Bridging the Digital Divide Through an E-business Development Strategy

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This presentation

- E-business: what changes?
- Digital opportunities
- National E-commerce strategies
- UNCTAD's initiatives
- E-business in the WSIS
- Elements of a plan of action

E-business: What changes?

- ICT applications to business are a major factor in the globalisation of the economy

- ICT enhances productivity and competitiveness, abroad and at home

- ICT helps emerge new ways to organize enterprises and to interact with outside players: new forms of collaboration

Digital opportunities

- Productivity and competitiveness, new markets, new sectors
- Changes in industries of specific interest to developing countries: e-tourism, e-services
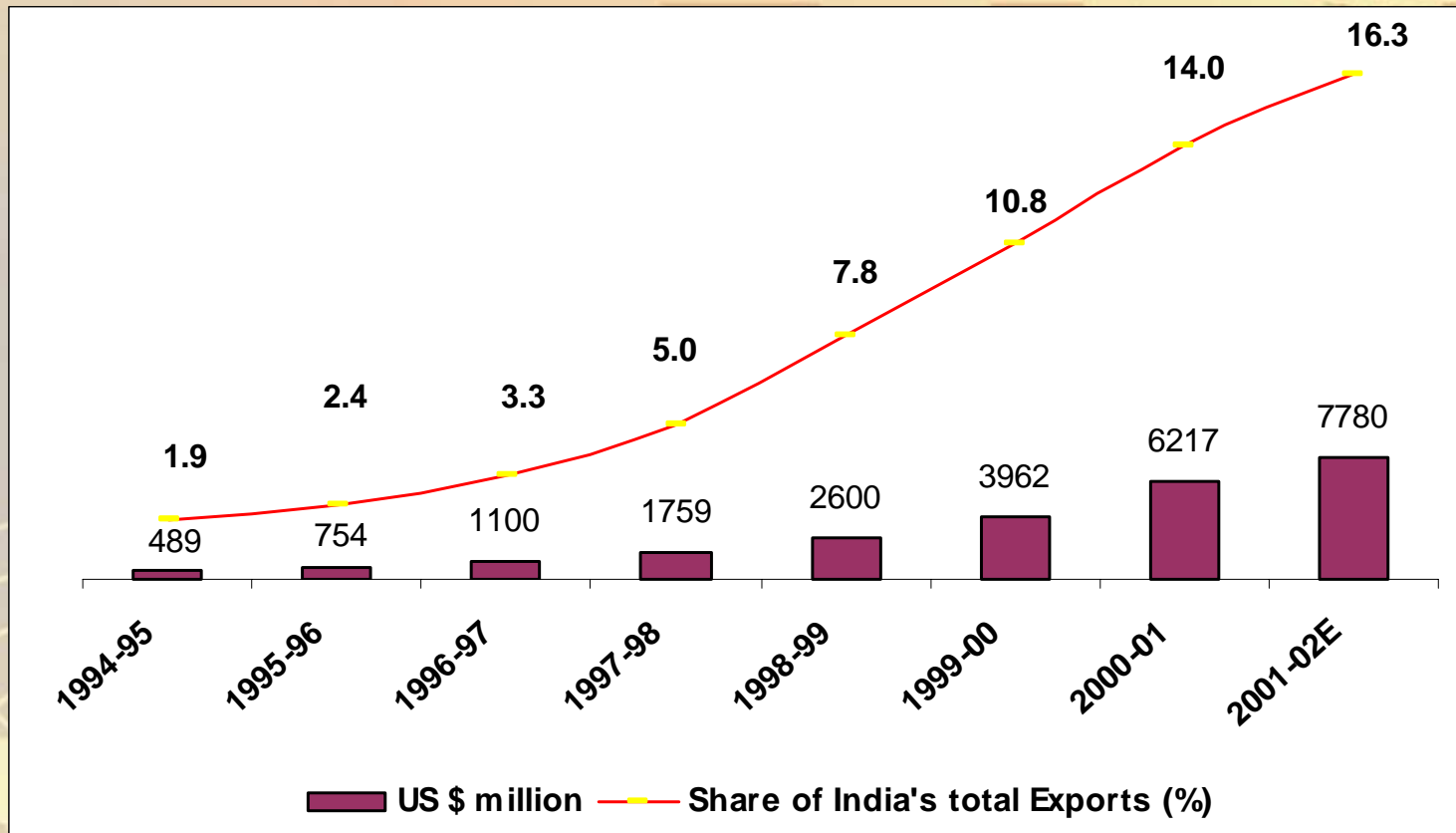- Business process outsourcing
- Examples of Costa Rica and India

