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Mains Practice Questions

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Q. Why is India opposing global rules on E-commerce in the WTO negotiations? (250 words)

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Approach

- Give a brief introduction of E-commerce negotiation taking place in WTO.
- Elaborate on India's objections to E-commerce negotiations.
- Give a conclusion.

Introduction

- A group of 75 countries recently launched negotiations on the trade-related aspects of e-commerce at the WTO.
- India has opposed any such move to set e-commerce rules outside the ambit of WTO.

Body

India's argument against negotiations:

- **Plurilateral initiatives will strike at the roots of the multilateral system:** In e-commerce, multilateral work programme agreed by ministers exists, which will be undermined by the plurilateral initiative. India insists that the current multilateral programme on e-commerce under WTO should be taken to its logical conclusion.
- **For protecting policy space in emerging E-commerce:** Developing countries need policy space in areas such as ownership and use and flow of data in sunrise sectors like cloud computing and data storage. India argues that in order to understand the effects of e-commerce on competition and overall economy it needs to frame its E-commerce policy. Civil society organisations from different countries too have opposed the talks on the same grounds that it would constrain policy space for development.
- **Data localization:** India seeks to use India's data for its own development instead of allowing its value to be appropriated by others. In emerging economy data is said to be new oil and will define growth strategy in the near future. India seeks to ensure that the data pertaining to its citizens is stored within India, so as to prevent its abuse commercially or otherwise. Further, India seeks the ability to restrict cross-border data flows, and disclosure of proprietary source code.
- **Ability to impose taxes:** India seeks to protect the flexibility of imposing customs duty on electronic transmissions to protect domestic industry and leverage technology. This flexibility is important for creating jobs and wealth, by ensuring competition and a level playing field.

Conclusion

- E-Commerce is a defining feature of the new economy. Policymakers around the world face a scenario dominated by swift changes, socioeconomic transformations, and the urgent need for a new approach to regulatory design and implementation.
- Thus there is a need for wide deliberation involving industry, government and civil societies within the country.