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Article: G20 safeguards digital economy vulnerabilities with financial sector focus

Author: Barry Carin

Carin's article raises crucial concerns pertaining to the regulation, protection and future growth of global e-commerce. Whilst technology grows rapidly, regulation has not kept pace leaving various vulnerabilities to which the globe will continue to face, if international agreements are not introduced and operationalized at all levels of the digital economy value chain. Although these challenges must be addressed, international agreements must also ensure suitable emphasis is directed to the challenges faced by low/middle income countries. In review of Carin's paper, I would like to share a few experiences and challenges faced in South Africa and other low/middle income countries.

Carin argues that the need for ecommerce safeguards is vital to promote inclusive growth. The argument made is that services such as online shopping are stifled, due to safety concerns. Whilst this is true and significant in developed countries, one must also consider that digital security may not be considered a leading priority in many low/middle income countries. A vast share of the G20 countries' population remain offline due to barriers such as infrastructure access, cost and a lack of skills. The International Telecommunication Union (ITU) (2016) notes that half the world's population is disconnected from the Internet, with over 75% without access across Africa. To promote a more inclusive digital economy, I would argue that a broader strategy is needed to target the challenges of low/middle income countries.

Carin's recommendations pertain to the need to support cross border cooperation, provide guidance to telecommunication regulators and implementing norms pertaining to cyber-attacks. From a South African perspective, it is of vital interest to ensure that the benefits of e-commerce accrue to the country from which a product/service is sourced. South Africa's E-commerce Green Paper of 2000 recognises this challenge as one of central importance. Thus the country requires the legal foundation for taxation, custom duties, intellectual property rights and data protection to be established amongst other concerns (South African Department of Communication, 2000). Similar concerns are raised by the UNCTAD Secretariat (2015), which noted the key legal concerns related to E-commerce are e-transaction laws, consumer protection, privacy and data protection, and cybercrime. Developing countries, particularly in Africa in 2014, have far less legislation in place when compared to the developed world with respect to ecommerce protections. Thus, we tend to find that challenges in the developing world are positioned at more elementary levels when compared to those faced by developed countries.

I share Carin's sentiment that the language of the recommendations adopted by international bodies could be made stronger and more specific, in order to hold member countries to making any possible verifiable commitment. Recommendations which stress 'cooperation' and 'trust' are generally universally accepted, but lack the necessary content to support significant policy changes amongst member nations. I further agree that the digital economy cannot be safeguarded by policies within a single country. The very nature of the digital economy, is one that cannot be described by borders, thus the need for international agreements. In the absence of international cooperation and agreement, countries may

choose to adopt the approach of China to suppress particular streams of information due to the inherent insecurities of the medium. Such an approach is not ideal.

Carin believes that international cooperation is essential for promoting affordable access for the global population. In this area, the author believes that developing trust between nations is needed to maintain and develop growth. However, in my opinion, the emphasis on developing trust amongst nations needs to be supported with a broader strategy which promotes greater inclusion amongst low/middle income countries. Such a strategy should promote business to business, business to consumer, consumer to consumer and government to business cooperation using e-commerce channels as discussed by UNCTAD (2015). As UNCTAD notes the barriers to growth include "inadequate ICT infrastructure and use, unreliable and costly power supply, limited use of credit cards, lack of purchasing power and underdeveloped financial systems."

I find Carin's recommendations pertaining to Internet Service Providers, Communication norms for diplomatic and technical channels and the indicators emanating from the Cyber Green Institute, highly relevant and leaves the reader wanting to know more about the specific needs to support these concerns. With regards to the recommendation to vaccinate the internet, I would suggest that Carin offers a framework which could be used as a guide for nations to follow. For example, it would be useful to note whether Carin's research is supportive of the Industrial Internet Consortium's Security Framework pertaining to the Internet of Things (2016). The framework was informed by participants from various sectors and details how security can be embedded into the architectural design of new products. Carin's opinions on possible limitations of such a framework may develop the conversation pertaining to further areas to be addressed

I disagree with the notion that digital priorities, as discussed in the OECD Report of January 2017, cannot be managed concurrent. The challenge faced by the G20 is to how to simultaneously address the challenges faced by both high and middle/low income countries. This challenge manifests in the order of prioritisation, expressed in research recommendations, derived from these countries' contexts. Low/middle income countries will need to support recommendations which promote security, regulation and management of the digital economy, even if such recommendations are not immediate priorities. Similarly, higher income countries should recognize and support recommendations which foster conditions for greater digital inclusion within low/middle income countries.

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