The Costa Rican case
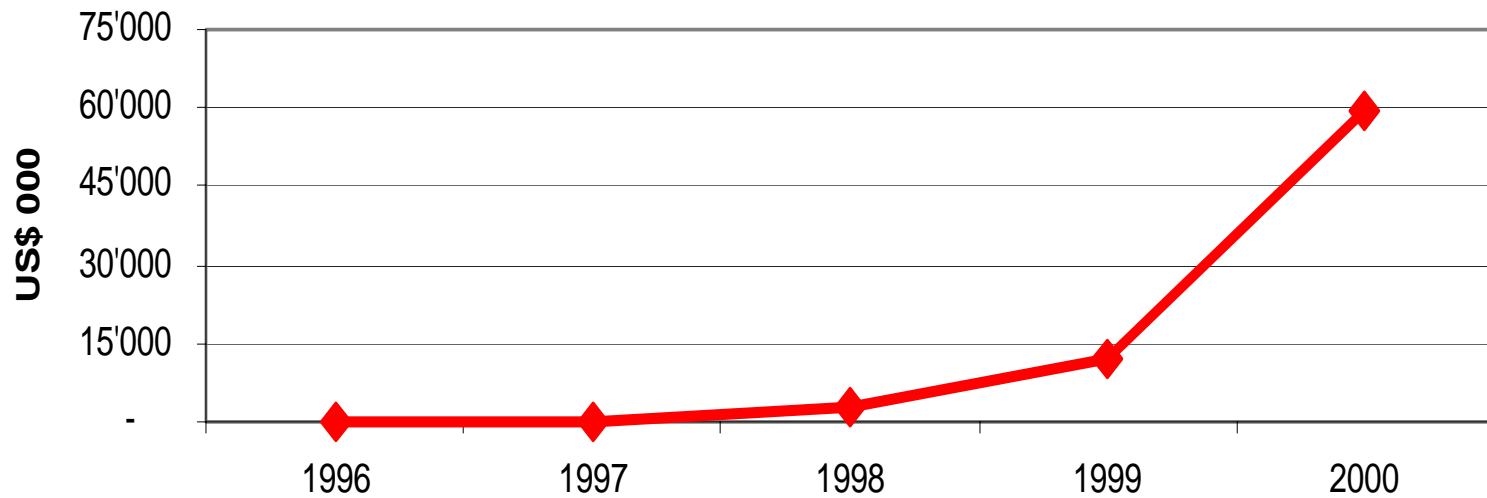
Source: Balance of Payments Department, Central Bank of Costa. Rica

Exports of computer-related services

The Indian case

Chart: Software and services exports, showing US $ million (bars) and Share of India's total Exports (%) (line).

Year	US $ million	Share of India's total Exports (%)
1994-95	489	1.9
1995-96	754	2.4
1996-97	1100	3.3
1997-98	1759	5.0
1998-99	2600	7.8
1999-00	3962	10.8
2000-01	6217	14.0
2001-02E	7780	16.3

Software and services exports

National e-business strategies

Developing countries need to put in place national strategies to:

- Raise awareness about e-business, its benefits and requirements

- Create an enabling environment for e-business: access, regulations, payments…

- Build capacity and skills for the digital economy

Designing e-strategies

- They should be integrated in the overall national economic development strategy

- Adapted to local needs and context, but

- Based on international best practice

- Strategies should be technology-neutral and based on effective competition.

Basics of e-business strategies

- Adapt legal framework: trust and security, IPRs, consumer protection, privacy

- Competiton in support services: telecom, payments

- Education and training

- E-government: incentives, transparency

- Benchmark and monitor: develop internationally comparable indicators

- Participate in international discussions with potential impact on commercial uses of ICT

UNCTAD's initiative on e-commerce strategies for development

- Global policy dialogue on e-strategies
- Regional high-level seminars to generate awareness and political support for e-commerce strategies for development
- Indentify and share best practices
- Build broad international consensus about the role of e-business in bridging the digital divide

E-business in the WSIS

- E-business should received more attention in the preparations for WSIS

- E-business, essential for the benefits of ICT to spread across developing economies

- E-business helps overcome traditional limitations to competitiveness and forge new trade links

- E-business can help economic diversification: new e-services

- Adopting e-business makes developing economies more attractive to FDI

E-business issues for the Plan of Action (I)

- Support design and implementation of national e-business strategies

- Support benchmarking and monitoring of e-business adoption

- Support adaptation of legal framework

- Support participation in international discussions on e-business

E-business issues for the Plan of Action (II)

- Support for development and implementation of ICT applications in sectors of specific interest to developing countries

- Support the adoption of e-government applications which enhance business efficiency

Conclusion

- The contribution of ICT to economic development should be a key component of the outcome of WSIS

- National strategies are needed to address bottlenecks and to realize the potential of e-business in developing countries

- The WSIS should set the course for international support for e-business strategies for development

Thank you

E-commerce and Development Reports 2002, 2001 and 2000

can be freely downloaded at

www.unctad.org/ecommerce

or

http://r0.unctad.org/ecommerce/ecommerce_en/edr02_en.htm

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