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E-Commerce and E-Policy Issues and Strategy Perspective for India

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Today is the world of scientific developments, electronics and electrical. One of the major developments is the mode of commerce through electronic or electronic commerce. This research article discusses the key issues regarding the services that are connected to electronic commerce today. Hence, there are certain useful and essential key queries and issues pertaining to this area and of course for the purpose to initiate a debate on this. Thus, there are certain questions related to these issues now a day. In order to justify this, there are issues connected to the electronic commerce from the World Trade Organization (WTO) outlook towards the nations across the globe in general and India in particular. In fact, the electronic commerce or E-commerce has to be made further more effective and flawless for its smooth and successful process so that it could flourish with all its potentials to every nook and corner of the world. Thus, this paper discusses the issues of E-commerce and strategic standpoint for India.

Keyword: Development, Electronic, Commerce, Essential.**Introduction**

The economy of any country heavily depends upon globalization and digital economy as the new theory and so the global economy. These changes in the national markets cause changes in the global economy as well and they continue affecting various enterprises and the inhabitants worldwide. The E-commerce in the developing nations today has a great influence over international trade sector. According to studies, the industries handling import and export trade have developed over the past years. In fact, it will keep having its effective impact on the growing industries. The e-commerce services too will have significant impact on the service sector. The service sector flourishes with its fastest growing and zealous potential with digitalized transactions and services.

There is no need for the debate on the prospective of e-commerce today since it has shifted its stand from the world of hype and fantasy to the world of digital reality. The e-commerce plays a vital role in creating economic bonds between the countries and within the countries continuing in performing its effective and productive tasks being a major way for the policy consideration. The e-commerce has covered almost all facets of trade today. There are several factors behind the successful performance of e-commerce and the

most significant is the infrastructure consisting of both financial and physical (telecommunication network) patronage and of course the legal framework with the inclusion of a business vibe that is advantageous to e-commerce. It also relays on the feasibility of the hardware prices like computer, routers, switches and so on and similarly of the software and last but not the least, the human resources, the standard of education and the policies of the country.

Recommendations of World Trade Organization (WTO)

It is the need of the hour for the developing countries like India for the preparations of the multilateral agenda for the upcoming trade, specifically the new issues that were focused and discussed in the Second Ministerial Conference organized by the World Trade Organization WTO in May, 1988 appealing the General Council to formulate its recommendations. One of the major issues discussed is the e-commerce that is currently under the scrutiny and examination of the WTO. The e-commerce is not merely a new frontier and technology for the global trade but it is a progressive process still. Hence, the developing countries need to focus and understand the need of e-commerce and should assess it carefully from their own trading perceptions. Therefore, they need to scrutinize the pros and cons of various proposals and issues that have dragged the attention of the WTO in this regard. They are required to comprehend the potential influence of this recent phenomenon over their economy by working and charting out suitable measures and responses in this connection. Nevertheless, it is indeed a challenging thing to implement effective e-commerce strategies unlike the other agendas concerned before the World Trade Organization today, since this area is not just a new one but also contains certain implications that are still not clear. In fact, it is the need of the time to create certain policies and governing environment that paves effective way for the development of e-commerce with national harmonization to be adopted in various areas like trade, communication, competition, intellectual property, privacy and security.

Concept of e-Commerce

In order to help determine the scope and perspective of policy agenda, it is needed to understand the definition of e-commerce. It has been defined as the business through online or online business. Further, the OECD (Organization for Economic Cooperation and Development) has defined the term ‘e-Commerce’ as a new method for doing business and has qualified it as a business done over online with the non-proprietary protocols established through the process of open standard setting like the Internet.

Similarly, the World Trade Organization defines e-commerce as Electronic Commerce that comprises all sorts of commercial transactions through the medium of electronic or network, fundamentally based on Internet. The concept of e-Commerce consists of three chief transactions namely:

1. Business-to-Consumer or B2C
2. Business-to-Business or B2B and
3. Business-to-Government or B2G.

This research paper is based on the analysis of these types of trade and their transactions. Generally from the business perspective, the e-Commerce is not confined or limited to a specific product or commodity rather it includes the e-mail or other such online transactions or communications. A firm performs online transactions or communication to its customers or buyers in this regard be it pre-purchase information or after sale-services or support.

