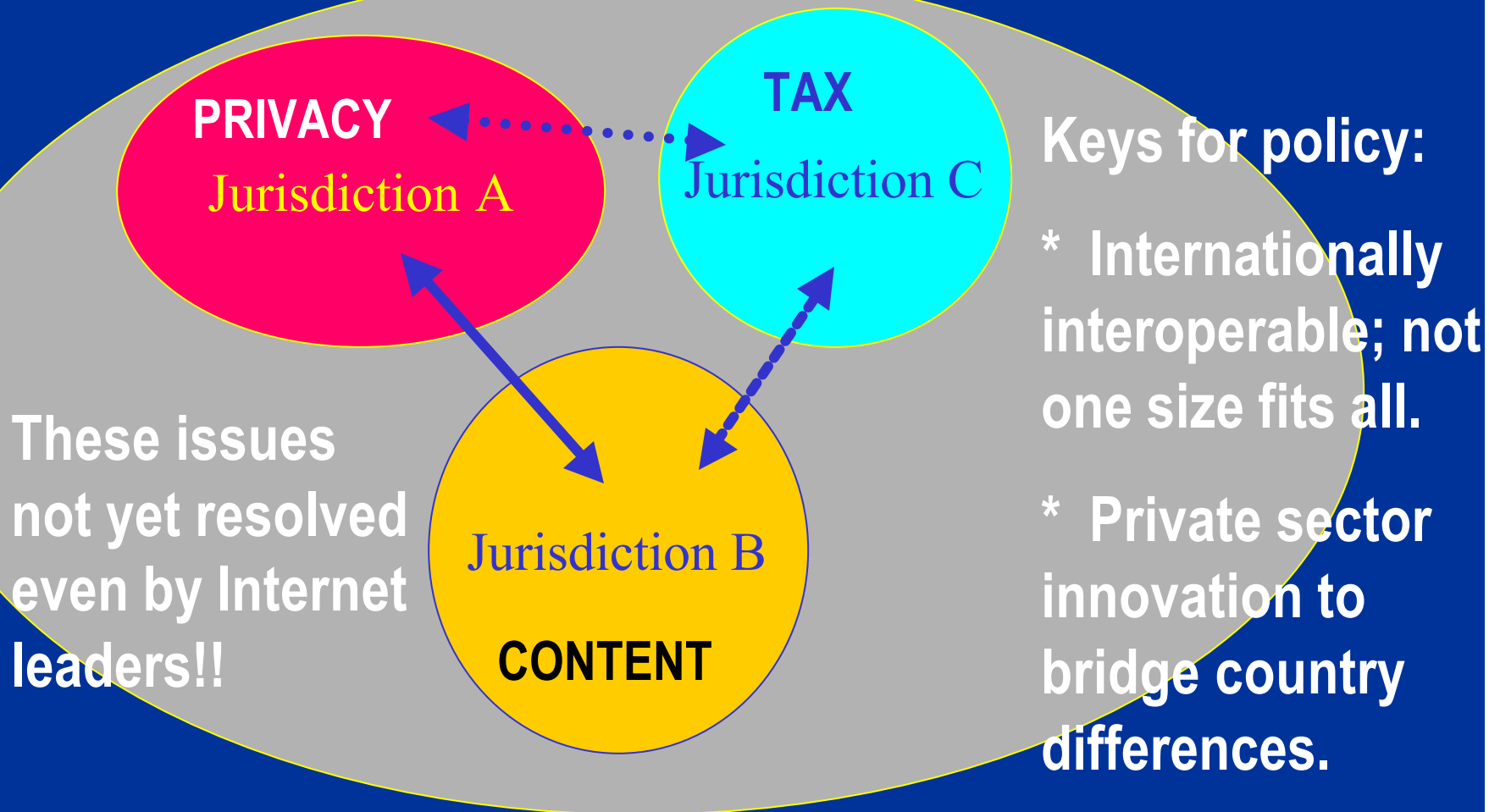
- Policy reform to create an environment of real competition
- Use global technology to leap-frog stages of infrastructure development
- Foreign investment *will* come, even in small markets, given the right conditions
- New laws must be underpinned by the rule of law.

# Domestic Policy Concerns

- **Loss of Tariff and Tax Revenue**
  - Geneva moratorium has little impact on customs
  - Larger potential erosion of sales/use/VAT
- **Loss of Control Over Financial Markets**
  - Local control of banks, lending, and saving
  - Foreign exchange reserves management
- **Social Issues** (content, privacy, consumer protection)
  - Countries have very different attitudes on government role
  - What government *should* do vs. technology *to* do



# Global Marketplace, Domestic Policy Jurisdictions: Convergence, Conflict, Or ...



## Appoint E-Commerce Czar


- Exploit synergies in E-commerce infrastructures
- Use E-commerce goal to promote domestic reforms
- Ensure extension of E-commerce to rural, health, education goals



***Must be visionary, entrepreneurial, highest level***

## Create E-Government IT Team

- Make government a leader in IT usage
- Team international IT consultants, local IT professionals, and ministry participation
- Integrate off-the-shelf applications

 ***Start with fiscal functions (tax, customs, procurement) to enhance efficiency and transparency***

## Foster Awareness & Entrepreneurship

- Build awareness at the local level
- Access and incubators within communities to serve community interests and needs and build on community strengths
- Develop Internet entrepreneurs from existing community leaders and entrepreneurs.



***Only you can exploit the Internet for your own benefit!***

# E-Commerce Policy Conclusions

Technology is global, application is local

➔ Government commitment and leadership to exploit

Not all policy issues have solutions now

➔ But, don't delay reforms where the way is clear

Encourage the private sector to innovate

➔ Technology can promote competition

**--policy makers have the power of yes.**



Thank you!