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India's take on E-commerce at WTO

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This article is based on editorial **"Opting out of e-comm talks, a good idea"** that appeared in The Hindu Business Line on 15th July 2019. It talks about the reasons why India is not participating in global e-commerce negotiations.

India at the World Trade Organization (WTO) held that it will not join the negotiations to develop trade rules on e-commerce, as India felt these negotiations are against India's interests. Despite protests from major economies like India, 76 mostly developed nations agreed to initiate talks on e-commerce

It has raised concerns and anxiety amongst industry and policymakers in India. Is it right on part of India to stay away from such negotiations as there is a fear of losing out by not participating in the ongoing negotiations?

Why India is not joining e-commerce negotiations?

- Data is the new oil of the 21st century. Data is the heart of the digital revolution,
- It is the key resource which can make or break a country in the digital era as all digital technologies like Big data analytics, artificial intelligence, IoT, Robotics, etc need data for them to become more efficient and intelligent.
 - The larger the population of a country, the larger will be the amount of data generated, and younger the population the more will be the data generated.
 - India's 1.3-billion population is bigger than the population of OECD members (36 countries) taken together, with 66% of its population falling in the age group of 15-64 years, which is around 18 percent of the world's young population.
 - This amounts to huge data being generated every second in India, which is extremely valuable for the developed world for making efficient digital products and services in the future.
 - This is the root cause for the pressure being applied on India to join the plurilateral e-commerce negotiations.

- During the first industrial revolution, the countries which processed oil were developed not the ones who produced it.
Similarly, today countries which process data are/will be developed rather than those generating huge data.
- In this scenario, where data is the new currency of the 21st century, the term '**e-commerce rules**' is misleading because:
 - The rules that are being negotiated go much beyond e-commerce and encompass all digital rules which are required by the developed world to make sure that they have free access to data of the world in future as well.
 - This accounts for India's reluctance over the negotiations on e-commerce as India still doesn't have any comprehensive law on data protection and data ownership nor an e-commerce law, subject to changing dynamics of the digital revolution.
 - **India fears that new rules could provide the pretext for unfair mandatory market access to foreign companies. This will hurt the rapidly growing domestic e-commerce sector, which is still developing in India.**

What are the steps that can be taken?

- **China's Cyber Security Law** is an exemplary law which includes provisions around data not only leaving the country but storing data locally, having joint venture partners, and source code sharing provisions.
- Many countries in Africa have started 'owning' their data.
For example, **Rwanda's Data Revolution Policy** is based on the principle of national data sovereignty whereby Rwanda retains exclusive sovereign rights and power on its national data.
- Like China has secured the use of its data and EU through its General Data Protection Regulation (GDPR), India also needs to make similar regulations.
- Following this pursuit India has taken following steps:
 - India has come out with its **Draft National E-Commerce Policy** which will allow it to own its data and steer the country into processing its own data and develop the much-needed digital capacities
 - Similarly, draft Data Protection Policy prepared by **BN Srikrishna committee**, has asserted that the data generated in the country is a national asset, and citizens and the government have a sovereign right over it.
- Apart from this, Big Data analytical skills need to be encouraged so that India's key policies, like industrial and foreign trade policies, can be better digitally informed. Also, in future, the country's national security will also need to rely heavily on the digital technologies and software developed within India using its own data.

It is a welcome move that India has realised the **importance of data** in the digital world. However, India has nothing to fear and lose by remaining out of these e-commerce negotiations, **as India has a comparative advantage of the large population, growing young population and strong IT skills that make India the data mine of the future.**

In this context, many emerging initiatives taken by the Government, to establish its ownership over India' data, must be implemented as soon as possible.

Drishti input

Data is the currency of the 21st century and India is poised to be future data mine of the world. In this context, India's reluctance to take part in global e-commerce negotiations is actually a good move. Comment.