Major Practices of e-Commerce

Fundamentally, there are two major uses or practices of e-commerce. It is used to save the cost

of expenditures and time during the course of transactions. It is also very helpful and useful as a tool for marketing the commodities and in the development of business through increased sales especially through the best and effective customer services. The chief use of e-Commerce is that it paves way for the introduction of business a number of customers in a short span of time. For instance, the IT information Technology based businesses, software and maintenance services, call centres and more over the digital business and so on.

Thus, a wide range of the business development and marketing is possible through the e-Commerce. Apart from it, it plays vital role in providing space for the introduction of new business. There is though unpredictability of the long lasting future of e-Commerce yet it could be successfully sustained and managed through effective use of mobile phones, fax or other such resourceful media. If it is done, there are ample scopes of more and effective business transactions and the chain of goods supply be strengthened as digital and online businesses.

The concept of e-Commerce is not merely the amalgam of electronics and business alone. In fact, it is more resourceful and effective in many ways representing introductory ways to do business even without being bind to the changing of rules and code of conduct for businesses. The reason behind this is that e-Commerce is chiefly about technology rather than any business management or strategy. The concept of e-Commerce could be understood and its significance could be gauged while studying its transactional aspects. From the business outlook, e-Commerce provides exciting offers to its customers from the pre to post purchases, services, information of the products and more importantly the consumer satisfaction and support.

Outline of e-Commerce in India

What is e-Commerce before the Indian setting? The crystal clear concept of it could be more useful so as to focus the areas that need it and also to understand the issues pertaining to it from all dimensions. In fact, e-Commerce in India has an enhanced positive context. By its export in software professionals, India has its own rank among the countries in the world of Information Technology. This study thus aims to focus three areas that encompass India which are web enabled services (transcription services to call centres), Software exports (body shopping to e-Commerce services), e-business and e-trade (dot.coms, portals, services, old and new economy and global supply chains) etc.

Speaking of the first area, there is a prominent shift from the beginning chiefly the low-end software solutions to conclusive sectorial software projects for trades, and similarly e-Commerce software and its services for mainly the external sector. The second area is the web enabled services that is the outcome of proliferation of the worldwide internet on one hand and on the other hand is the 'death of distance' for industry and services in the west that lead firms to establish call centres of their own and other 'back-office' services in far off places. These services contain medical transcription, call-centres, insurance claim process, web services and finally a complete mass of emerging ample scopes in the regions that are digitally enabled for the business. Comparing to the previous areas it is the third and final area that has a hard-core e-business, e-trade services and e-projects. They include new websites of B2C and B2B with portals and the facilities of e-business that are being initiated by the domestic companies in India.

Strategy Formulation - A Framework

It is worthy to state that the framework of a classical policy needs to be set in order to formulate a national strategy for e-commerce. The framework for this purpose comprises of the following:

- To decide promoting e-Commerce (agenda setting that requires e-awareness).
- To decide filtration of issues along with defining the stakeholders in the process

- To define and forecast the goal
- To set objectives and priorities (what is required and how to know we will have it.)
- To analyze the options (open to alternatives rather than what is easy)
- To implement the policy and strategy
- To monitor and evaluate (through participatory and analytical way) and
- To continuously maintain, adjust and re-evaluate.

Here, it is required to differentiate between policy and strategy though both go hand in hand yet they are needed for an export strategy framework of e-Commerce. It helps to look forward for a focused approach of target oriented rather than ‘usual volume of promotion’ or ‘muddling through’ approach. Even in developing nations like India, there is the shortage of resources and time to aim at the broad band or the apparently inclusive policy so as to change or shift their entire economy to compete the new digital era. Hence, under such circumstances, the short term or medium term strategies play prominent role to acquire benefits of e-Commerce from (the trade and developmental benefits).

Towards the Indian Strategy

Whether or not, it is essential for India, to bring into practice an active and energetic role as a tool for domestic growth and governance or it should endorse and upsurge her export growth tying up with international business. It is also important for the country to make sure that the rewards of e-Commerce accumulate to the companies that are struggling to establish themselves after having been economically sidelined due to terrestrial, technological, financial and educational flaws. Similarly, the gap between the abundant current information and the ‘information poor’ should be bridged for the provision of a healthy foundation for the enhancement of e-Commerce to flourish as a national objective.

It is the need of the hour to form a policy and regulatory vibe that supports the growth and enhancement of e-Commerce and of course harmonizes the national approach in various fields like telecommunications, trade, intellectual property, competition, privacy and security. The key factor to this is internet network, telecommunication, supportive and proactive policies are mandatory to avail the rewards of this sort of emerging opportunity. Therefore, research is required for the countries like India to study and evaluate the global initiatives and their relative adapt ability and achievement.

Development Objectives

India as a developing nation that has certain challenges and responsibilities before her specifically in creating a conducive policy environment for the purpose to enable the enhancement and growth of e-Commerce in the country on one hand and on the other hand she has to ensure social objectives to provide access as well as benefit for those who are not in a position to avail or afford it. There are certain initiatives that are to be considered for promotion. These initiatives are Electronic governance, public internal terminals, and rural access at subsidized costs, e-awareness and so on. Apart from it, there should be transparency of regulatory approaches that should be independent of specific technologies and of course harmonized. They should also be open with competitive telecommunicative policies with a purpose to attract the required capital for the smooth progression of telecom and for the promotion of e-commerce.

E-Commerce and E-Trade

The estimated projection for the Information Technology shows the export of US\$ 50 billion, with 10 billion from the e-business. In fact, a major part of our success depends upon the IT areas

that are from the software programming directly. There is still expectation for the enhancement of Hard-core e-Commerce or e-Trade. The slow pick up of these things pose a threat to the existing business since much of the international trade is shrinking its circle from development. This slow pick up also transforms itself into digital transactions and commerce through internet.

An outline or over look is necessary even compulsory for the analysis of best and sound suited trade to be converted to B2B worldwide chains of goods supply in the future. This analysis would also pave way for the growth and development of our existing and current trade's basket by finding or foreseeing best commodities to be handled this issue at an ease.

Automation is essentially required for this sort of digital supply chains and of course with a high degree. The following are the factors that guarantee a great chance of adaptability and compliance. They are

- Urban based exporter location for easier access to computerization and the Internet
- The larger enterprises moving first as they alone have the surplus resources for digitization and introduction of ERP and EDI type automation,
- Where the Trading House interface is more as they could be the catalyst in the process or they carry out the transaction
- Where export is to fixed or restricted number of buyers in an industry that is switching to digital procedures and digital supply chains.

Applying this criterion to India's major export items may give an indication of those that may become e-enabled easier/quicker. Table 1.1, presents a matrix that attempts to flag the compatibility for e-commerce transactions of the top twelve product groups in India's export basket. These products need to be converted as e-compatible for e- trade.

From the above study it appears that nine out of the twelve groups of major products are between the medium and high possible compatibility to be included for the e-Commerce. It includes both the positive as well as negative aspects in it. On the positive side it shows the probability whereas on the negative side, it poses a threat for the current export basket of commodities. Unless we concentrate on e-Commerce and e-trade, we are at the risk of losing the market share being possessed by us today. It is a pathetic fact that both the data and ground situation have the shortcomings in terms of compilation and interest. It is the need of the hour for the Ministry of Commerce and Industry to address the issues pertaining to the trade and industry association in our country.

E-Commerce as a Non-Tariff Barrier

The e-Commerce today has become a non-tariff barrier for the developing nations like India. It has come as a flashing dimension in the commercial field today being helpful and resourceful in the maintenance of low and reasonable charges comparing to the trade without internet or electronics. The digital supply chains play vital part that go hand in hand for the effective growth of e-Commerce. A company without e-Commerce facility is more at risk than the firm that follows and adapts it. Besides there are a number of commodity suppliers that are paid their payment electronically and through net banking.

Towards a World Trade Organization Negotiating Position

The issues related to e-commerce and of course their consequences are dependent to the information technology and accessibility of the sources. If asked whether there is surety by the global environment on the equal right of entry and the correct utility of it? Astonishingly, the answer is negative. Even the far cry of the real situation is that the World Trade Organization and the agencies worldwide are not in a position to its provide surety and accessibility to all its members however a logical negotiating position does exist. It further opens space for the demand

and preferential treatment for the developing nations in any e-commerce bond. When getting is still a doubt but negotiating for it may be useful and resourceful.

There is still a tint of doubt that whether the e-commerce or e-trade is actually effective, resourceful and beneficial. Much more study is required to understand and analysis this issue deeper particularly from their outlook and consequences in the developing world today. Most of the e-commerce and the internet technical and economic developments in one hand and the negotiations and discussions at the World Trade Organization or ITU etc. in the other hand take place in the absence of a broader and more integrated work frame that takes account of the necessities and communication technologies that assist it.

Many of the developing countries in the world are striving to adopt a defensive standpoint. They are not zealous enough to have engaged in the process at the World Trade Organization that could pave way for the endeavors and commitment and therefore foreclose their options. The wider picture today is still unclear and the costs and benefits are still difficult for the determination and accessibility. It is mandatory for the policy makers to ask for the World Trade Organization's work programme on the e-Commerce and also to analyze the fiscal implications and revenue from the e-Commerce for the developing countries, the implications of intellectual property regimes, erosion of the accessibility of markets for e-commerce and the bearable expenditure on the technical accessibility of e-commerce.

There are certain barriers for the feasibility and access of this medium in developing countries. These obstacles need to be simultaneously discussed otherwise, the gap between the developing nations and the developed nations even the gap between poor and rich cannot be bridged and compromised. Hence, while focusing the promotion of e-commerce across the globe as a part of agenda for world trade, it is also necessary to bring under lime light certain issues pertaining to it like, the infrastructure issues, investment, feasibility and marginal cost of software and hardware, education, awareness, providing training and other such issues need to be redressed and addressed. This stance in this regard is mandatory for the country like India.

On the policy front, the Indian negotiators at the WTO may not be interested to include e-commerce as another issue of the multilateral trade system or agenda since they would not like to take on any more obligations as India may not have the resources to meet them. The flip side of this could be that there is a chance of (the Indian traders and exporters may)losing some possible access in the West or elsewhere. There is a query whether we have enough resources and data to solve this issue? The answer is currently not because the implications of the global e-commerce and still emerging themselves. Thus, it must the demand from India to the WTO that it should continue to examine this issue as a core part of their work programme globally.

Last but not the least, it is necessary for the Indian negotiators to recount that India is one of the leading nations in the field of information era. Do we need the WTO and any agreement on e-commerce that it may come up with? Not probably. Markets in the developed nations like India are accessing, and continue to effective and uninterrupted accessibility. They are already fair and liberally open. The history is evident that India has had led the oppositions irrespective of any issues or costs raised by the United States of America and other developed nations under the WTO. Probably, in this situation, the country would gain further more by not standing out as the opposing country either.

Conclusion

The theory of e-commerce is more about the business strategy and management than it is about the technology. The initiatives for a strategic approach to the digital economy demands dynamic approach rather than the static. It is important to see whether the e-commerce develops in a

favorable regulatory environment and it does of course go along with the national approaches. The developing countries like India need to focus the multilateral trade agenda in future so that it could include e-commerce for WTO negotiations regarding it. The nation should raise questions and appeal the WTO for the assistance of e-commerce and also to analyze and examine its worldwide suggestions more importantly from the perspectives of the developing countries. This process would include the revenue analysis and fiscal inferences of e-commerce there. It would also help their erosion of market accessibility and intellectual property regimes vis-à-vis electronic trade and enhancement of the economy and convenience of technology at the affordable and reasonable expenditures. India, being the developing country needs to equip herself for the preparation of strategies to access the production and supply chains at various levels during the course of its paradigm of e-commerce. The strategy of the formulation framework should be followed by the country to monitor any plan or scheme of this kind. It is the obligatory of India to turn herself as an e-commercial and e-compatible country for the purpose to protect and husband its current market share across the global trade. To achieve this goal, the Ministry of Commerce in the country should come forth to launch a work programme for the analysis, inferences, significance and moreover the need for e-commerce in the current era of trade in various production areas and groups that include for services and to work out strategies to facilitate wide range of convenience and expansion of trade and industry in India.

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